ASX
AUSTRALIAN STOCK EXCHANGE

MARKET RELEASE

24 November 2003

Northern Star Resources Limited

Northern Star Resources Limited has applied for admission to the official list of Australian Stock Exchange Limited and for quotation of its securities. It has been given a provisional ASX code. Provision of an ASX code and publication of the following information does not mean that the entity will be admitted or that its securities will be quoted.

Pam Ross
Manager Company Announcements Office

21/11/2003Newcomr

NORTHERN STAR RESOURCES LTD

ABN 43 092 832 892

P R O S P E C T U S

FOR THE ISSUE OF 25,000,000 SHARES AT 20 CENTS PER SHARE TO RAISE $5,000,000

Broker to the Issue DJ CARMICHAEL PTY LIMITED ACN 003 058 857

This Prospectus is an important document and should be read in its entirety.

If after reading this Prospectus you have any questions about the securities being offered for subscription under this Prospectus then you should consult your professional advisor.

AN INVESTMENT IN THE COMPANY'S SECURITIES SHOULD BE CONSIDERED SPECULATIVE.

Northern Star

has been formed

to explore for

and develop

economically

significant

ore deposits

in the

East Kimberley

region of

Western Australia

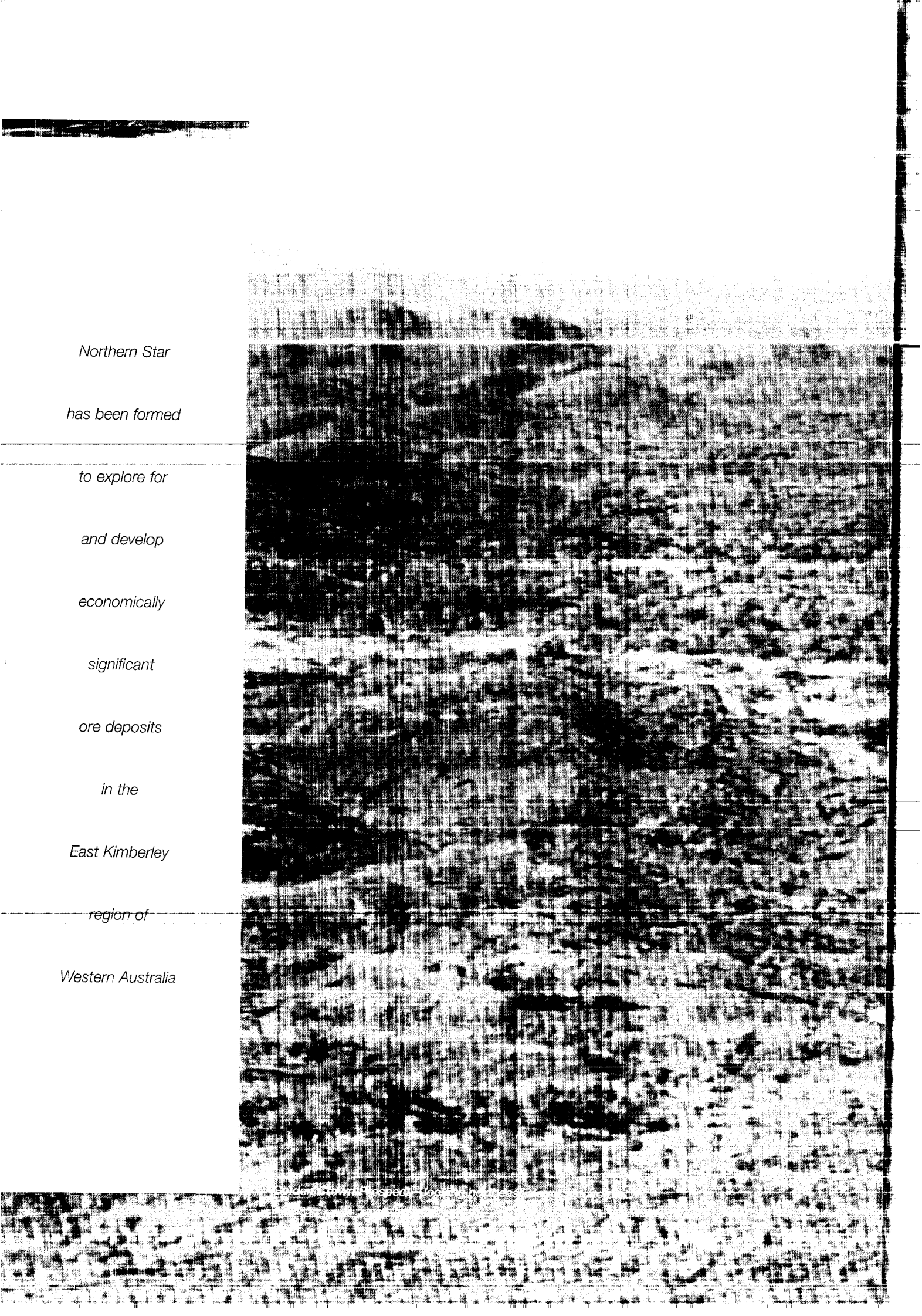


Table of Contents

Important Information

This Prospectus is dated 6 November 2003 and was lodged with the Australian Securities and Investment Commission (ASIC) on 6 November 2003. Neither ASIC nor Australian Stock Exchange Limited (ASX) take any responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company will apply for listing and quotation of the Shares offered by this Prospectus on the ASX within three days of the date of the issue of the Prospectus. Applicants may only apply for Shares on an Application Form attached to this Prospectus.

No person is authorized to give any information or to make any representation in connection with the Offer of Shares described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorized by Northern Star in connection with this Offer.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person, to whom, it would be unlawful to issue this Prospectus. It is the responsibility of any overseas applicants to ensure compliance with all laws of any country relevant to their applications. The return of a duly completed Application Form will be deemed to be a representation and warranty that there has been no breach of such laws.

The Prospectus will also be available in electronic form on the internet at . The Offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia. While the Prospectus is current the Company will provide to any person a copy of the Prospectus in printed form on request without charge.

The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or accompanies the complete and unaltered version of this Prospectus. Investors should read this Prospectus before completing the Application Form.

Before deciding to invest in the Company, potential investors should read the entire Prospectus, and in particular the technical information and the risk factors that could affect the future operations and activities of the Company. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding to invest in any securities which are the subject of this Prospectus. They should understand that exploration for minerals is both speculative and subject to a wide range of risks, and that unless the Company makes a commercial discovery, they may lose the entire value of their investment.

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

The issue is not underwritten. The Minimum Subscription of the issue is $3,000,000. No shares will be issued under this Prospectus until Minimum Subscription has been achieved. In the event that Minimum Subscription has not been achieved within three months after the date of issue of this Prospectus, Northern Star will refund all subscription money received.

Corporate Directory

BOARD OF DIRECTORS

Christopher KG Rowe
(Chairman, Non executive)

Charles S Wilkinson
(Managing Director)

D Ian Chalmers
(Non-executive)

Terrence W Ransted
(Non-executive)

COMPANY SECRETARY

Karen E V Brown

REGISTERED OFFICE

129 Edward Street
Perth, Western Australia 6000
Ph: (08) 9227 1186
Fax: (08) 9227 8178

PRINCIPAL OFFICE

96 Parry Street
Perth, Western Australia 6000
(PO Box 8178,
Perth Business Centre WA 6849)
Ph: (08) 9328 9292
Fax: (08) 9227 6011
E-mail: info@nsrltd.com
Web: www.nsrltd.com

AUDITORS

Rothsay Chartered Accountants
Level 1, 2 Barrack Street
Sydney, New South Wales 2000
(GPO Box 2759, Sydney NSW 2001)

SHARE REGISTRY

Advanced Share Registry Services
Level 7, 200 Adelaide Terrace
Perth, Western Australia 6000
(PO Box 6283, East Perth WA 6892)
Ph: (08) 9221 7288
Fax: (08) 9221 7869

INDEPENDENT CONSULTING GEOLOGIST

RSG Global Pty Ltd
1162 Hay Street
West Perth, Western Australia 6005

INDEPENDENT SOLICITORS

McAuliffe Williams & Partners
Level 1, Ashton Chambers
189 St Georges Terrace
Perth, Western Australia 6000

INDEPENDENT ACCOUNTANTS

Rothsay Consulting Services Pty Ltd
Level 1, 2 Barrack Street
Sydney, New South Wales 2000
(GPO Box 2759, Sydney NSW 2001)

BROKER TO THE ISSUE

DJ Carmichael Pty Limited
Level 11, Allendale Square
77 St Georges Terrace
Perth, Western Australia 6000
(PO Box Z5186 Perth WA 6831)
Ph: (08) 9263 5200
Fax: (08) 9263 5280

ADVISORS TO THE ISSUE

Carmichael Capital Markets Pty Limited
Level 11, Allendale Square
77 St Georges Terrace
Perth, Western Australia 6000
Ph: (08) 9263 5288
Fax: (08) 9263 5289

SOLICITOR TO THE ISSUE

Menzies and Partners
9th Floor, 356 Collins Street
Melbourne VIC 3000

Investment Highlights

- **Large focused strategic ground holding (2,600 km²) in the highly prospective East Kimberley Region of Western Australia.**

  Recent studies have highlighted the East Kimberley as being an under explored yet highly prospective province for a range of commodities including nickel, copper, cobalt, PGE and gold. Exploration has increased dramatically in the last few years resulting in new developments such as the Sally Malay Nickel Project.

- **Commanding position over mafic-ultramafic complexes that have the potential to host nickel-copper-cobalt ± PGE mineralisation.**

  The Company's longer term growth potential is in exploration and development of economically highly attractive nickel-copper-cobalt ± PGE ore bodies. Application of targeted and focused geochemical and geophysical surveys is designed to quickly establish drill targets.

- **Prospects over gold bearing structures in areas of favourable host rocks with drill ready targets.**

  Drilling by others has already identified high grade intercepts at depths of less than 100m which include 4m @ 64.2g/t Au, 7m @ 11.4g/t Au and 5m @ 23.0g/t Au. Drilling is planned to determine the continuity of this mineralisation.

- **Highly experienced Board with a proven record of success in discovering and developing mineral resources.**

  The management team have been instrumental in the discovery and development of a number of significant mineral resources, including the Nebo-Babel (Ni-Cu-PGE), Wyoming (gold), Argo (gold), Gabanintha (gold), and Dubbo and Brockman (rare metal) deposits.

  Members of the Board have had a long association with the East Kimberley and are enthusiastic about the mineral potential of the region.

- **Supported by Jubilee Mines NL which is a very successful nickel producer and explorer in Western Australia.**

  The Company has an alliance that will assist it to quickly develop any resources defined through the exploration programmes.

Chairman's Letter

Dear Investor

On behalf of the Directors of Northern Star Resources Ltd ("Northern Star"), I am pleased to present this Prospectus for the Company's initial public offering and invite you to become a shareholder in the Company.

Northern Star has been formed to explore for, and develop, economically significant ore deposits in the East Kimberley region of Western Australia. The region is highly prospective, yet under-explored, with potential for the discovery of significant deposits of nickel-copper, precious metals, base metals, diamonds and other commodities.

Northern Star has taken a commanding ground position over known mafic/mafic-ultramafic intrusive complexes with the potential to host nickel-copper-cobalt as disseminated or massive sulphide deposits. In addition the Company intends to explore for hydrothermal platinoid deposits. World class examples of these are the Canadian Voisey's Bay (32Mt @ 2.83% Ni, 1.68% Cu,) and the Lac des Iles (89Mt @ 1.8g/t PGE + Au) deposits. At Northern Star's Springvale prospect surface samples with anomalous nickel-copper-cobalt values are associated with a large structure along the southern margin of the intrusive complex and presents an immediate target for ground follow-up.

The Company also controls several advanced gold prospects with drill ready targets with the potential to provide early success. These include the Golden Crown tenement where intercepts such as 4m @ 64.2g/t Au, 7m @ 11.4g/t Au, 5m @ 23.0g/t Au have been reported by previous explorers.

Northern Star has an accomplished Board of Directors with extensive experience in the exploration, discovery and development of mineral deposits, and the successful management of publicly listed companies. The founding directors, Ian Chalmers and Terry Ransted, have had a long association with the Kimberley region dating back to the 1970's and retain their enthusiasm for its mineral potential. To assist in its exploration objectives the Company engaged Charles Wilkinson as Managing Director in 2002. Charles has valuable experience in gold and nickel, both in exploration and at an operational level. In his role as Exploration Manager Australian Region - Nickel he played an integral part in the discovery of the Nebo-Babel Ni-Cu-PGE mineralisation within WMC Resources Ltd's West Musgrave project.

The financial and technical strength of Northern Star has recently been enhanced by the addition of the Jubilee Mines N.L. group ("Jubilee") as a significant shareholder. Jubilee is a very successful nickel producer and brings a wealth of knowledge and potential ongoing support to assist the Company in achieving its objectives. A full summary of the agreement with Jubilee is contained in Section 9.5.1 of this Prospectus. In announcing their investment in the Company Jubilee said "We are pleased to support the launch of Northern Star Resources, which has been formed to explore for nickel and gold in one of the most prospective but least explored regions of Australia. This represents an investment with the potential to deliver significant returns to Jubilee and fits with our position as one of Australia's leading explorers."

In order to fund the proposed exploration programmes Northern Star is seeking to raise $5,000,000 by offering 25 million fully paid shares at an issue price of 20 cents per share.

Before you make your investment decision I ask you to read carefully this Prospectus in its entirety and seek professional advice if required.

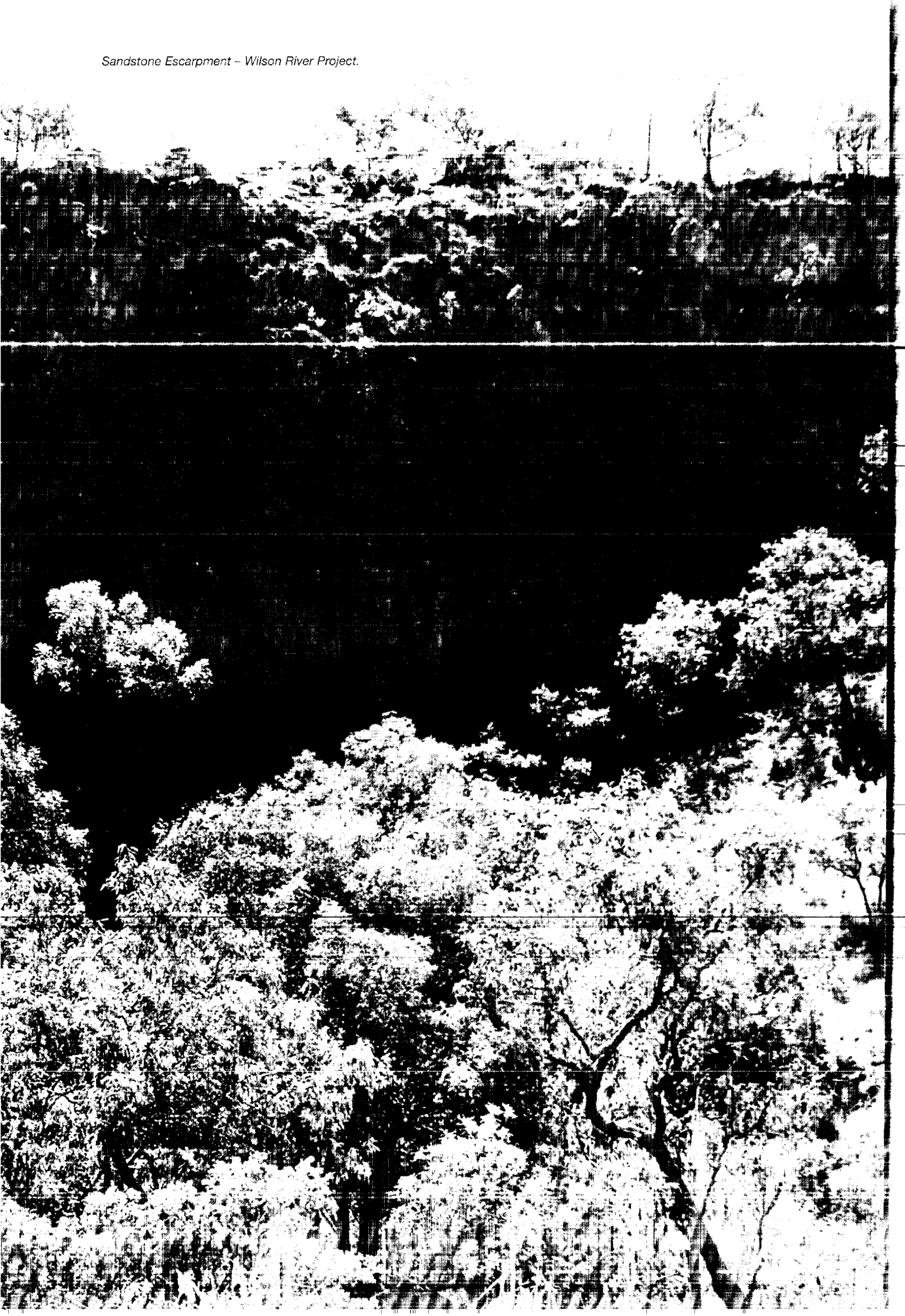
Once again, on behalf of the Directors, I invite you to subscribe for shares in the Company and look forward to your participation in the future success of Northern Star.

Yours faithfully

CHRISTOPHER ROWE

Chairman

Sandstone Escarpment – Wilson River Project.



1.1 THE OFFER

This Prospectus invites subscriptions for up to 25,000,000 ordinary Shares at an issue price of $0.20 per Share to raise up to $5,000,000. All shares issued pursuant to this Prospectus will rank equally in all respects with each other and the existing issued shares and each Share entitles the holder to one vote on a poll at the general meetings of the Company. The rights attaching to the shares are summarised in Section 9.6.

Before making a decision to invest or subscribe for Shares each Applicant should read this Prospectus in full having particular regard to the risk factors, consider his or her own investment parameters and needs, and as necessary, seek independent professional advice from appropriate advisors.

Application Monies are payable in full on application. The Directors have the right to accept or reject each application in whole or in part.

1.0

Details of the Offer

1.2 KEY DATES

The Issue will open on 13th November 2003 and will close at 5.00pm (WST) on 5th December 2003 ("Closing Date").

Holding statements should be dispatched on 10th December 2003 and Official Quotation on the ASX should occur on 12th December 2003.

The Directors, subject to the requirements of the Listing Rules and Corporations Act, reserve the right to:

- close the Issue early without prior warning; or
- vary any of the important dates set out in this Prospectus, including extending the period of the offer.

1.3 PURPOSE OF THE ISSUE AND USE OF FUNDS RAISED

The purpose of the Issue is to raise funds to:

- explore for significant nickel and PGE deposits;
- explore for gold deposits with the aim of generating an early cash flow;
- facilitate the acquisition of additional tenements and/or projects;
- meet administration and operating costs of the Company; and
- repay the loan (see Section 9.5.5).

The Directors are satisfied that on achieving Minimum Subscription, and from application of its existing funds, the Company will have sufficient working capital to meet its stated objectives for a period of 2 years including completion of the exploration programmes as set out in the table below. The Company will be able to meet its statutory minimum expenditure requirements for the tenements.

The following tables show the source and application of funds on the assumption that none of the existing options are exercised during the period:

Sources of Funds	Full Subscription($)	Minimum Subscription($)
Existing Funds	825,000	825,000
Proceeds of this Issue	5,000,000	3,000,000
Total Funds Available	5,825,000	3,825,000

Application of Funds	Full Subscription($)	Minimum Subscription($)
Exploration Programmes	3,107 000	2,050,000
Administration Costs	900.000	900,000
Costs of this Issue	450,000	350,000
Repayment of Loans	150,000	150,000
Uncommitted Working Capital	1,218,000	375,000
Total	5,825,000	3,825,000

1.4 CAPITAL STRUCTURE

On completion of the Issue and allotment of shares pursuant to this Prospectus and on the assumption the Issue is fully subscribed the Company's capital will be as follows:

Capital Structure	Shares	Options
Existing Securities	26,375,002	18,375,002
Shares to be issued under this Prospectus	25,000,000	NIL
Total Issued Capital	51,375,002	18,375,000

1.5 APPLICATION FOR SHARES

Application for Shares can only be made by completing an Application Form in accordance with the instructions thereon. Applications must be for not less than 10,000 Shares having an aggregate issue price of A$2,000 and thereafter applications for Shares must be in multiples of 1,000 Shares (A$200).

Application Forms must be completed as shown on the Application Form and forwarded with the Application Monies by hand to:

Northern Star Resources Ltd
C/- Advanced Share Registry Services
Level 7, 200 Adelaide Terrace
Perth, Western Australia 6000
Ph: (08) 9221 7288
Fax: (08) 9221 7869

or by mail to:

Northern Star Resources Ltd
C/- Advanced Share Registry Services
PO Box 6283
East Perth WA 6892

or

DJ Carmichael Pty Limited
PO Box Z5186
PERTH WA 6831
Ph: (08) 9263 5200
Fax: (08) 9263 5280

1.6 ALLOTMENT

Subject to the ASX granting approval for Northern Star to be admitted to the Official List, the Directors will proceed to allotment of the Shares as soon as possible after the Closing Date. The Directors reserve the right to reject any Application and/or to allot a lesser number of Shares than applied for. If the number of Shares allotted is less than the number applied for, the surplus Application Monies will be refunded to the Applicant within 7 days of the allotment date. Interest will not be paid on any refunded Application Money.

It is the responsibility of Applicants to determine their allocation of Shares prior to trading those shares. Any Applicants who sell shares before they receive their holding statements will do so at their own risk.

A completed and lodged Application Form, together with a cheque for the Application Money, constitutes a binding and irrevocable Application for the number of Shares specified in the Application Form or any lesser number allotted by the Company.

If the Application Form is not completed correctly, or the accompanying payment of the Application Money is for the wrong amount, it may still be treated as a valid Application. The Directors may complete any blanks or spaces left in any Application Form and the Applicant, by lodging the Application, appoints the Directors as its attorneys in this regard and authorises all such amendments. The Directors' decision whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than can be subscribed for by the amount of the cheque for the Application Monies.

1.7 MINIMUM SUBSCRIPTION

The Minimum Subscription for the Issue under this Prospectus is $3,000,000. No shares will be issued under this Prospectus until Minimum Subscription has been achieved. In the event that Minimum Subscription has not been achieved within three months after the date of issue of this Prospectus, Northern Star will refund all Application Monies received.

1.8 ASX LISTING

Northern Star will apply to the ASX within 7 business days of the date of this Prospectus for admission to the Official List and for Official Quotation of its securities on the ASX.

If the Company has not been admitted to the Official List within three months of the date of issue of this Prospectus, then Northern Star Resources Ltd will refund all Application Monies in full. Interest will not be paid on Application Monies refunded.

The Directors will not proceed to allotment of Shares unless and until the ASX grants permission for the Shares to be listed for Official Quotation. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication by the ASX of the merits of the Company or the Shares offered by this Prospectus.

The ASX takes no responsibility for the contents of this Prospectus, including any experts' reports contained therein.

Application Monies will be held in a separate bank account in trust for the Applicants until allotment occurs.

It is expected that trading of the Shares on the stock market conducted by the ASX will commence as soon as practicable after allotment of the Shares and dispatch of holding statements.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.9 UNDERWRITING

The Issue is not underwritten.

1.10 ARRANGEMENTS WITH BROKER TO THE ISSUE

DJ Carmichael and other stockbrokers or organisations who hold an Australian Financial Services Licence will be entitled to a placement fee of 4% of the amount subscribed for (and accepted by the Company) as consideration for procuring these subscriptions under this Offer.

1.11 APPLICATIONS OUTSIDE AUSTRALIA

This Prospectus does not, and is not intended to constitute an Offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer or issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Northern Star has not taken any action to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all approvals have been obtained. Applicants who are nominees or persons proposing to act as nominees should seek independent advice as to how they should proceed.

Northern Star will apply to participate in the Clearing House Electronic Sub-register System, known as CHESS. The ASX Settlement and Transfer Corporation Pty Ltd ("ASTC"), a wholly owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and Shares Clearing House Business Rules.

On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of shares.

The Company will not issue certificates to Shareholders. Shareholders who elect to hold shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement), which sets out the number of Shares allotted to the Shareholder under this Prospectus. For Shareholders who elect to hold their Shares on the CHESS sub-register, the Company will issue an advice that sets out the number of Shares allotted to the Shareholder under this Prospectus. At the end of the month of allotment, CHESS (acting on behalf of the Company) will provide shareholders with a holding statement that confirms the number of shares held.

The CHESS statement will set out the current number of Shares allotted to each holder under the Prospectus, give details of the Holder Identification Number and give the participating identification Number of the Sponsor. If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Shares allotted under the Prospectus and the Shareholders Reference Number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to holders at the end of the calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however, a charge may be made for additional statements.

As a condition of admitting the Company to the Official List, the ASX may classify certain existing shares held by the officers of the Company, seed capitalists and vendors as restricted securities.

Prior to Quotation, it will be necessary for these parties to enter into restriction agreements with the Company. The effect of the restriction agreements will mean that the restricted securities cannot be dealt with for a period as determined by the ASX.

4.14 EXPOSURE PERIOD

In accordance with the Act, the Company is unable to accept any application for, or issue any Shares until the expiry of the Exposure Period, which is a period of 7 days after lodgement of the Prospectus subject to ASIC's right to extend that period to up to 14 days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. Applications will not be accepted until the Exposure Period has expired.

This Prospectus may be viewed and downloaded online at the web site [illegible].

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on basis of a paper prospectus lodged with ASIC and the issue of Shares in response to an electronic application form subject to compliance with certain provisions.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at [illegible] and the Company will send to you, free of charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Application Form in a prospectus may only be distributed attached to a complete and unaltered copy of the prospectus. The Application Form included with this prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.

Quartz Veining – Range Prospect, Wilson River Project.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus or any relevant supplementary prospectus or replacement prospectus or any of these documents were incomplete or altered. In any such case the Application Moneys received will be dealt with in accordance with Section 722 of the Corporations Act.

While it is extremely unlikely that the electronic copy of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case and any Applicant with doubt concerning the validity or integrity of an electronic copy of the Prospectus (or any supplementary or replacement prospectus) should immediately request a paper copy of the Prospectus directly from the Company or the Broker to the Issue.

1.16 RIGHTS & LIABILITIES ATTACHING TO SHARES

The rights and liabilities attaching to Shares are detailed in Section 9.6.

1.17 SPECULATIVE NATURE OF OFFER AND PROJECTS

Applicants should have regard to the speculative nature of the tenements in which the Company has an interest and the risks discussed in Section 8.

1.18 TAX FILE NUMBERS

It is not necessary for applicants to quote their tax file number.

1.19 ENQUIRIES REGARDING THE OFFER

If Applicants have any queries about the Offer or how to apply for Shares, please contact the Company, your stockbroker, accountant, lawyer or other financial advisor.

Directors and Management

L–R: Ian Chalmers, Terry Ransted, Charles Wilkinson and Christopher Rowe.

The members of the Board are highly experienced with a proven record of success in discovering and developing mineral resources. The Board comprises:

MA (Cantab)

CHAIRMAN

Chris Rowe graduated in Economics and Law from Cambridge University. He practised as a solicitor in the United Kingdom and as a barrister and solicitor in Western Australia before becoming a full time consultant to the mining and oil and gas industry in 1979.

He has been chairman or deputy chairman of a number of publicly listed mining and oil and gas related companies in Australia, North America and New Zealand. These include Cultus Petroleum NL which participated in the Katnook gas discovery, the first South Australian commercial gas production from the Otway Basin; Southern Ventures NL which was involved in the discovery of and production from the Gabanintha Gold Mine at Meekatharra; International Oiltex Limited with oil and gas production discoveries in Alberta, Canada; UTS Energy Corporation which remains involved in a major feasibility study in Alberta for the production of oil from tar sands, and Aerodata Holdings Ltd which was a major service provider of airborne geophysics to the mining industry. He has been also the director of Aztec Resources Ltd and Horizon Oil NL.

Present board positions include Hawkesbridge Ltd (Executive Chairman) and Unilink Data Systems Pty Ltd (Chairman).

BSc Hons (Geology), MAusIMM, MGSA

MANAGING DIRECTOR

Charles is a geologist with 18 years experience within the resource sector, predominantly in exploration, in a range of commodities both in Australia and overseas. He was instrumental in leading the initial exploration in two recent significant discoveries, the Nebo-Babel Ni-Cu-PGE mineralisation at WMC Resources Ltd's ("WMC") West Musgrave project and the Argo gold deposit at Kambalda.

His initial work, with the Exploration Division of WMC, involved exploration for gold in Central Victoria and in the Drummond Basin. At Kambalda, Charles was involved in exploring for, and production from, komatiitic nickel sulphides and Archaean gold deposits in the Eastern Goldfields. His role with Hill 50 Gold Mine NL in Mt Magnet, as Geology Manager (Chief Geologist) was critical in leading a large team in evaluating the reserve/resource base and in targeting and prioritising exploration potential (both extensional and additional exploration).

Most recently Charles was Exploration Manager - Australia with the Exploration Division of WMC where he managed project based exploration for magmatic nickel sulphides, including komatiitic nickel, for lead-zinc and for gold in China. He has been the Deputy Chairman of the Western Australian Chamber of Minerals and Energy Exploration Council.

DAVID IAN CHALMERS

MSc, FAusIMM, FAIG, FIMMM, FSEG, MSGA, MGSA, FAICD

Ian is a geologist who has worked in the mining and exploration industry for over 30 years, during which time he has had experience in all facets of exploration, through feasibility and development, to the production phase. Ian commenced his career in the Eastern Goldfields with Kennecott Exploration (Australia) Pty Ltd and was responsible for the discovery of a nickel sulphide deposit near Leinster. Ian's extensive experience within the Kimberley included the discovery of lead-zinc-silver deposits on the Lennard Shelf and the discovery and subsequent major feasibility study of the Brockman rare metal deposit in the East Kimberley.

Senior positions held by Ian include Supervising Geologist, Western Australia of the Metals Division of Shell Australia Ltd, and Managing Director of West Coast Holdings Ltd. He was also instrumental in the formation and listing of Panorama Resources NL of which he was a director. Ian is Technical Director of Alkane Exploration Ltd ("Alkane") which developed the very successful Peak Hill Gold Mine in New South Wales. Under Ian's direction Alkane also maintained an exploration effort in New South Wales which has resulted in the Wyoming gold discoveries and the likely development of the world class Dubbo Zirconia Project.

Ian remains Technical Director of Alkane Exploration Ltd, Chief Executive Officer of Australian Zirconia Ltd and is a director of AuDAX Resources Ltd.

TERRENCE WILLIAM RANSTED

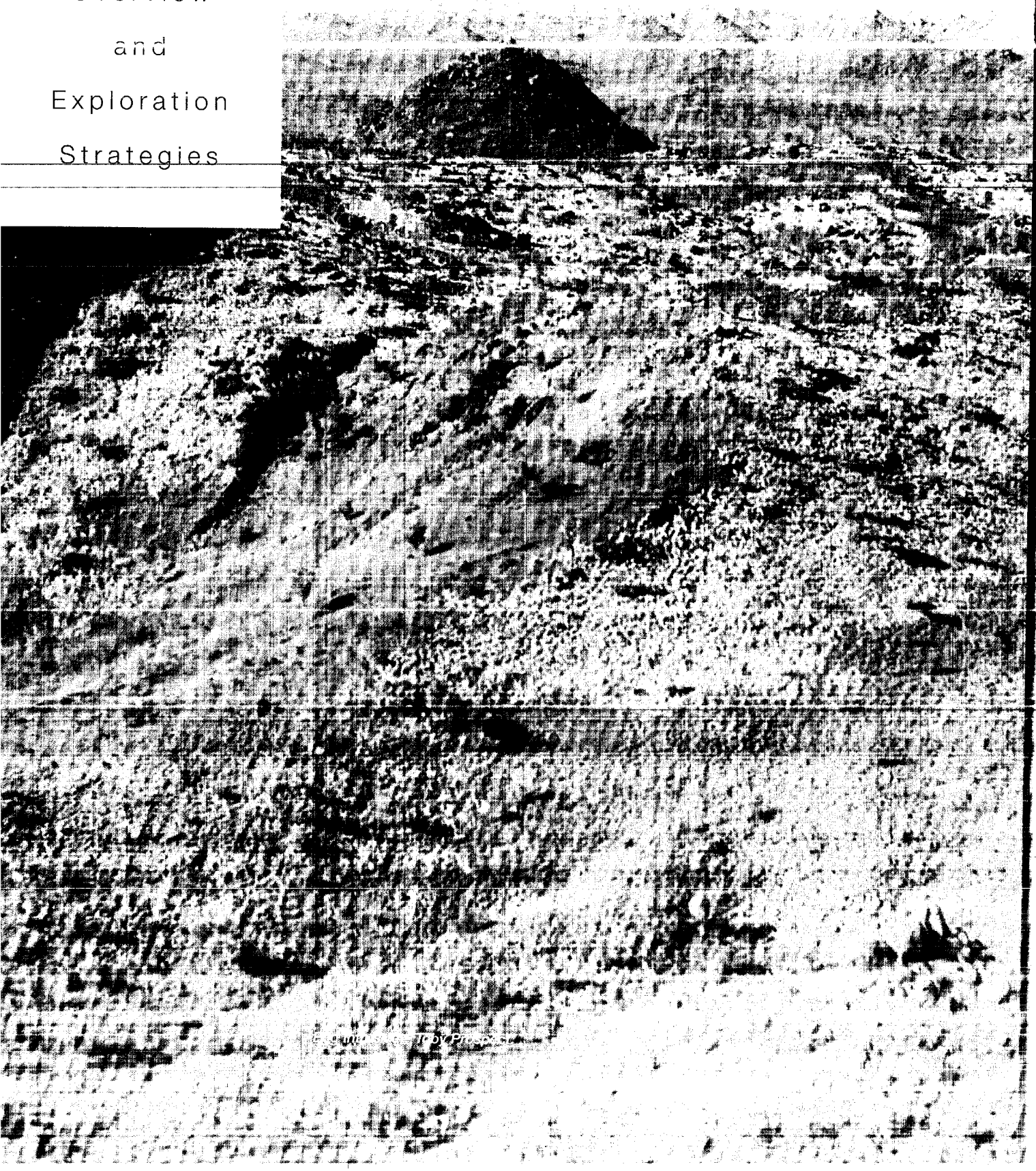
B(App)Sc, MAusIMM, MGSA

Terry is a geologist with over 25 years of experience and the proven ability to progress projects from conceptual planning and target generation, through feasibility to development and mining. Terry has been involved in many facets of exploration and evaluation for varying commodities in wide-ranging geological terrains. These include iron ore deposits within the Hamersley Province of Western Australia, Archaean gold deposits in the Eastern Goldfields and in Kenya, gold and base metal exploration within the East Kimberley, and Palaeozoic aged gold and base metal mineralisation within the Lachlan Fold Belt in New South Wales.

As Chief Geologist of West Coast Holdings Ltd during the 1980's, Terry supervised the geological aspects of the company's activities, including the underground and open cut gold mining operations in the Eastern Goldfields. He was also involved in the feasibility study into the Brockman rare metals deposit in the East Kimberley. In 1989 Terry, with Ian Chalmers, formed Multi Metal Consultants Pty Ltd which has operated as a geological consultancy since that time. Terry was also a founding director of Panorama Resources NL and managed many aspects of the exploration activities in the Kimberley region and in Kenya.

He currently is the Chief Geologist for Alkane Exploration Ltd and has played a major role in the exploration leading to the discovery of the Wyoming gold deposits in New South Wales.

Company Overview and Exploration Strategies



Northern Star Resources Ltd was formed in May 2000 to explore for and develop mineral resources in the largely under-explored Kimberley region of Western Australia. Founders of the Company have had a long association with the area and retain their enthusiasm for the mineral potential of the region.

The Company has a very experienced Board and management team which will enable it to undertake the exploration programmes in a highly efficient and technically competent manner. The addition of Jubilee Mines NL group (Jubilee) as a significant shareholder brings a wealth of knowledge and potential ongoing support to assist Northern Star in achieving its objectives.

Emull Gossan – Red Billabong Prospect.

Development of the region has been limited in the past by a perceived "remoteness", lack of infrastructure, and heavy monsoonal rains. This has repeatedly resulted in a lack of persistence by past explorers, with effort often limited to one field season. The previous sporadic commitment to exploration in the region is exemplified by the fact that, despite widespread occurrences of mineralisation, only in the last decade have deposits begun to be developed.

Acceleration of infrastructure development means the region no longer suffers from a restricted access field season, and committed and persistent exploration may result in further major resource discoveries. Operation of the very large open cut Argyle diamond mine, the open cut Palm Springs gold mine and the underground lead-zinc-silver mines at Cadjebut and Pillara has demonstrated that the region is capable of supporting major mines. The announcements by Sally Malay Mining Limited relating to the development of the Sally Malay nickel-copper deposit are testament to persistence and the upturn in commodity prices.

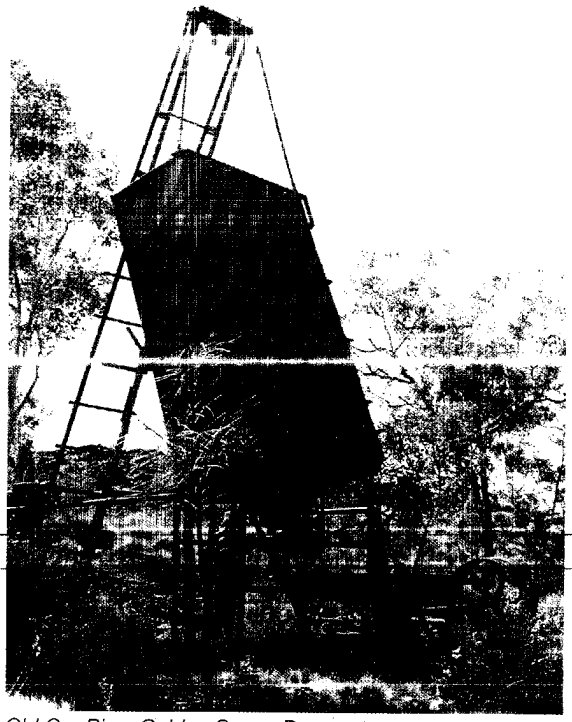
Recent exploration is revealing new and inadequately tested gold systems in the Kimberley region with Striker Resources NL reporting epithermal gold mineralisation to the north. In addition, continuing evidence is emerging that epithermal and/or porphyry gold systems were active historically in the Kimberley.

The ground position in the East Kimberley continues to be tightly held. The region is a focus for nickel-copper and platinum group elements ("PGE") mineralisation promoted by the enhanced understanding of the regional geology, by significant advances in the understanding of mineralisation models, in particular for nickel-copper-PGE mineralisation following the Voisey's Bay nickel-copper discovery in Canada, and by on-going improvements in exploration technology.

Recent government geological-technical studies and mapping in the district, in combination with the increased knowledge and understanding of the same styles of mineralisation globally, particularly nickel-copper-cobalt-PGE and hydrothermal PGE ± nickel-copper, support the region's potential. The government study of the East Kimberley area concluded that the layered mafic-ultramafic intrusions in the Halls Creek Orogen represent one of the most extensively mineralised igneous associations of their type in Australia. They stated they have a range of magmatic and hydrothermal deposits of various metals including PGE, nickel, copper, cobalt and gold. Intrusive characteristics indicate that they have significant potential to host magmatic nickel-copper-cobalt-PGE and hydrothermal PGE ± nickel-copper mineralisation.

It is the intention of the Company to concentrate exploration on prospects that have the potential to provide high value deposits to enable rapid future growth for the Company. By being focused in one geographical area, an efficient and economical use of funds can be achieved.

A patient and focused objective has allowed the Company, through its agreement with Biscay Resources Pty Ltd, to obtain a large strategic tenement position covering approximately 2,600 km^2 in the region. All the tenements are 100% beneficially owned by Northern Star subject to a 1% net smelter return to Biscay Resources Pty Ltd (the current holder of the tenements and controlled by founding members of Northern Star).



Old Ore Bin – Golden Crown Prospect.

It is the intention of Northern Star to focus on models of mineralisation likely to yield economically highly attractive ore bodies such as the massive sulphide nickel-copper-cobalt ± PGE, hydrothermal polymetallic PGE-gold, and structurally controlled epigenetic gold models.

Magmatic sulphide nickel-copper-cobalt ± PGE deposits, particularly those accumulated at the base of large mafic-ultramafic intrusions and associated feeder structures to the intrusives, have been known and explored for over many years. However, it was the discovery of the world class Canadian Voisey's Bay deposit (32Mt @ 2.8% Ni, 1.7% Cu, 0.1% Co) in 1994 that engendered a renewed interest in the model, and a rush of exploration throughout the world. The Voisey's Bay deposit is interpreted to have developed by accumulation of sulphides from large volumes of magma flowing through a feeder zone to a large nearby mafic intrusion. A local example is the smaller, soon to be producing Saliy Malay deposit. Numerous other surface nickel-copper occurrences are known throughout the region and are only now being subject to significant detailed testing. A major objective of Northern Star is to identify and explore such zones associated with existing intrusions as well as probable higher level intrusions now removed by erosion.

Structurally controlled hydrothermally-remobilised polymetallic deposits such as Lac des Iles in Ontario (89Mt @ 1.5g/t Pd, 0.2g/t Pt, 0.1g/t Au) are not as well understood, however they occur in breccia zones within mafic-intrusive complexes. The resultant large tonnage low grade sulphide deposits are commercially attractive. They have not been a focus of past prospecting in the East Kimberley, with the extent and variety of such deposits only becoming apparent in recent years.

The Company's prospects host many of the known mafic/mafic-ultramafic intrusive complexes in the Western and Central zone of the Halls Creek Orogen, as well as the inferred positions of intrusives under cover. The early application of geochemical and electrical geophysical surveys over areas of potential within these nickel/copper ± PGE prospects will quickly progress them. It is anticipated that these activities will define targets for drilling.

The majority of the gold prospects are within the gold enriched Eastern zone of the Halls Creek Orogen, covering the gold bearing structures in areas of favourable host lithologies. Recent studies indicate the similarities of the geological histories of the eastern Halls Creek Orogen to the Pine Creek Orogen and Tanami Province. Epigenetic structurally controlled hydrothermal deposits in fold hinges and dilation sites associated with shear zones occur in all three districts. In addition, within the Western zone of the Halls Creek Orogen, the Company's prospects cover gold mineralisation that has a demonstrable affinity to the newly emergent epithermal and related porphyry style of gold mineralisation in northern Western Australia.

The existing gold mineralisation within the key prospects remains inadequately tested and early drilling on these is planned given the results obtained by previous explorers at Golden Crown. Early application by the Company of structural mapping, geochemistry, geophysics and drilling has the potential to locate economic resources and additional targets.

The Kimberley Region is host to a number of diamondiferous kimberlite and lamproite intrusive dykes and diatremes. The most notable is the Argyle lamproite, which currently rates as the world's largest diamond producer. Important kimberlite occurrences are recorded in the Seppelt Range area in the north and the Aries pipe to the west. Secondary concentrations of diamonds in modern and palaeodrainage systems also constitute economic deposits (Bow River and Smoke Creek).

The Company considers additional exploration is warranted at a number of localities within the Wilson River Project however it is envisaged this would be through an alliance with a diamond exploration company.

4.0 Prospect Summaries

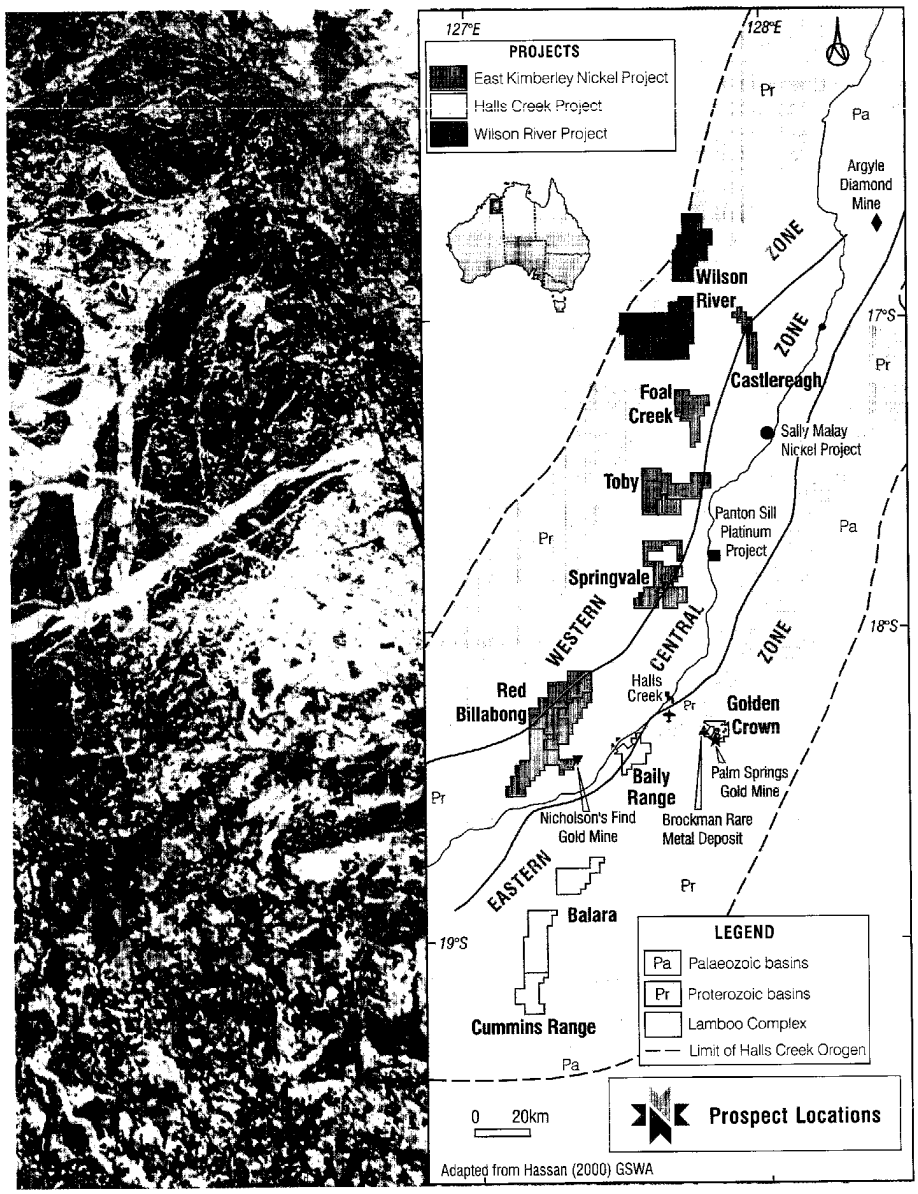
Northern Star's projects are summarised in this section. A full description of the geological setting and details of the projects are contained within the Independent Geologist's Report in Section 5 of this Prospectus.

The Company has developed three exploration projects, comprising landholdings of between 560m² and 1,360km², in the mineral rich Halls Creek Orogen of Western Australia.

THE EAST KIMBERLEY NICKEL PROJECT covers 1,360km² focussed on mafic intrusions throughout the central and western zones of the Halls Creek Orogen, which are considered prospective for nickel-copper-platinum and base metal mineralisation. The project comprises five tenement holdings; Springvale, Toby, Foal Creek, Red Billabong and Castlereagh.

THE HALLS CREEK PROJECT comprises tenements located east and southwest of the town of Halls Creek covering approximately 560km². The tenements are considered prospective for gold, tantalum and base metals. The project includes the Golden Crown, Baily Range, and Cummins Range tenement holdings.

THE WILSON RIVER PROJECT, situated west of the Argyle diamond mine, covers a total area of approximately 685km² and is prospective for diamonds, gold and base metals.

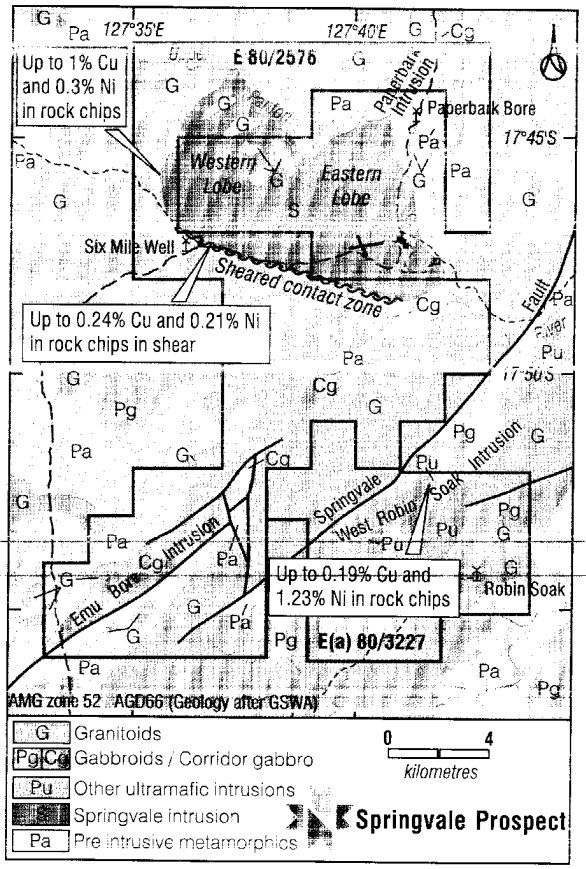


4.1 THE EAST KIMBERLEY NICKEL PROJECT

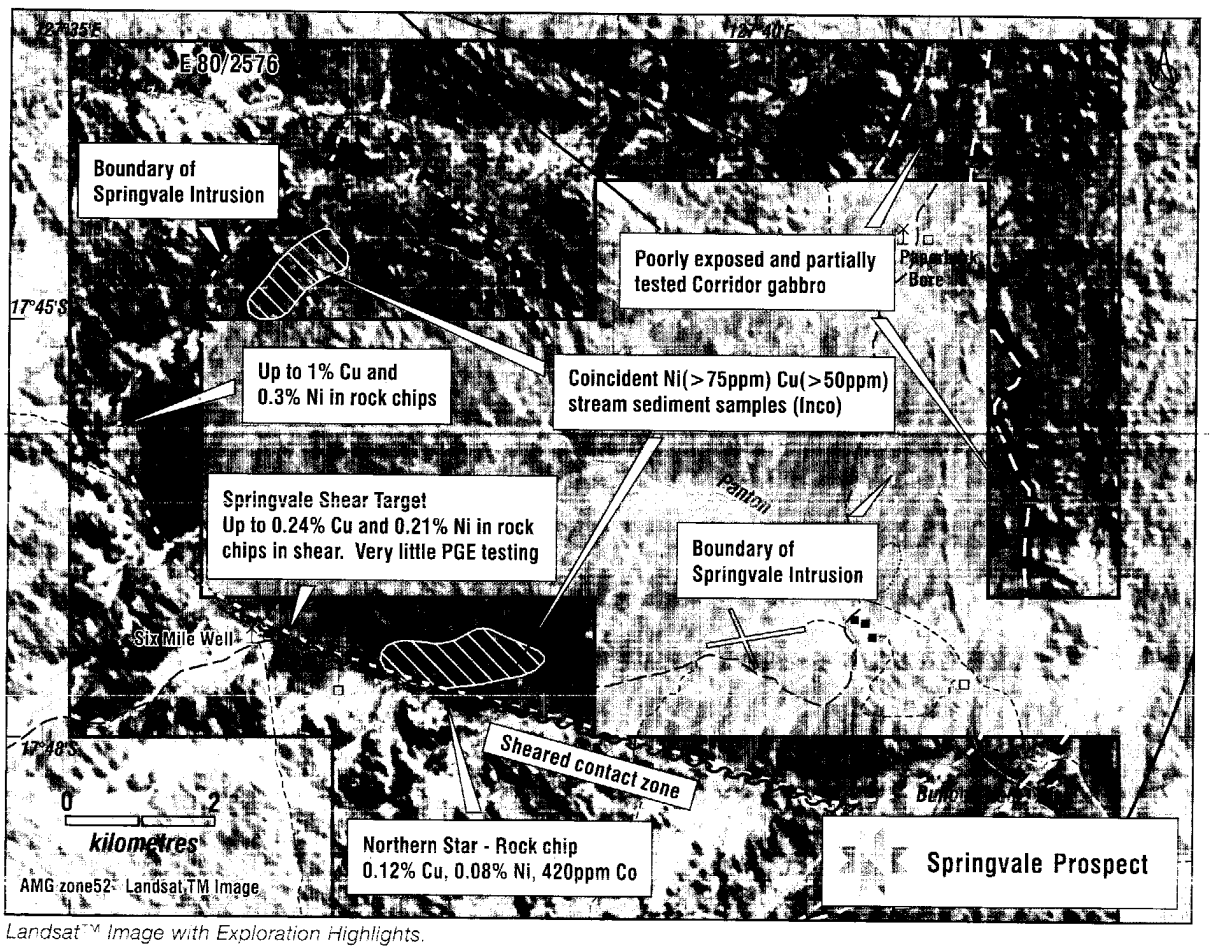
Northern Star prospects targeting nickel-copper-cobalt ± PGE mineralisation associated with known and inferred mafic/ultramafic intrusive complexes include:

Springvale: Springvale covers approximately 254km² and is located between 32km and 58km north of Halls Creek. Northern Star controls the majority of the contact of the Springvale layered mafic-ultramafic intrusive complex,which is 13km x 6km in extent and comprises a western lobe and a relatively poorly exposed eastern lobe. The western lobe consists of approximately 1200m of relatively massive olivine gabbro, forming the lower part of the stratigraphy, overlain by a cyclic sequence of gabbro, troctolite and anorthosite.

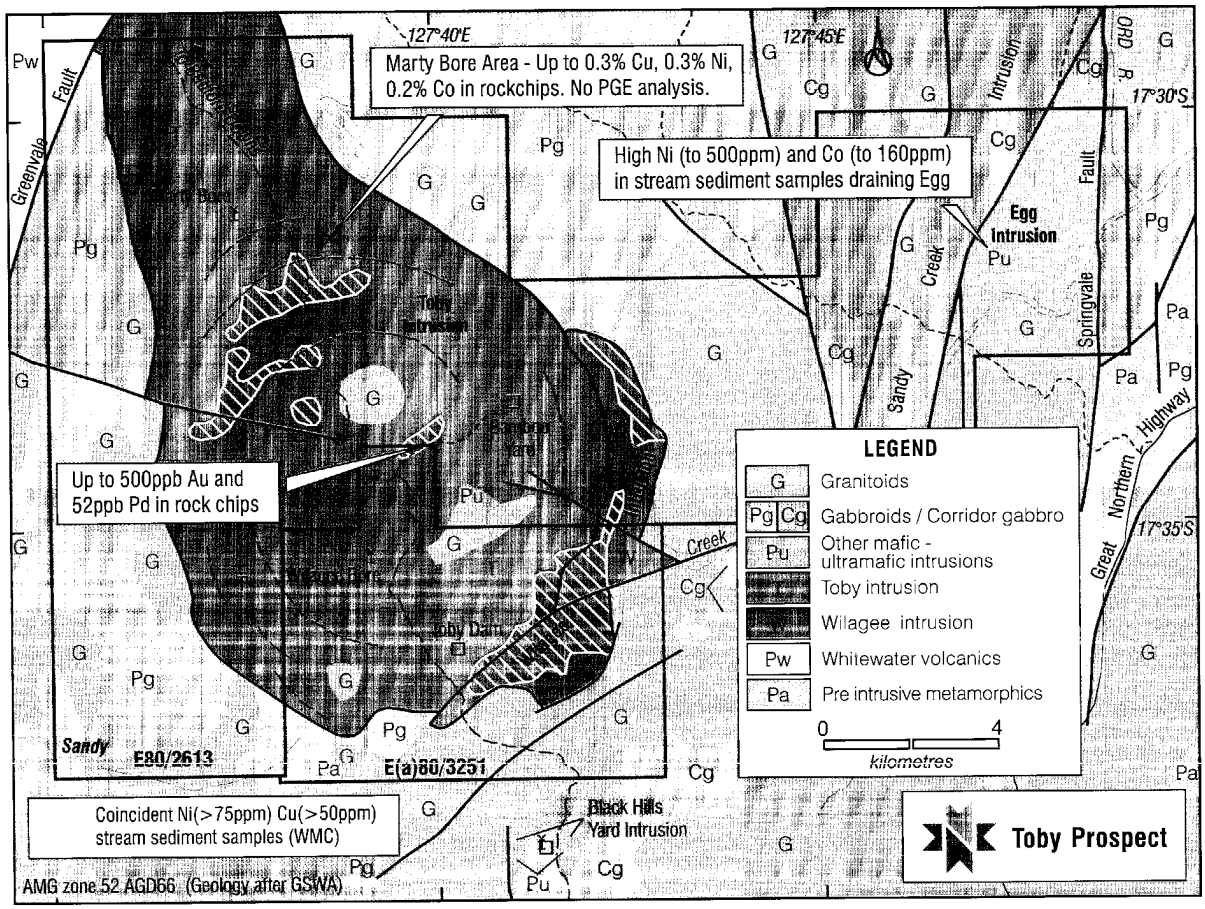
The southern basal contact of the Springvale intrusive is marked by a 100m wide poorly outcropping shear structure some 6km in length within which gossanous pods have been located, returning 0.21% Ni, 0.24% Cu and 0.035% Co in separate rock chip samples. No drill testing of this shear structure has been undertaken. Other anomalous values highlighted from previous work include those on the western margin of the intrusive, where rock



Prospect Geology.



Landsat™ Image with Exploration Highlights.



Geological Plan showing Anomalous Stream Sediment and Rock Chip Locations.

chips returning up to 0.3% Ni and 1.0% Cu were reported. The systematic testing of the southern shear zone with ground geophysics, together with geochemical surveys, is an early high priority for the company.

A sinuous band of Corridor gabbro extends along the eastern margin of the Springvale project area. This dyke-like mafic intrusion is up to 500m thick and largely obscured by alluvium. To the southwest, the intrusion is informally named Emu Bore intrusion and is up to 1km wide. The intrusives are targeted for nickel-copper-cobalt ± PGE style mineralisation.

Previous explorers reported that two zones of ultramafic/mafic intrusions covered by the tenements and situated to the southeast of Springvale in the area of West Robin Soak, host nickel-copper gossans and chromite bands and that ferruginous rocks in these intrusions contained 600ppb Au, 5ppb Pt, and 10ppb Pd. In addition, past exploration has also located rock chip samples from these intrusions within Northern Star's tenement containing up to 1.23% Ni and 0.19% Cu.

TOBY: The Toby prospect is located 75km north of Halls Creek and covers about 281km². The prospect encompasses almost all of the 20km x 12km Toby layered mafic complex. In general, it is poorly exposed, being largely covered by black soil, sand and gravel. It is the largest and one of the most fractionated 'layered' intrusives in the East Kimberley region. The prospect also contains all of the layered Wilagee intrusion and approximately 25km² of the Sandy Creek intrusion, part of the Corridor gabbro suite of intrusions. The small Egg mafic intrusion and a possibly related dyke-like intrusion lie in the north-east portion of the larger tenement.

The potential for hydrothermal and structurally controlled nickel-copper, PGE and gold-PGE mineralisation has been inadequately tested. The modern models of hydrothermal PGE mineralisation largely post-date the past exploration campaigns. Few samples have been analysed for gold, and surface surveys for PGE were targeted for strata bound PGE-sulphide and chromite mineralisation. Rock chips of quartz rich gossanous samples near Marty Bore, near the northern margin of the Toby intrusion, returned up to 0.3% Cu, 0.2% Co and 0.3% Ni in separate samples.

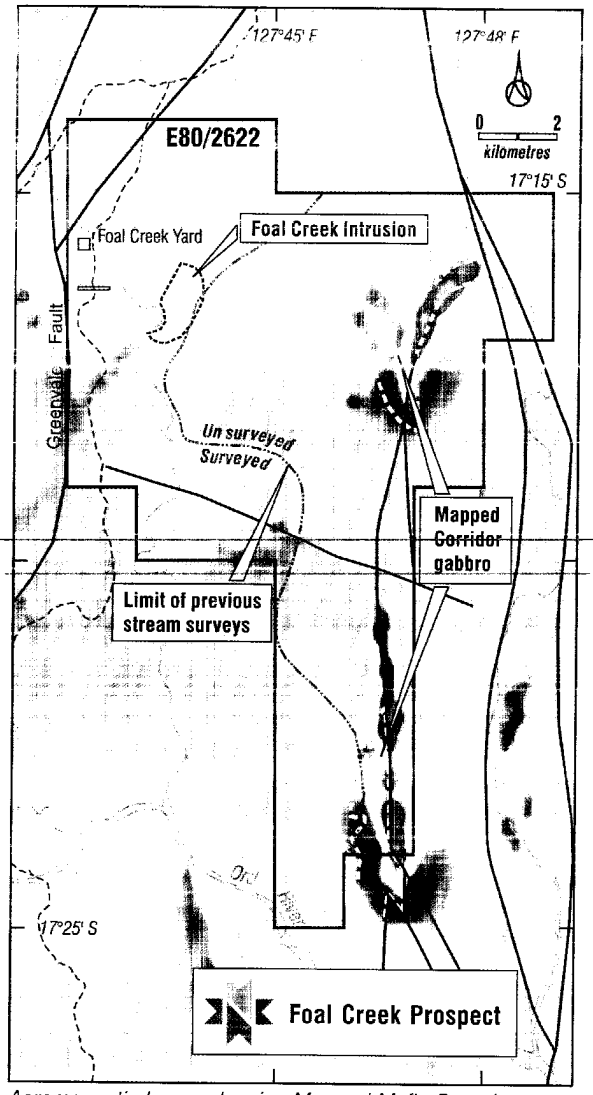
No analysis for gold or PGE was carried out. In addition, in the central part of the prospect anomalous PGE (32ppb Pt+Pd) and Au (0.5g/t) were reported previously from rock chips, some associated with carbonate bearing structures from within the complex. The Company proposes to systematically test these occurrences for potentially economic hydrothermal PGE ± nickel-copper mineralisation. The small, pipe-like intrusive (Egg), is a steep sided, 1000m x 700m, ovoid body of olivine gabbro and troctolite. The high nickel and cobalt abundances (no PGE or Au analysis) found previously by others in streams draining the Egg intrusive will be tested for low sulphide PGE hydrothermal mineralisation as a source of these anomalies.

RED BILLABONG: Red Billabong is located between 30km and 60km west and southwest of Halls Creek and covers approximately 610km². Most of the tenement area lies over the younger laterite and alluvium covered plains along the south-west flowing Margaret River. Because of the poor exposure of basement rocks, the Northern Star tenement area has attracted very little exploration effort in the past. A number of bodies of mafic-ultramafic rocks are mapped in the southern portion of the prospect, including the Lamboo ultramafics, the Emull gabbro, and the Eaglehawk Crossing gabbro.

The tenement holding includes the informally named Moola Bulla or Station Creek complex, comprising a partly covered and poorly outcropping intrusive where early exploration returned anomalous values of up to 0.6% Ni in drilling. Subsequent and more recent exploration has concentrated on the delineation of PGE mineralisation.

A substantial base metal (hydrothermal-skarn) deposit is located at Emull in the southeast of the prospect. The deposit has an Inferred Resource of 4.7Mt of 4.5% Zn, 0.2% Pb, 0.33% Cu and 19g/t Ag and has potential for extensions and higher grade zinc, lead, copper and gold mineralisation. The mineralised system has never been checked for PGE and is referred to as a target in the government study report highlighting the potential of PGE mineralisation in the region. In addition, the project is considered to have potential for the discovery of further significant base metal mineralisation akin to Emull.

Foal Creek is located some 135km north by road from Halls Creek, and covers the whole of the differentiated Foal Creek mafic intrusion (1km x 2.2km), the northern part of the Greenvale Fault gabbro intrusion, and



Aeromagnetic Image showing Mapped Mafic Complexes.

a long narrow north-south zone of major faulting with an underlying strong positive magnetic anomaly (5km x 2km). This anomaly and a further segment in the north-east corner of the tenement are almost certainly sourced in mafic rocks of the dyke-like Corridor gabbro. The Corridor gabbro is a probable conduit of mafic magma to former higher stratigraphic levels and a potential host to sulphide mineralisation.

The area has received little systematic surface exploration, with the only documented exploration mapping and sampling programme (only partly covering the tenement area) occurring in the late 1960's. The Company proposes to complete systematic mapping and geochemical sampling within the identified target areas, followed by ground geophysics where warranted, to identify drill targets.

CASTLEREAGH: The prospect covers a 15km north-northwest trending strongly magnetic linear corridor. No mafic/ultramafic rocks have been previously mapped in the tenement area however field investigation during 2003 established the presence of gabbroic rocks associated with the most intense portion of the magnetic anomaly. There is no known previous exploration for Ni-Cu-PGE over the area of the magnetic feature.

The recognition of this new gabbroic body provides the Company with an opportunity to explore a mafic intrusion that has not been subjected to any previous exploration.

4.2 THE HALLS CREEK PROJECT

Northern Star prospects in this Project are targeted for epigenetic gold and/or pegmatite-hosted tantalum-tin mineralisation and include:

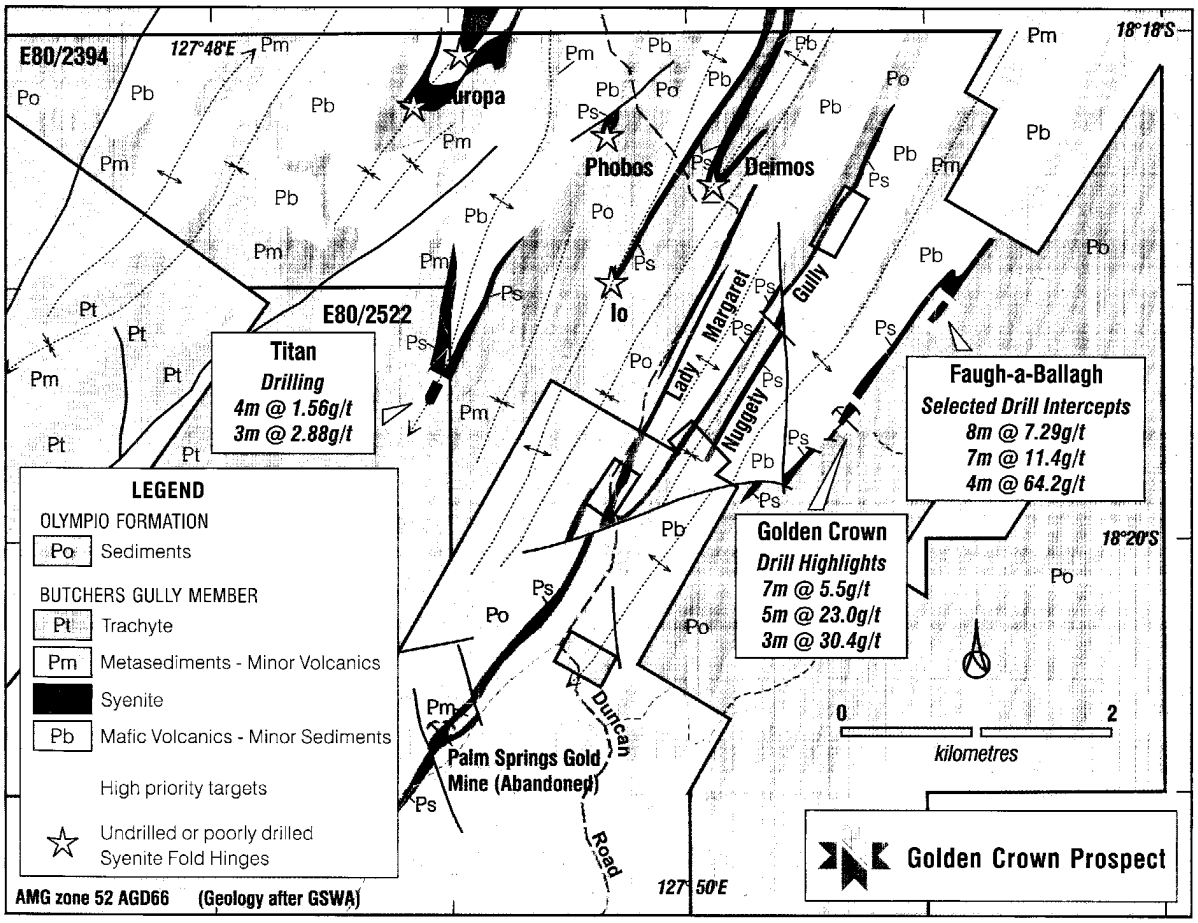
GOLDEN CROWN: Golden Crown covers approximately 40km² and is located 20km east of Halls Creek. Previous exploration has outlined numerous gold targets associated with structural zones within syenitic intrusives, stockworks within turbiditic sediments and shear hosted mineralisation.

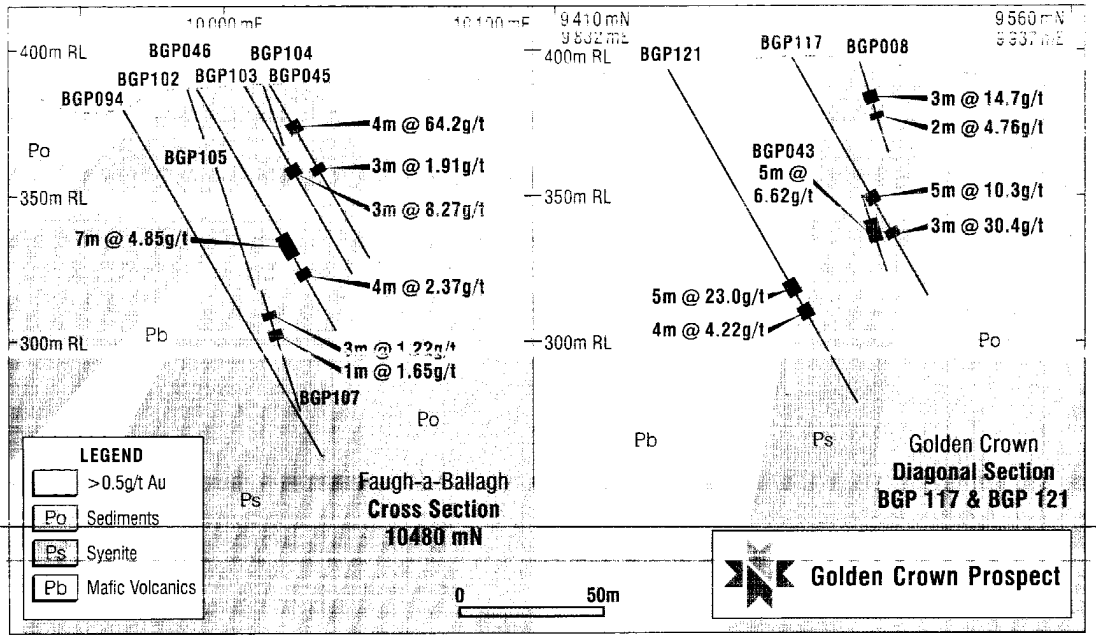
Drilling by others has defined a number of areas of mineralisation within the tenements, including Golden Crown and Faugh-a-Ballagh. These prospects are located within an equivalent stratigraphic and structural setting of the Palm Springs mine, located 3.5km to the southwest of Golden Crown, where production during the mid-1990's recovered approximately 70,000 ounces of gold. It is the aim of the Company to prove up a resource of this style.

At the Golden Crown workings many high grade gold intercepts were recorded within the intrusive syenite host including 4m @ 64.2g/t Au, 7m @ 11.4g/t Au and 5m @ 23.0g/t Au. Future drilling will be structurally targeted as much of the previous work was not at an optimal direction in relation to the vein orientation. Establishing the continuity of the high grade mineralisation is a priority for the Company and it is anticipated that drilling will commence in April 2004.

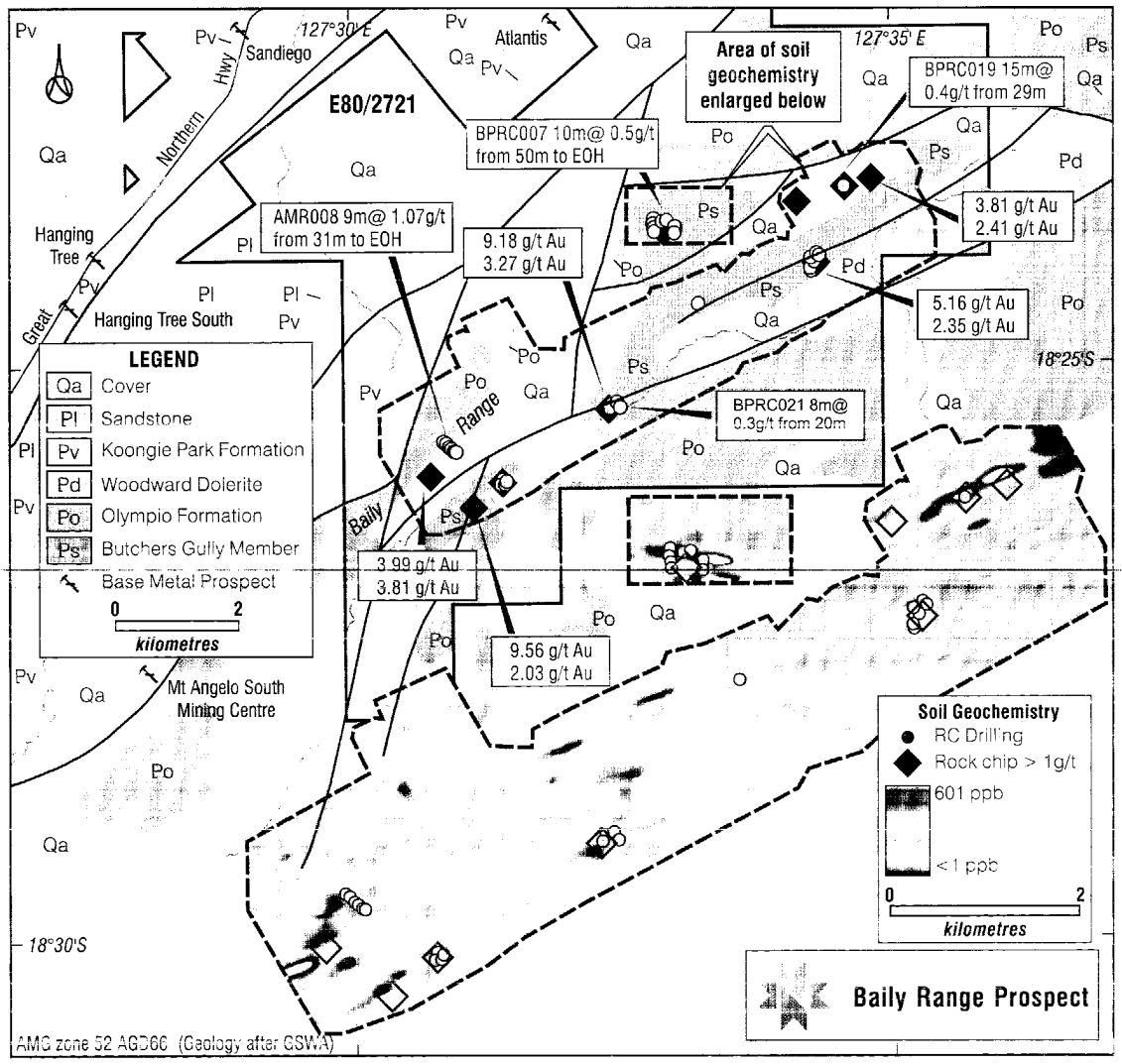
Elsewhere in the tenement area, a number of other prospective syenite bodies were mapped and sampled with variable follow up drilling. Further testing of these is planned.

Geology showing Drilling Targets and Previous Drilling Highlights.





Drill Hole Sections showing Drilling Intercepts.



Previous Exploration Summary showing Gold in Soil Geochemistry Image.

BAILY RANGE: The Baily Range Prospect covers an area of 93km² and is located 25km southwest of Halls Creek. This prospect covers a similar syenite suite as at Golden Crown. Previous work defined several large soil geochemical anomalies over a strike length of several kilometres, and rock chip samples of quartz stockwork zones from within the soil anomalies gave values up to 9.2g/t Au.

Drilling completed to date is sparse and appears to have been targeted on the basis of geochemical data with limited recognition of the local geological controls. The drilling also returned interesting zones of low-grade sediment hosted gold mineralisation, including 20m @ 0.5g/t Au corresponding to quartz veining, indicating that a substantial mineralising system occurs within the area. In addition, past exploration returned 9m @ 1g/t from a single RAB traverse over a previously untested 500m long +50ppb Au soil anomaly associated with quartz stockworks in greywacke and siltstones.

The Baily Range tenement covers the prospective Butchers Gully Member of the Olympio Formation in an area of structural complexity. The proposed exploration work by the Company will concentrate on defining resources by further testing around the existing drill intersections, resolving the existing geochemical anomalies, and testing covered areas close to prospective structures and litholigies for mineralisation.

CUMMINS RANGE: The Cummins Range tenement is located in an under explored and poorly exposed area in the southern district of the Hall Creek Orogen, approximately 120km south-southwest of Halls Creek, and covers an area of 113km². Follow-up of a magnetic/gravity target by CRA in the mid 1970's located quartz veined altered schists on the margins of a granite intrusive and very shallow (<30m), wide spread (150m spacing) geochemical drill holes returned values up to 0.6g/t Au and 420ppm Bi.

This metal association is characteristic of Tennant Creek and Tanami style mineralisation, with which the East Kimberley region has been compared in its tectonic development. The northern half of the tenement also covers the southern extent of the Balara tantalite field.

BALARA: The Balara Prospect covers a large area (318 km²) with several late stage granite intrusives and pegmatite sheets, some up to 60m width, containing tantalite-cassiterite mineralisation. Tungsten, base metals and gold associated with skarns and quartz veining have been previously located in the tenement area. At Romulus, a soil geochemical traverse was completed across a pegmatite which crops out over an area of approximately 200m x 200m. Numerous small pegmatites occur in an area of 400m x 400m. Tantalum values exceed 0.06% and though not a priority target for the Company, it would be relatively easy to drill test the concept of stacked horizontal pegmatite sheets. Deposit analogues include the large pegmatite tantalum-tin deposits such as at Greenbushes in the southwest of WA and at Wodgina in the Pilbara, collectively containing resources of more than 50 million pounds of Ta_2O_5.

4.3 WILSON RIVER PROJECT

This Project comprises two target commodity types: porphyry-epithermal gold-copper and kimberlite hosted diamond accumulations.

Epithermal Gold or polymetallic base metal mineralisation.

This target concept covers a large spectrum of deposits, which range from disseminated copper-mineralisation in or adjacent to the host intrusive through to high level epithermal style gold bearing quartz veins.

In the central and eastern part of this prospect, a number of multi-element, geochemical anomalies have been identified associated with veining and alteration of felsic volcanics and intrusives. Many of these have no prior documented evaluation. Several aeromagnetic and landsat imaging anomalies have been previously identified, and limited ground checking and drilling has located areas of hematite alteration and brecciation, stockworking and anomalous base metal values.

At the Range Prospect, limited sampling and field reconnaissance has identified a complex of quartz veins, exposed over an area of at least 2500m², displaying textures characteristic of epithermal gold mineralisation and containing up to 0.97g/t Au and 2.1g/t Ag. Other stream sediment anomalies of similar magnitude are yet to be visited.

Northern Star

The Northern Star tenements cover the diamondiferous kimberlite dyke discoveries at Maude Creek and Devil's Elbow. Follow-up work in the mid 1990's of detailed aeromagnetics, landsat imaging and stream gravel sampling identified a number of targets. Of particular interest, an independent review of the scanning electron microscope chemistry of chromite and garnet indicator minerals defined at least 16 new anomalies within a 40km x 7km corridor. The chemistry for the indicator minerals also suggested that their sources could be diamondiferous. One new pipe-like feature (Durack) was identified on landsat imagery/aerial photography. Ground investigation failed to locate a source however float samples collected from nearby have been described (petrographically) as kimberlitic vent breccia.

Future exploration based on existing diamond occurrences and diamond indicator anomalies where no systematic detailed follow up sampling has been undertaken is justified. The Company considers additional exploration is warranted at the Durack, Aronic Creek and Maude Creek occurrences as a priority.

4.4 EXPLORATION BUDGETS

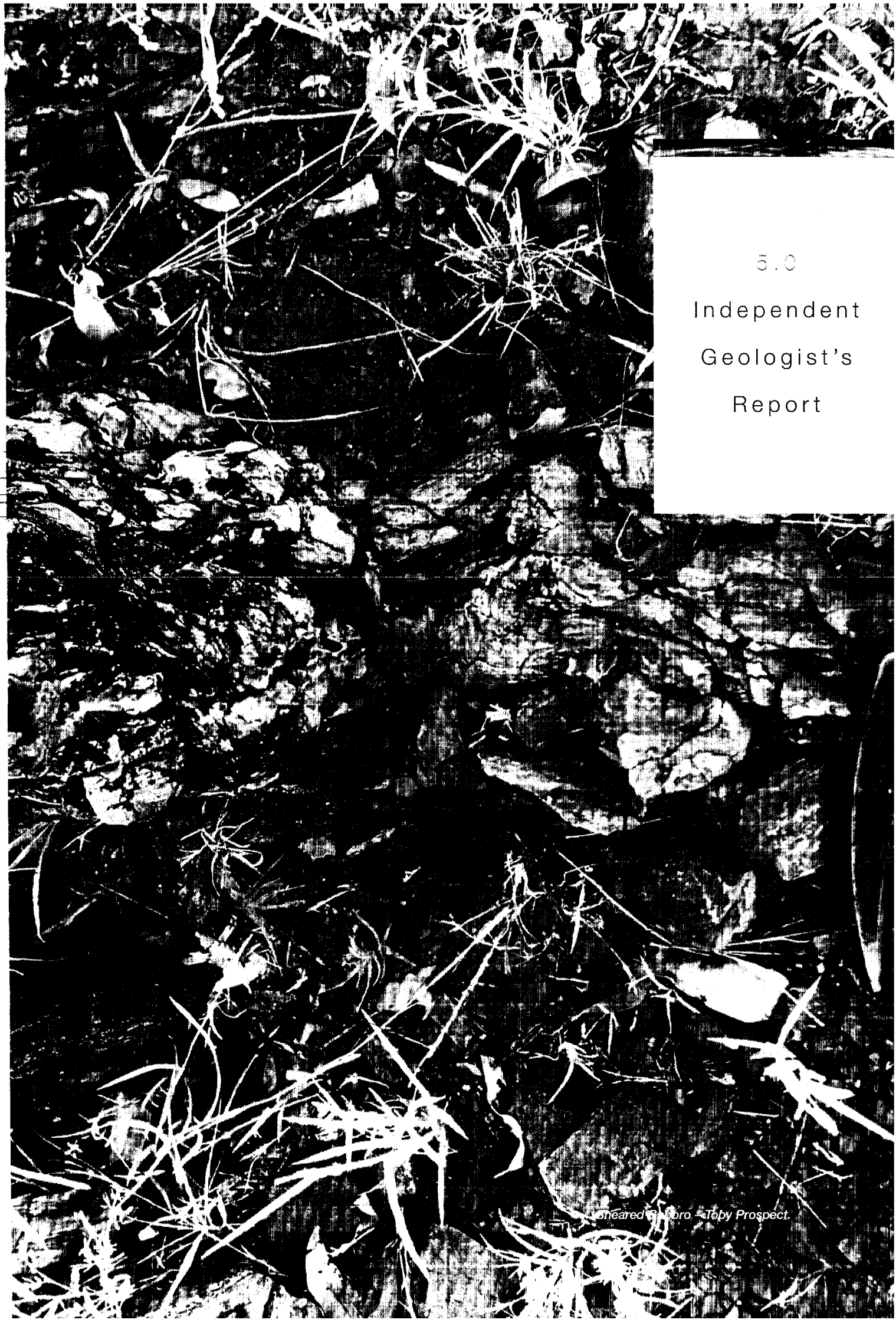
The Company proposes to carry out the exploration programmes detailed below. Additional information in relation to the individual prospects is set out in Section 5 in the Independent Consulting Geologist's Report.

It should be recognised that the budgets will be subject to modification on an ongoing basis depending on the results obtained from such exploration as carried out. This will involve an ongoing assessment of each of the prospects and may lead to increased or decreased levels of expenditure on certain of the prospects reflecting a change in emphasis. This is particularly true of the year two expenditures, which are dependent on the outcomes from the year one programmes. Subject to the above, the following is proposed:

East Kimberley Nickel	974,000	905,000	1,879,000
Halls Creek	434,000	392,000	826,000
Wilson River	203,000	199,000	402,000
TOTAL	1,611,000	1,496,000	3,107,000

5.0

Independent Geologist's Report



RSG GLOBAL
Integrated Mining Solutions

29 October 2003

Head Office:
1162 Hay Street
West Perth WA 6005

P O Box 1671
West Perth WA 6872

Telephone: +61 8 9324 8800
Facsimile: +61 8 9324 8877

Email: info.australia@rsgglobal.com
Web: http://www.rsgglobal.com

The Directors
Northern Star Resources Ltd
96 Parry Street
East Perth
Western Australia 6000

Dear Sirs,

RSG Global Pty Ltd ("RSG Global") has been commissioned by Northern Star Resources Ltd ("Northern Star") to provide an Independent Consulting Geologist's Report on mineral exploration properties located in the East Kimberley Region of Western Australia, in which Northern Star has, or is earning, an interest. This report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") on or about 5 November 2003, offering for subscription 25 million Shares at an issue price of 20¢ per Share (the "Prospectus"), to raise a total of $5 million (before costs associated with the issue). RSG Global understands that Northern Star will accept a minimum subscription of $3 million. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties.

RSG Global has not been requested to provide an Independent Valuation, nor have we been asked to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and we have therefore not offered any opinion on these matters.

RSG Global has based its review of the Northern Star projects on information provided by Northern Star, along with technical reports by Government agencies and previous tenements holders, and other relevant published and unpublished data. A site visit was undertaken to the each of the projects by Dr Christopher Stephens during the period 24 to 29 March 2003. A final draft of the report was also provided to Northern Star, along with a written request to identify any material errors or omissions prior to lodgement. Where appropriate, and in accordance with ASIC Practice Note 55 and Update 183, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

The Northern Star projects are understood to consist of 15 granted Exploration Licences and four applications for Exploration Licence covering an aggregate area of approximately 2,600 square kilometres. The legal status, including Native Title considerations associated with the tenure of the Northern Star properties, is the subject of a separate Solicitor's Report, which appears in Section 6 of this Prospectus. These matters have not been independently verified by RSG Global. The present status of tenements listed in this report is based on information provided by Northern Star, and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation.

The Independent Consulting Geologist's Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG), and the rules and guidelines issued by such bodies as the ASIC and Australian Stock Exchange (ASX), which pertain to Independent Expert Reports.

The mineral properties, in which Northern Star has or is earning an interest, are considered to be "Exploration Projects" which are inherently speculative in nature. RSG Global considers, nonetheless, that the projects have been acquired on the basis of sound technical merit. The properties are also considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential, consistent with the proposed programs.

Exploration and evaluation programs summarised in the report amount to a total expenditure of approximately $3.1 million, of which Northern Star plans to spend approximately $1.6 million in the first year of assessment. At least half the liquid assets held, or funds proposed to be raised by Northern Star, are understood to be committed to acquisition, exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). RSG Global also understands that Northern Star has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a). Northern Star has prepared staged exploration and evaluation programs, specific to the potential of the projects, which are consistent with the budget allocations. RSG Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a). The proposed exploration budget, in conjunction with committed expenditure from a farm-in partner, also exceeds the anticipated minimum annual statutory expenditure commitment on the various project tenements.

The Independent Consulting Geologist's Report has been prepared on information available up to and including 26 October 2003. RSG Global has provided consent for the inclusion of the Independent Consulting Geologist's Report in Section 5 of the Prospectus, and to the inclusion of statements made by RSG Global in Section 9 of the Prospectus, in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with the ASIC.

RSG Global is an exploration, mining and resource consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1987. This report has been compiled by Dr Christopher Stephens, who is a professional geologist with 25 years experience in the exploration and evaluation of mineral properties within Australasia and various countries around the world. Dr Stephens is RSG Global's Manager Geology, and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and the Australian Institute of Geoscientists (AIG). Dr Stephens has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code.

Neither RSG Global, nor the authors of this report, have or have previously had, any material interest in Northern Star or the mineral properties in which Northern Star has an interest. Our relationship with Northern Star is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Yours faithfully

RSG Global Pty Ltd

Christopher Stephens

Dr Christopher Stephens

Manager Geology

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

Northern Star Resources Ltd (Northern Star) has developed three exploration projects, comprising landholdings of between 563 square kilometres and 1,356 square kilometres, in the mineral rich Halls Creek Orogen of Western Australia (Figure 1). Northern Star intends to focus on exploration for high value magmatic nickel-copper-platinum group element (PGE) sulphide mineralisation and on the shorter term development of its gold projects. The Halls Creek Orogen has been the focus of significant exploration for mafic-hosted magmatic nickel-copper-PGE sulphide mineralisation since the mid-1990's, during which time the Sally Malay nickel-copper deposit and the Panton chrome-PGE deposit have been advanced to development and feasibility status, respectively. Northern Star's tenement holding is distributed to cover a significant number of intrusions that have not been systematically explored during this period. Northern Star has focussed its project acquisition to take advantage of the strategic and operational efficiencies associated with operating solely within the Halls Creek Orogen.

The East Kimberley Nickel Project covers 1,356 square kilometres and is focussed on mafic intrusions throughout the central and western zones of the Halls Creek Orogen. Previous exploration within these intrusions is generally limited to PGE exploration during the late 1980's and early 1990's. A comprehensive program of regional geological assessment by Government agencies during the mid-1990's provided a framework for on-going exploration. Whilst the government program covered a relatively broad area surrounding the major minerals occurrences, it did not cover all of the East Kimberley mafic intrusions and exploration has been slow to extend the findings outside the original survey area. More recently, wide-spaced airborne electromagnetic surveying was completed by a number of major nickel explorers, generally in joint venture with tenement holders, however the specifications of the surveys are best suited to test for the presence very large massive sulphide deposits. Most intrusions have only received significant exploration for nickel and copper during the 1970's, with detailed exploration since the late 1990's restricted to relatively few exploration areas.

Northern Star has assembled a comprehensive tenement holding over identified mafic intrusions, including Springvale, Toby, Foal Creek, Egg and West Robin Soak, and over areas considered prospective as feeder dyke rocks to the larger intrusions. The latter have not been systematically explored, although significant nickel-copper occurrences are known within the suite, including at Billymac Yard, east of Toby, and southeast of Springvale. In developing its projects, Northern Star has identified a number of specific and conceptual targets for exploration.

At Springvale, rock chip and soil samples collected from the 6km-long, sheared southern margin of the intrusion were shown to be anomalous in nickel during previous exploration. At Toby, gossan sampling at Marty Bore detected up to 3280ppm Cu, 140ppm Zn, 1850ppm Co and 2900ppm Ni in separate samples, and a roof pendant of marble was identified as containing up to 0.5g/t Au, 52ppb Pd, 1700ppm Cr and 1600ppm Ni. Anomalous PGE values up to 92ppb platinum and 240ppb palladium in diamond drillholes within the Wilagee layered intrusion, at Toby, have not received further exploration. At Egg, stream sediment samples collected from the margin of this small intrusion are anomalous in cobalt and nickel.

At each of these prospects, no significant exploration utilising geophysical techniques or drilling was completed, almost certainly not pursued because of the absence of a traditional model for nickel-copper or PGE exploration. Modern exploration strategies recognise the importance of local complexity in the formation of massive nickel sulphide mineralisation and the widely varying morphology of both massive and disseminated styles of mineralisation. Importantly, the ability of geophysical techniques to penetrate to greater depth means that blind massive sulphide targets, which may be recognisable only as subtle geochemical expressions, can now be detected. Relatively recent airborne geophysical surveys have wide survey parameters that may not adequately test for massive sulphide mineralisation with dimensions significant to a junior explorer such as Northern Star.

Northern Star has utilised regional magnetic data extensively in its area selection, and made a strategic decision to focus on areas that may be potential feeders to the more recognised layered intrusions. The importance of the dynamic magmatic flow environment in feeder zones is now widely recognised as a critical factor in promoting high tenor in nickel-copper sulphide mineralisation. In targeting on this basis, Northern Star has detected a number of phases for exploration. At Red Billabong, Foal Creek and Castlereagh, magnetic anomalies representing probable mafic intrusions within igneous complexes have not been recognised in

previous mapping. These potential feeder zone intrusions are considered to provide a significant exploration opportunity that has not received any modern exploration.

The Halls Creek Project comprises tenements located east and south of the town of Halls Creek covering approximately 563 square kilometres. Northern Star is understood to be focussed primarily on the potential for gold mineralisation in areas surrounding the Golden Crown workings and at Baily Range. Golden Crown is located along strike from the abandoned Palm Springs mine, where production during the mid-1990's is reported as approximately 70,000 ounces of gold. At Palm Springs, mineralisation was hosted by a quartz stockwork within the hinge of an anticline, and preferentially within a favourable stratigraphic horizon of syenitic composition. The Golden Crown deposit is located within an equivalent stratigraphic and structural setting. Historic production was from quartz veins containing high grade, nuggety gold and forming an en echelon arrangement within the syenite. Mineralisation is known to extend over 2 kilometres of strike. Importantly, the controls on the distribution of zones of intense stockwork veining, which may have greater potential for hosting mineralisation of economic grade, is not known. Northern Star intends to carry out systematic evaluation of the Golden Crown prospect on the basis that much of the drilling was not optimally oriented and that issues associated with the geostatistical sampling of gold have not been addressed.

At Baily Range, previous exploration targeting gold-in-soil anomalies intersected anomalous, sediment hosted quartz vein mineralisation in limited drilling on the most intense anomalies. The project lies in a favourable structural setting, adjacent to a major regional fault that is one of a regional system of gold mineralised structures, and includes the same syenite horizon as occurs at Golden Crown and Palm Springs. Previous exploration included geological mapping and geochemical sampling, but did not utilise detailed interpretation of magnetic data to evaluate the structural setting of the project area, as is routinely carried out in other geological provinces hosting similar styles of mineralisation. Northern Star has an opportunity to realise the gold potential of the project area via the application of systematic exploration techniques appropriate to the style of mineralisation.

The Balara group of tenements of the Halls Creek Project is prospective for a range of specialty metals, including tin, tungsten and niobium, associated with favourable host rock units occurring in association with a regional suite of granitoids, the Sans Sou suite. The prospects have received significant surface prospecting, but have not been systematically explored with drilling. Whilst not the principal focus of Northern Star, the prospects cover a significant proportion of the region's mineral occurrences of this type and provide an opportunity for Northern Star to rapidly respond to changes in the demand for these commodities.

The Wilson River Project covers approximately 685 square kilometres and is prospective for gold and diamonds. Previous exploration throughout the region, predominantly via stream sediment sampling, detected a number of anomalous gold and copper prospects. The gold prospects are typically associated with quartz vein occurrences that display textures consistent with epithermal gold deposits, such as those within the Drummond Basin of central Queensland. Despite the occurrence of sporadic anomalous gold values in rock chip sampling at several prospects, none have received systematic detailed exploration or drilling. The potential rewards for persistence in exploration for this style of mineralisation is exemplified by the discovery of the Vera Nancy deposit in the Drummond Basin, which was discovered more than 10 years after initial discoveries within the region.

Northern Star also intends to evaluate the diamond potential of the Wilson River Project. The project hosts the diamondiferous Maude Creek kimberlite occurrence and unexplained indicator mineral occurrences that have not been subject to detailed follow-up exploration. Whilst not the primary focus of Northern Star, the presence of the world class Argyle diamond mine and of numerous advanced diamond prospects within the northern Kimberley region suggests that the on-going development of an exploration strategy for the project area is warranted.

Northern Star proposes a range of exploration strategies consistent with the relevant geological and geophysical models and the relative maturity of the projects. Programs range from grass roots exploration aimed at developing anomalies and confirming concepts, through to detailed assessment of geophysical and geochemical targets. The Northern Star projects are considered to be exploration areas and are of a speculative nature. Northern Star has provided two-year exploration programs and budgets that are consistent with the exploration potential of the projects. The proposed expenditure is adequate to meet the cost of the anticipated programs and is consistent with the statutory expenditure requirements on the project tenements in each case.

1 INTRODUCTION

1.1 LOCATION AND ACCESS

Northern Star Resources Ltd (Northern Star) intends to explore three projects, located within the East Kimberley region of Western Australia, prospective for nickel-copper-platinum group element (PGE) mineralisation, gold, diamonds and base metals (Figure 1). The projects cover an aggregate area of approximately 2,600km². Northern Star intends to implement a strategy focussing on developing its long life, high value nickel-copper-PGE projects whilst pursuing shorter term gold projects as a source of early cash flow, and seeking opportunities to evaluate the diamond potential of its projects.

All of Northern Star's projects are situated within 150km of the Great Northern Highway and are accessible via maintained gravel roads and intermittently maintained station tracks. The regional population centres of Kununurra and Halls Creek provide essential business, shire and government services and are supported by daily commercial air services. The port of Wyndham, located 60km west of Kununurra, provides deep water shipping access and bulk loading facilities.

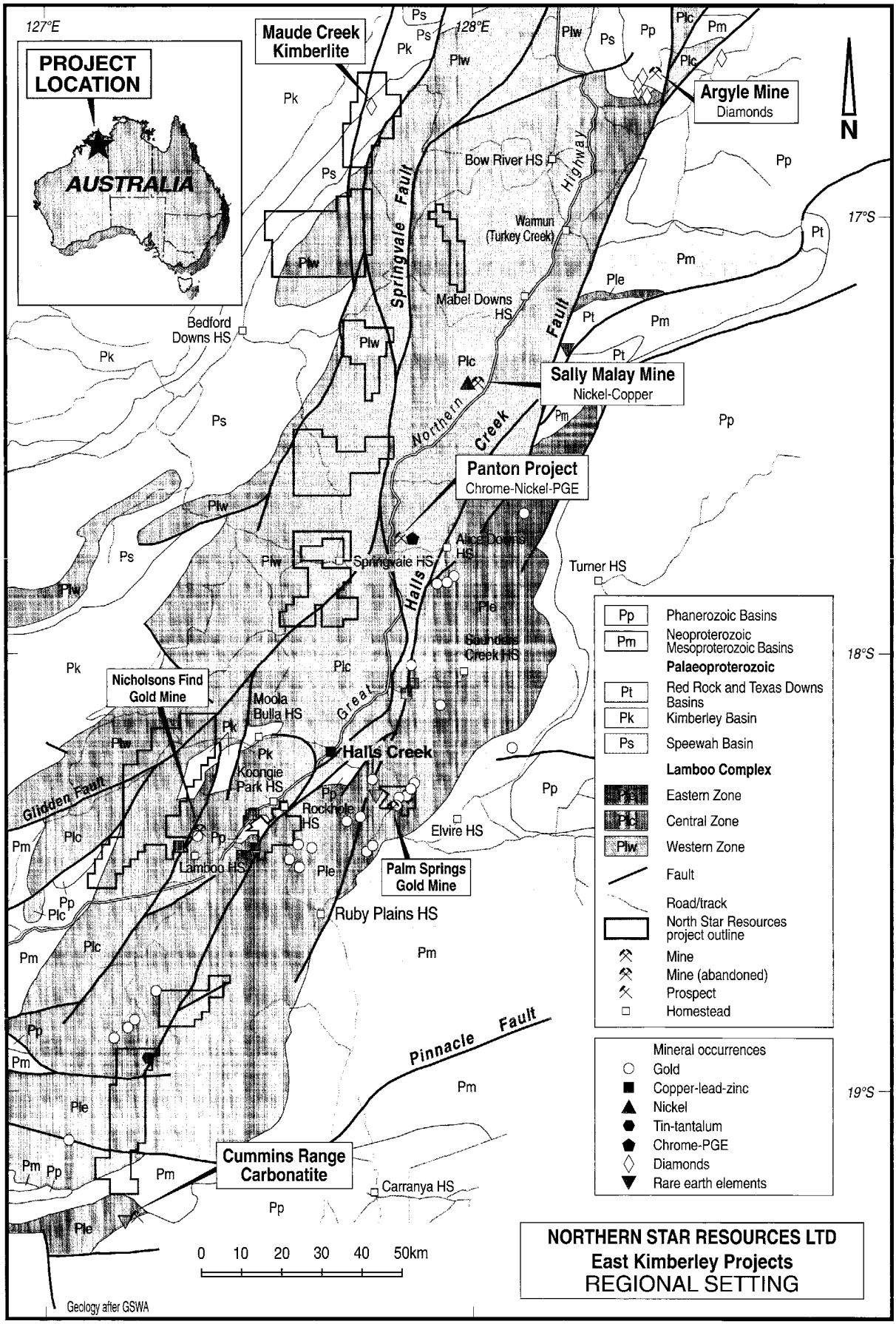
The Kimberley region is subject to a tropical semi-arid climate regime, characterised by distinct wet and dry seasons and year-round hot temperatures. Rainfall averages between 350mm and 400mm per year, largely due to the activity of heavy thunderstorms or tropical depressions between November and April. Field activities are generally restricted to the dry season, as vehicular access may not be possible due to extensive flooding during the wet season.

The topography varies considerably across the project areas, ranging between poorly exposed, flat to gently undulating plains through to well-exposed, steep rocky hills and ridges dissected by ephemeral watercourses. The region is characterised by open savannah woodland with a range of Spinifex or imported grasses.

The region relies heavily on tourism, aquaculture and mining for income, although the principal land use is for beef cattle production.

1.2 TENURE

Northern Star's projects comprise 15 granted exploration licences and four applications for exploration licence (Table 1), which are all held in the name of Biscay Resources Pty Ltd (Biscay). Northern Star acquired a 100% interest in the tenements from Biscay for the consideration of 5 million options in Northern Star and for Biscay retaining a 1% net smelter royalty on all production from the tenements.



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 1

EAST KIMBERLEY PROJECTS – TENEMENT SCHEDULE

E80/2394[2]	15/07/2002	14/07/2007	31	Biscay Resources Pty Ltd	100%	20,000
E80/2425[2]	20/04/2002	19/04/2007	226	Biscay Resources Pty Ltd	100%	62,100
E80/2426[2]	22/04/2002	21/04/2007	229	Biscay Resources Pty Ltd	100%	63,000
E80/2427[2]	22/04/2002	21/04/2007	229	Biscay Resources Pty Ltd	100%	63,000
E80/2522[2]	16/07/2002	15/07/2007	9	Biscay Resources Pty Ltd	100%	20,000
E80/2525[2]	18/06/2002	17/06/2007	126	Biscay Resources Pty Ltd	100%	35,100
E80/2526[2]	18/06/2002	17/06/2007	191	Biscay Resources Pty Ltd	100%	53,100
E80/2576[2]	18/06/2002	17/06/2007	189	Biscay Resources Pty Ltd	100%	52,200
E80/2611[1]	08/04/2003	07/04/2008	230	Biscay Resources Pty Ltd	100%	63,000
E80/2612[1]	08/04/2003	07/04/2008	226	Biscay Resources Pty Ltd	100%	63,000
E80/2613[1]	08/04/2003	07/04/2008	228	Biscay Resources Pty Ltd	100%	63,000
E80/2622[1]	09/05/2002	08/05/2007	137	Biscay Resources Pty Ltd	100%	37,800
E80/2623[1]	08/04/2003	07/04/2008	72	Biscay Resources Pty Ltd	100%	20,000
E80/2636[2]	08/04/2003	07/04/2008	113	Biscay Resources Pty Ltd	100%	31,500
E80/3056[1]	18/09/2003	17/09/2008	78	Biscay Resources Pty Ltd	100%	21,600
E80/2721[2]	(15/03/2001)		93	Biscay Resources Pty Ltd	100%	(29,700)
E80/3227[1]	(23/05/2003)		65	Biscay Resources Pty Ltd	100%	(20,000)
E80/3234[1]	(09/06/2003)		78	Biscay Resources Pty Ltd	100%	(21,600)
E80/3251[1]	(11/08/2003)		53	Biscay Resources Pty Ltd	100%	(20,000)

1 – East Kimberley Nickel Project *2 – Halls Creek Project* *3 – Wilson River Project*

1.3 MINING AND EXPLORATION HISTORY

The East Kimberley region contains significant resources of diamonds, PGE, chrome, nickel and gold that are either being mined or are in development. Existing production is limited to the world class Argyle diamond mine, which is located approximately 60km south-southwest of Kununurra and produced in excess of 34 million carats of diamonds with a total value in excess of $650 billion during 2002. The Argyle mine has been in production since 1985 and is scheduled to continue operating through to 2007. In 2003, Argyle Diamonds announced a decision to conduct a full feasibility study into underground mining at Argyle which could extend the life of operations beyond 2007.

Infrastructure development prior to mining is occurring at a number of properties. At the Sally Malay project, Sally Malay Mining Limited is currently in the construction phase prior to scheduled commissioning in mid-2004 of a nickel-copper mine with a 5½ year mine life. At the Panton Project, Platinum Australia Limited has established underground access into chromitite and dunite-hosted PGE mineralisation. Whilst a feasibility study has shown the project to be technically sound, adverse commodity price and exchange rate movements in the period since detailed evaluation was initiated have resulted in the project being placed on hold. Mineral deposits at Nicholson's Find (gold) Koongie Park (copper-lead-zinc), Brockman (rare earth elements) and Speewah (fluorite) are also of potential commercial significance.

Gold was discovered at Old Halls Creek in 1885, although the recorded gold production for the region of just 1056.8kg up to 1965 is regarded as significantly under reported. Modern exploration in the East Kimberley region commenced during the early 1960's, targeting a range of commodities including copper and uranium, copper-lead-zinc-silver (volcanic hosted massive sulphide or VHMS mineralisation), nickel-copper, diamonds, rare earth elements, chrome, PGE and gold. Early exploration was largely biased towards genetic models for mineralisation, such that a limited range of specific commodities was often analysed to the exclusion of others. There was, for example, very limited assaying for gold during the early phases of base metal exploration.

A major cycle of diamond exploration occurred throughout Australia during the late 1970's, resulting in the discovery of the Ellendale diamond occurrences in the West Kimberley region, and the Argyle AK1 diamondiferous pipe and associated alluvial deposits in Upper Smoke Creek, Limestone Creek and Bow River in the East Kimberley.

Minor production from alluvial gold deposits occurred during the 1980's, principally from areas of historic production located southeast of Halls Creek. A regional geological mapping and research initiative conducted between 1990 and 1995 under the National Geoscientific Mapping Accord (NGMA) led to significantly expanded exploration. More than 70,000 ounces of gold was recovered from open pit mining at Palm Springs and Nicholson's Find, near Halls Creek, between 1995 and 1997.

The East Kimberley region has continued as a focus for nickel-copper and PGE mineralisation promoted by the enhanced understanding of the regional geology, by significant advances in the understanding of mineralisation models, in particular for nickel-copper-PGE mineralisation following the Voisey's Bay nickel-copper discovery in Canada, and by on-going improvements in exploration technology.

1.4 REGIONAL GEOLOGY OF THE EAST KIMBERLEY

Northern Star's projects are all located within a north-northeast trending belt of rocks referred to as the Halls Creek Orogen (HCO). At its southern extent, the HCO merges with a west-northwest trending belt of Palaeoproterozoic rocks referred to as the King Leopold Orogen and together, these belts define the onshore boundaries of the unexposed Kimberley Craton.

The HCO comprises the Lamboo Complex, a basement complex of metamorphosed sedimentary, volcanic and intrusive rocks, and remnants of overlying sedimentary deposits of the Speewah and Kimberley Basins within the Durack Fold Belt (Figure 1). Deposition and deformation of the Lamboo Complex occurred during the Palaeoproterozoic and prior to deposition of the overlying Kimberley Basin sediment.

Two major periods of deformation are recognised within the HCO.

- The earlier Hooper Orogeny is recorded within the Western and Central Zones of the Lamboo Complex and is correlated with metamorphism of the Tickalarra Metamorphics, eruption of the felsic Whitewater Volcanics and emplacement of co-magmatic intrusions.
- The Halls Creek Orogeny affected all rocks of the Lamboo Complex and is the first deformation recorded within the Eastern Zone. The orogeny correlates with metamorphism of the Koongie Park Formation within the Central Zone and with intrusion of the extensive granitoids of the Sally Downs supersuite. The nature and distribution of the Halls Creek Orogeny has been interpreted as recording the amalgamation of the Eastern Zone with the Western and Central Zones.

A number of fault bounded sedimentary packages of Proterozoic and Palaeozoic age are preserved throughout the HCO, some of which are regarded as remnants of the Palaeoproterozoic Speewah and Kimberley Basins. Whilst important to the overall understanding of the geological and structural evolution of the HCO, these packages are of restricted significance to Northern Star's projects and will not be discussed at length in this report.

1.4.1 LAMBOO COMPLEX

The Lamboo Complex is subdivided into three tectono-stratigraphic terrains; the Western, Central and Eastern Zones, bounded by major north-northeast trending, strike-slip faults. Geophysical and geological data suggest that each terrain represents rocks formed within differing geological settings, which were juxtaposed by compression and faulting and extensively intruded by granitic and gabbroic magma, during the Palaeoproterozoic. All three terrains were amalgamated prior to deposition of the unconformably overlying Palaeoproterozoic sediment of the Kimberley Basin.

WESTERN ZONE

The Western Zone is bounded by the Lubbock and Springvale Faults in the east, and by the unconformable contact with the overlying Speewah and Kimberley Basins to the west. The Western Zone is regarded as a continuation of sequences preserved in the King Leopold Orogen and comprises:-

- A sequence of thin-bedded clastic sediment referred to as the Marboo Formation
- A monotonous felsic volcanic sequence of the Whitewater Volcanics, unconformably overlying the Marboo Formation, and associated intrusions referred to as the Paperbark suite.
- Gneiss of the Amherst Metamorphics, which formed in response to high grade metamorphism of the Marboo Formation during intrusion of the gabbro to tonalite of the Paperbark supersuite.

CENTRAL ZONE

The Central Zone is located between the Angelo-Halls Creek-Osmond Fault System, to the east, and the Lubbock and Springvale Faults to the west. The northern extent of the boundary between the Central and Western Zones is largely obscured by post-tectonic granitoid, which has intruded the boundary. The Central Zone rocks consist of:-

- The Tickalara Metamorphics, forming the northern half of the Zone and comprising sediment and mafic volcanic rocks metamorphosed to amphibolite and granulite facies. The succession is mapped as containing numerous layered mafic-ultramafic intrusions, although the age and association of many of these bodies is not constrained.
- A younger succession preserved in the southern half of the Central Zone, referred to as the Koongie Park Formation, consisting predominantly of mafic and felsic volcanic and volcaniclastic rocks, clastic sediment and minor banded iron formation and carbonate units.
- A suite of monzogranite and of tonalite that intrudes the Tickalarra Metamorphics.

EASTERN ZONE

The Eastern Zone is located east of the Angelo-Halls Creek-Osmond Fault System and comprises:-

- Relatively minor exposures of a sequence of metamorphosed basalt, rhyolite and sediment, referred to as the Ding Dong Downs Volcanics, intruded by granitoid of the Sophie Downs suite.
- Clastic sediment and felsic volcaniclastic rocks of the Saunders Creek Formation, unconformably overlying the Ding Dong Downs Volcanics.
- Metamorphosed basalt and mafic volcaniclastic rocks, intercalated with minor felsic volcanic rocks and pelitic, psammitic and calcareous sediment, assigned to the Biscay Formation.
- An extensive, monotonous succession of thin bedded clastic sediment of the Olympio Formation disconformably overlying the Biscay Formation. The sequence includes two intermediate to felsic volcanic units near its base referred to as the Maude Headley Member and Butcher's Gully Member.
- Dolerite sills of the Woodward Dolerite intruding the Biscay Formation and at lower stratigraphic levels within the Olympio Formation.

Eastern Zone rocks are characteristically metamorphosed to greenschist facies and have not been subjected to the two initial deformation and metamorphism events (the Hooper Orogeny) that effect Western and Central Zone rocks. Rocks are typically folded into tight to isoclinal folds and cut by faults related to the last major deformation involving sinistral strike faulting, the Halls Creek Orogeny.

1.4.2 PALAEOPROTEROZOIC SEDIMENTARY BASINS

The Central and Western Zones are unconformably overlain by predominantly clastic sedimentary sequences of the Moola Bulla Formation and Speewah Group, respectively. These two basins may be equivalent, although there is insufficient data available at this time to resolve this interpretation. The Speewah Group is dated as at least partly synchronous with the early stage of the Halls Creek Orogeny, and was deformed by that event prior to the deposition of sediments of the overlying Kimberley Basin.

1.4.3 POST-TECTONIC INTRUSIONS

The Lamboo Complex is extensively intruded by granitoid and gabbroic intrusions that cut across the major deformation events within the Lamboo Complex, and can be used to date the timing of amalgamation of the Western, Central and Eastern Zones.

Granitoid intrusions comprise two suites. The Sally Downs supersuite intrudes all three zones of the Lamboo Complex, although intrusions dated as older than 1820Ma are restricted to the Central Zone. The San Sou suite, which includes the youngest intrusions dated from the HCO, is restricted to the southern portion of the HCO and intrudes only the very southwest extent of the Central Zone and southern portion of the Eastern Zone.

Intrusions broadly referred to as gabbroic include both compositionally homogeneous bodies ranging from gabbro to tonalite in composition, and compositionally layered bodies that range from ultramafic to gabbro in composition. These intrusions are confined to the Western and Central Zones of the Lamboo Complex and have been subdivided on the basis of compositional range and age into seven groups. Existing age dating shows that intrusion occurred predominantly between the earlier Paperbark suite, which is preserved only within the Western and Central Zones, and the more widely distributed post-tectonic intrusions of the Sally Downs supersuite.

1.4.4 MINERALISATION

The Lamboo Complex is host to a wide variety of mineral deposits in terms of both the metal associations and the nature and occurrence of mineralisation. Styles of mineralisation identified during regional studies include magmatic nickel-copper-PGE sulphide and PGE-chrome mineralisation, stockwork, shear hosted and VHMS base metal mineralisation, shear and quartz vein hosted gold mineralisation, alluvial and primary diamond deposits, tungsten, tantalum and rare earth element (REE)-bearing pegmatites, skarn and granite-associated mineralisation and REE-bearing carbonatites.

Significant mineral production from the region did not occur, however, until the initiation of diamond mining at the Argyle Mine in 1985. The NGMA mapping initiative and subsequent Government-sponsored studies all concluded that the East Kimberley province is significantly under-explored. New data generated during those studies shows that rock sequences of the Koongie Park Formation had been miscorrelated in previous studies. As a consequence, significant areas can now be regarded as having high potential for discovery of new base metal sulphide deposits. Research also highlighted that the extensive suite of mafic-ultramafic intrusive complexes has considerable potential to host significant magmatic nickel-copper, chrome-PGE and PGE sulphide mineralisation.

A summary of the distribution and setting of significant mineralisation in the Lamboo Complex is as follows.

WESTERN ZONE

The Western Zone contains relatively few mineral occurrences, although shows similar diversity in mineralisation styles, when compared with the Central and Eastern Zones. The region's most significant mineral deposit, the Argyle diamond mine, occurs within a lamproite intrusive pipe located on the faulted contact between the Western and Central Zones. Although the Argyle lamproite is significantly younger, at 1178Ma, than the formation and structural amalgamation of the Lamboo Complex, re-activation of basement fault structures has certainly played a key role in localising this deposit.

Mafic layered intrusions within the Western Zone (e.g. the Springvale intrusion) are, at least in part, of similar age to the PGE-sulphide mineralised Panton intrusion in the Central Zone. Numerous copper-nickel occurrences are known throughout these intrusions, although the relatively minor proportion of ultramafic relative to mafic compositions in comparison with intrusions of the Central Zone may have caused previous explorers to be less committed to exploring this area.

Gold-base metal mineralisation in quartz veins occurs at the Me No Savvy prospect, hosted by Amherst Metamorphics, and epithermal gold-silver mineralisation is hosted by the Whitewater Volcanics at Jailhouse Creek and within Northern Star's Wilson River Project.

CENTRAL ZONE

Known mineralisation of economic significance within the Central Zone is dominated by magmatic chrome-PGE (e.g. Panton and Melon Patch intrusions) and nickel-copper sulphide mineralisation (e.g. Sally Malay) hosted by the more than 46 layered mafic-ultramafic intrusions occurring throughout the region. At the Sally Malay project, Sally Malay Mining Limited is developing a nickel-copper sulphide resource via a combined open pit and underground operation and has published a total Proved plus Probable Reserve of 3.137Mt averaging 1.57% Ni, 0.63% Cu and 0.08% Co. At the Panton Project, Platinum Australia Limited (PAL) has established underground

access into chromitite and dunite-hosted PGE mineralisation. PAL has published resources comprising 75.2 million tonnes (Mt) averaging 1.9g/t PGE+Au for a total of 4.6 million ounces (Moz) PGE+Au. During 2002, PGE mineralisation was discovered in association with ultramafic-hosted nickel-copper mineralisation at Eileen Bore, where drill intercepts include 116m at 0.9g/t Pt+Pd+Au, 0.78% Cu and 0.30% Ni.

The Central Zone also contains the majority of significant VHMS occurrences within the East Kimberley, predominantly hosted by the Koongie Park Formation. Significant mineralised systems containing a number of subsidiary prospects have been identified at Eastman Yard, Koongie Park and Mount Angelo North. Most occur as stratabound, banded and massive, copper-zinc-lead sulphide deposits associated with sedimentary horizons comprising varying proportions of chert, banded siltstone, banded iron formation (BIF) and carbonate units, and hosted predominantly within tuffaceous and volcaniclastic sequences. At Emull, stratabound zinc-copper mineralisation hosted by calc-silicate and chemical metasediments is interpreted as partially assimilated into the Emull Gabbro during intrusion.

Gold mineralisation within the Central Zone occurs within the southern portion of the area, largely to the southwest of Halls Creek. The principal occurrence is at Nicholson's Find, where gold-base metal mineralisation is localised along a series of north-northeast trending faults linking the Angelo Fault with the Springvale Fault. Mineralisation occurs within steep dipping quartz veins, principally hosted by felsic volcaniclastic rocks of the Koongie Park Formation although subordinate mineralisation occurs within ultramafic rocks and granitoid. In 1997, Precious Metals Australia Limited published an Inferred Resource for Nicholson's Find comprising 278,000 tonnes at an average grade of 5.5g/t.

EASTERN ZONE

Known gold mineralisation within the East Kimberley is predominantly hosted by rocks of the Eastern Zone within the southern HCO. The largest number of known gold occurrences occurs within the Biscay Formation close to its contact with the Olympio Formation, although mineralisation is also located within the Olympio Formation close to its contact with either the Biscay Formation or the Butchers Gully Member. The largest known gold deposit within the region is at Palm Springs, where production totalling approximately 70,000oz of gold was mined from a stockwork quartz vein system hosted within an anticlinal fold closure of a regionally extensive syenite unit of the Butchers Gully Member. Gold mineralisation is regarded as related to the latest major period of north trending sinistral strike faulting.

The southern portion of the Eastern Zone is host to numerous occurrences of tin-tungsten-fluorite-tantalum-niobium mineralisation within pegmatite, within altered calc-silicate or quartzose sedimentary units within the Biscay Formation, and within volcanic units of the Butchers Gully Member of the Olympio Formation. The most significant deposit recognised to the present time is the Brockman REE deposit, which is hosted by tuffaceous alkaline volcanics associated with the Butchers Gully Member, and where a significant zirconium-yittrium-niobium-REE resource has been defined. The nature and distribution of these occurrences has been the subject of numerous studies, which are not all in agreement. Proposed origins for some of the stratabound mineralisation occurrences include via syn-sedimentary deposition, via formation within the near sub-surface sedimentary environment during diagenesis, via volcanic eruption, and via precipitation from hydrothermal fluids sourced from exposed or buried granitic intrusions.

The significant copper-lead-zinc mineralisation regarded as volcanic hosted, massive sulphide (VHMS) in style occurs at a number of occurrences within the Biscay Formation. The most notable occurrences are at the Ilmars and Little Mount Isa prospects, where sulphide mineralisation showing spatial variations in base metal composition suggestive of VHMS style mineralisation is hosted by banded siliceous and chemical sedimentary units and, at Ilmars, felsic volcanic units. Occurrences of lead-zinc mineralisation at Twin Hills, Gentle Annie and Bullman are similar in geological setting to that observed at Ilmars and Little Mt Isa.

2 : EAST KIMBERLEY NICKEL PROJECT

Northern Star holds a significant tenement holding within the Central Zone and Western Zone of the HCO, overlying geological settings considered prospective for nickel-copper-platinum and base metal mineralisation. The project comprises five tenement holdings, Springvale, Toby, Foal Creek, Red Billabong and Castlereagh, covering a total area of approximately 1,356km^2 (Figure 2). The tenements are distributed southwest to north of Halls Creek and, with the exception of Castlereagh, are generally accessible from a network of unsealed roads and tracks from the Great Northern Highway.

The physiography of the project area varies from weakly dissected plains over most of the project, to relatively inaccessible granite tor terrain over the larger granitoid intrusions. Major river drainages within the project include the north draining Bow River in the north, and the east draining Ord and Panton Rivers, and the south draining Margaret and Laura River system within the southern portions, respectively, of the area. The project area is characterised by open Spinifex grassland and Sclerophyll forest throughout.

2.1 REGIONAL GEOLOGY

The Northern Star tenements are located within the Western Zone and Central Zone of the HCO, which are separated by the Springvale Fault in the area of the project. West of the Springvale Fault, rocks are dominated by mafic to intermediate intrusions of the Paperbark supersuite, including rocks ranging from norite to gabbro, tonalite and monzogranite, and including rapakivi textured varieties. Within the Paperbark supersuite, a number of layered ultramafic to mafic intrusions are recognised, including the Springvale, Willagee, Foal Creek and Toby intrusions. Local remnants of metasedimentary rocks of the Marboo Formation are preserved throughout the area. East of the Springvale Fault, the rocks are dominated by monzogranite, syenogranite and granodiorite of the Sally Downs supersuite.

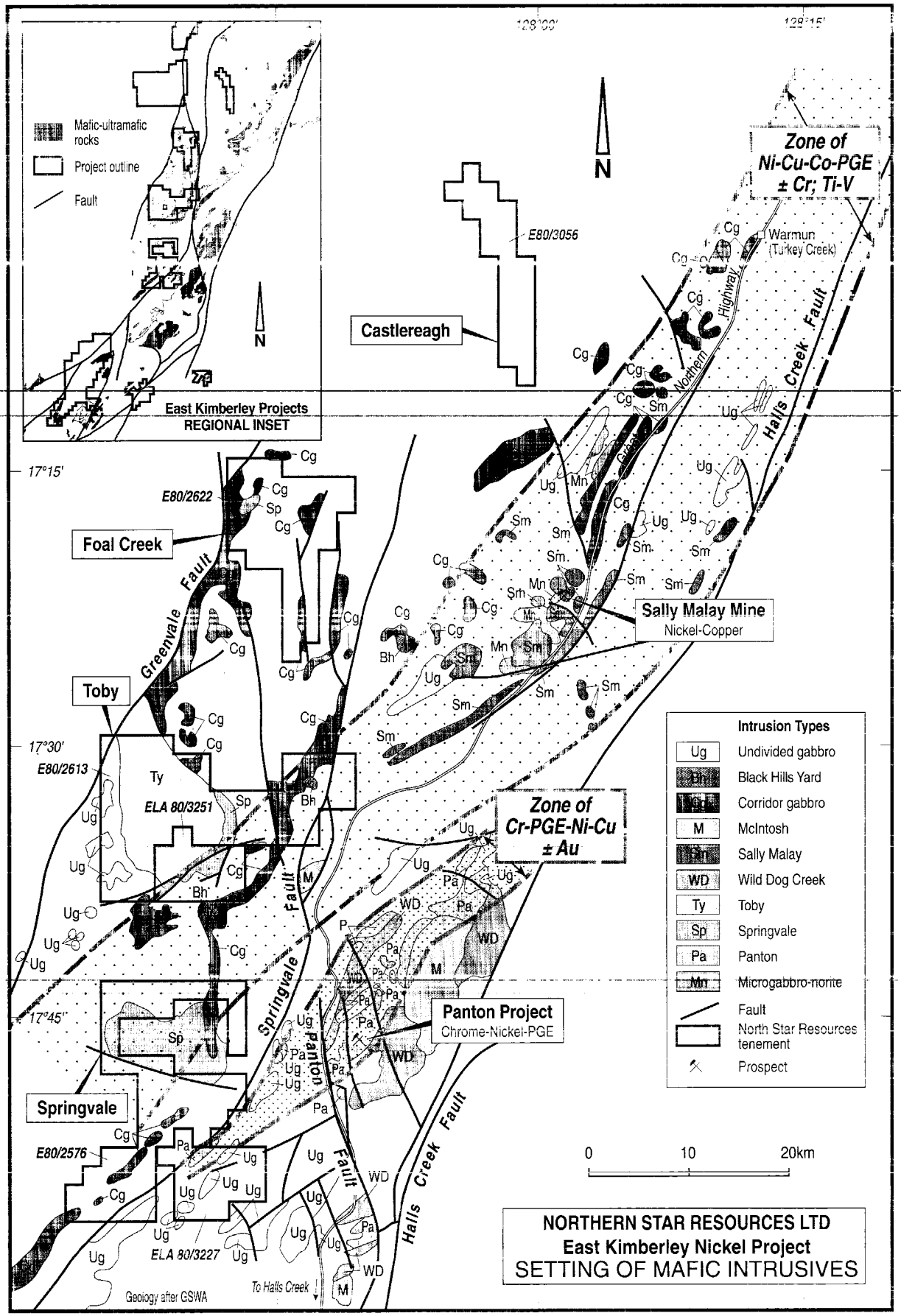
The Springvale and Toby intrusions are dated as identical in age to the mineralised Panton intrusion, and to the Whitewater Volcanics. The Paperbark supersuite intrudes the Tickalara Metamorphics, and the Marboo Formation and Amherst Metamorphics, but is similar in age to the peak period of metamorphism of these rocks. The Paperbark supersuite and Whitewater Volcanics represent the products, therefore, of a significant regional metamorphic event accompanying the input of large amounts of mafic magma into the HCO at about 1855Ma, and referred to as the Hooper Orogeny. This event is consistent in scale and regional geological setting with models for mantle plume activity leading to formation of most of the world's most significant magmatic nickel-copper-PGE sulphide deposits. The presence of many nickel-copper-PGE occurrences within the mafic intrusions, including significant chrome-PGE sulphide at Panton and nickel-copper sulphide mineralisation Sally Malay, demonstrates the fertile nature of the magma compositions involved in this event and attests to the action of the geological processes required to localise sulphide mineralisation within these systems.

2.1.1 MAFIC INTRUSIONS AND MINERALISATION

The NGMA study classified ultramafic-mafic intrusions of the Halls Creek Orogen into seven categories based on the age of the intrusion, nature and composition of igneous layering, shape of the intrusion and mineralisation style within each intrusion. Within the Northern Star project area, five main styles of mafic intrusion are preserved as follows (Figure 4):-

- Gabbro and metagabbro within the basement Tickalara Metamorphics, referred to as the Norton metagabbro.
- Group II intrusions, which include the low dipping, sheet like layered gabbro-troctolite complexes at Springvale, Wilagee and Foal Creek.
- Group III intrusions, of which the lopolithic, chemically evolved Toby gabbro is the only identified member.
- The Corridor gabbro, which comprises a group of irregular, massive textured gabbro bodies.
- Group VII intrusions, including Egg, that occur as a linear, north-northeast trending group of small intrusions cutting across the Springvale Fault, and which are interpreted as relatively young in age.

The NGMA study also identified two north-northeast trending "metallogenic corridors" where known mineralisation was typified by differing styles; an eastern corridor, which includes chrome-PGE-nickel-copper-gold mineralisation and is dominated by the Group I Panton intrusions, and a western corridor extending from Springvale to northeast of Sally Malay characterised by



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 2

nickel-copper-cobalt-PGE mineralisation. The nickel-copper-cobalt-PGE corridor cuts across the Springvale Fault from the Western Zone and trends across the Central Zone to become sub-parallel to the Halls Creek Fault. Magmatic titanium-vanadium-magnetite oxide mineralisation occurrences are not common in the region, but occur within both corridors. The Toby and Foal Creek intrusions were regarded as falling outside each corridor.

2.2 SPRINGVALE

2.2.1 LOCATION, GEOLOGY AND MINERALISATION

Springvale comprises one granted exploration licence, E80/2576, and one application for exploration licence, ELA80/3227, covering approximately 254km² and located between 32km and 58km north of Halls Creek. The tenements include the Springvale Intrusion, minor exposures of the Marboo Formation and intrusions of the Paperbark supersuite, including Corridor gabbro, adjacent to the Springvale Fault (Figure 3).

The Springvale intrusion is approximately 6km x 13km in extent and comprises a western lobe and a relatively poorly exposed eastern lobe. The body is mapped as intruding the Paperbark supersuite granitoids, although the contact with granitoid along the southern margin is faulted. Within both the western and eastern lobes, igneous layering dips inward towards the centre of the intrusion at between 25° and 40°.

The western lobe consists of approximately 1200m of relatively massive olivine gabbro, forming the lower part of the stratigraphy, overlain by a cyclic sequence of gabbro, troctolite and anorthosite.

A sinuous band of Corridor gabbro extends along the eastern margin of the Springvale project area. This dyke-like Paperbark supersuite mafic intrusion is up to 500m thick, and largely obscured by alluvium derived from the topographically positive surrounding granitoid. To the southwest, the intrusion is informally named Emu Bore intrusion and is up to 1km wide. East of the Springvale

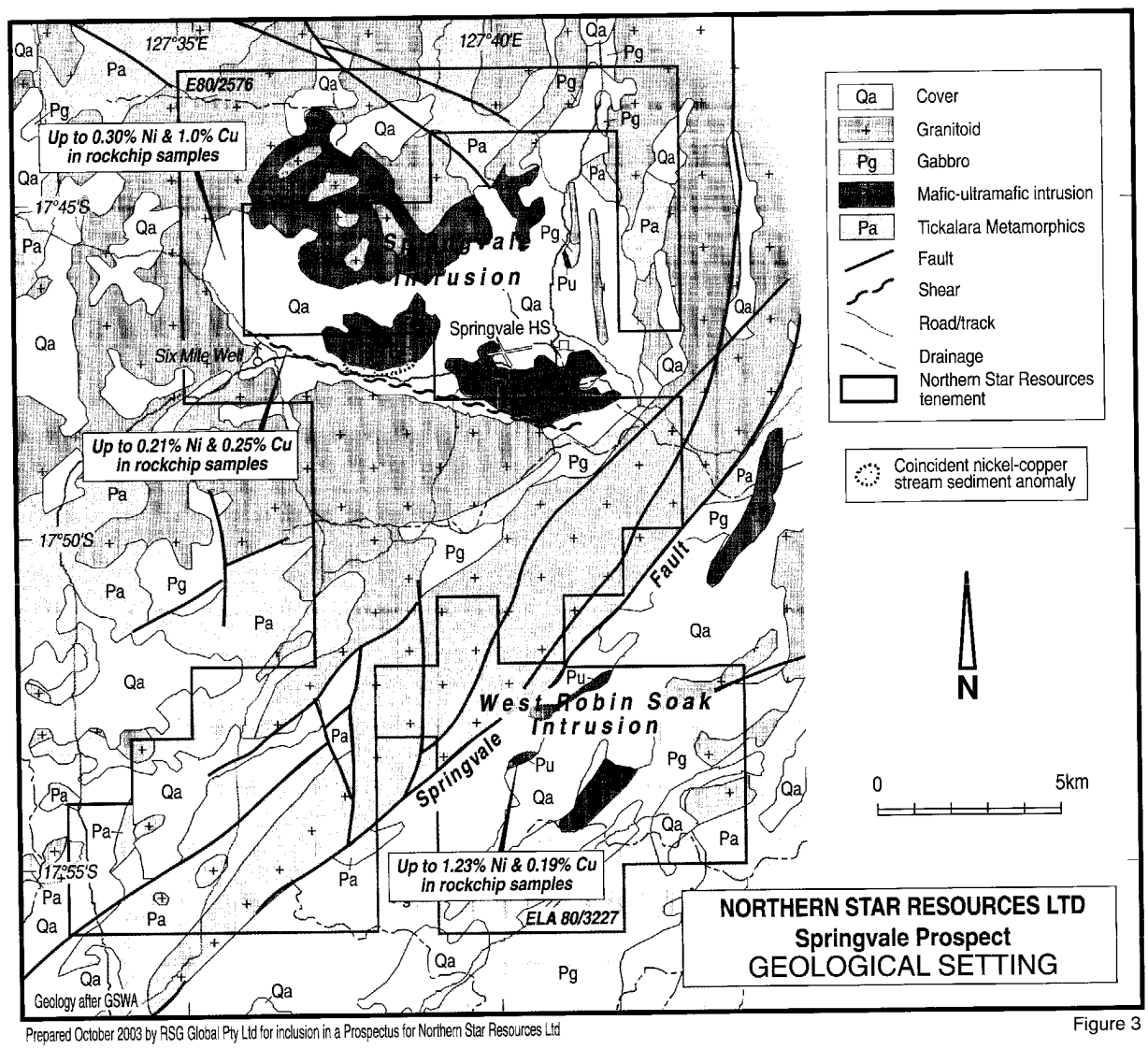


Figure 3

Fault, mafic units include the West Robin Soak intrusion, which comprises discontinuous lenses of peridotite, gabbro and pyroxenite. Thin chromitite layers are recorded from the peridotite unit, whereas siliceous nickel-copper gossans have been described from the margin of the gabbro-pyroxenite body.

The Springvale project area has been the subject of several regional scale sampling programs, particularly in areas of surficial cover, based primarily on regional traversing and stream sediment sampling. Among the earliest of these surveys were Pickands Mather International (PMI) during the 1960s, which discovered limonitic gossan within the intrusion during reconnaissance nickel and copper exploration. Significant nickel abundances were detected in stream sediment samples draining the Six Mile Well area. Gossanous float samples within sheared gabbro extending for 3km east-southeast toward Six Mile Well contained up to 2400ppm Cu, 2100ppm Ni and 350ppm Co. Ground IP and EM geophysical surveys were completed, but no significant anomalies were detected.

In 1971, Northern Mining Corporation NL completed rock chip and stream sediment sampling in the area of the West Robin Soak intrusion. Approximately 5km southeast of Springvale Homestead, samples were detected containing up to 3.0% Cr, 4.3% Ni and 3.4% Cu. Samples from within Northern Star's tenement containing up to 1.23% Ni and 0.19% Cu are reported, however no follow-up exploration is documented.

In 1972, Stratin Minerals Pty Ltd and Dampier Mining Company Limited sampled gossans between Springvale Homestead and Paperbark Bore, approximately 4km to the north. The gossans, some of which may be hosted by Corridor gabbro, contain up to 1520ppm Cu and up to 800ppm Ni.

Between 1981 and 1982, Inco Australia Ltd (Inco) completed an airborne magnetic, VLF and radiometric survey, followed by ground magnetic and VLF surveys and stream sediment, gossan and soil sampling. Stream sediment sampling showed two areas anomalous in both copper and nickel, one of which is located near the western margin of the intrusion and within Northern Star's tenement. Rock chip samples collected from the western margin of the intrusion, but not within the coincident nickel-copper stream sediment anomaly, reported up to 0.3% Ni, 1% Cu and 0.2g/t Pd. Minus 80 mesh soil sampling was concentrated over VLF and magnetic anomalies. Samples were analysed first for copper and nickel, and anomalous samples subsequently analysed for platinum and palladium. Five locations were sampled for PGE via bulk heavy mineral concentrate (HMC) samples. Three of the five bulk samples detected anomalous PGE (230ppb Pt and 11ppb Pd in sample 322833, 95pb Pt in sample 322832 and 396ppb Pt in sample 322829), including the most and least chrome-rich samples.

Eight anomalies were identified based on combined geophysical and soil and stream geochemical data for exploration as PGE or nickel-copper targets. Prospects Area 1, Area 2 and Gossan were identified as occurring near the contact between a lower sequence of ultramafic rocks and overlying anorthosite and gabbro, based on detailed geological mapping. Costeans revealed zones, up to 4m wide, of disseminated chromite hosted by olivine norite and norite. The zones were shown to be anomalous in nickel, copper, platinum and palladium.

In 1983, Inco and Freeport of Australia Incorporated (Freeport) tested the chromite-bearing layers and gossans with four shallow diamond drillholes. The chromite bearing layers were shown to contain disseminated pyrite and chalcopyrite, and to be weakly anomalous in nickel, copper and PGE. A 225cm wide massive chromitite band was intersected at Area 2 (SV2D, 65.25m-67.50m). Drilling also showed that granitoid has invaded and stoped the gabbroic rocks.

Freeport completed additional mapping and sampling of rock chips and drill core during 1984, although no significant assay results were obtained. Mineralogical study showed that the compositions of individual mineral phases within the limited range of stratigraphy sampled by drilling are consistent with a possible association with PGE mineralisation. No further exploration is documented.

Between 1988 and 1989, Geopeko explored the Springvale intrusion in joint venture with National Strategic NL. Geopeko re-analysed selected drill core samples utilising improved analytical techniques, relative to those available to Freeport. Two diamond drillholes (SV1 and SV2) tested the PGE potential of cyclically layered troctolite below the chromitite layer at the Gossan prospect. No significant PGE abundances were detected in any sampling, although zones of weakly anomalous PGE, copper and nickel were detected within interlayered troctolite and anorthosite in the upper portions of SV2.

Between 1996 and 1998, BHP investigated the region utilising LandSat TM satellite data and regional multielient airborne magnetic and radiometric data. BHP carried out airborne EM surveying at 800m line spacing and 100m

terrain clearance over several areas, including the Springvale intrusion and over the southern portion of the Northern Star project area. BHP reported that no anomalous conductors of a magnitude of interest to BHP were detected, and no follow-up work was completed.

Northern Star completed limited gossan sampling during 2003 within sheared gabbro east-southeast from Six Mile Well, detecting weakly anomalous copper and nickel values and, significantly, up to 420ppm Co.

2.3 TOBY

2.3.1 LOCATION, GEOLOGY AND MINERALISATION

Toby is located approximately 75km north of Halls Creek, comprises one exploration licence, EL80/2613, and one application for exploration licence, ELA80/3251, covering approximately 281km^2. The project is accessible from the Great Northern Highway by the unsealed Springvale Homestead to Bedford Downs road, or via secondary station tracks from the Great Northern Highway. The majority of the area is accessible to 4WD vehicle.

The tenements incorporate the majority of the Toby mafic intrusion and the adjacent Wilagee mafic intrusion (Figure 4). The eastern portion of the tenements includes the Egg intrusion and approximately 10km of strike of the Sandy Creek intrusion of the Corridor gabbro suite.

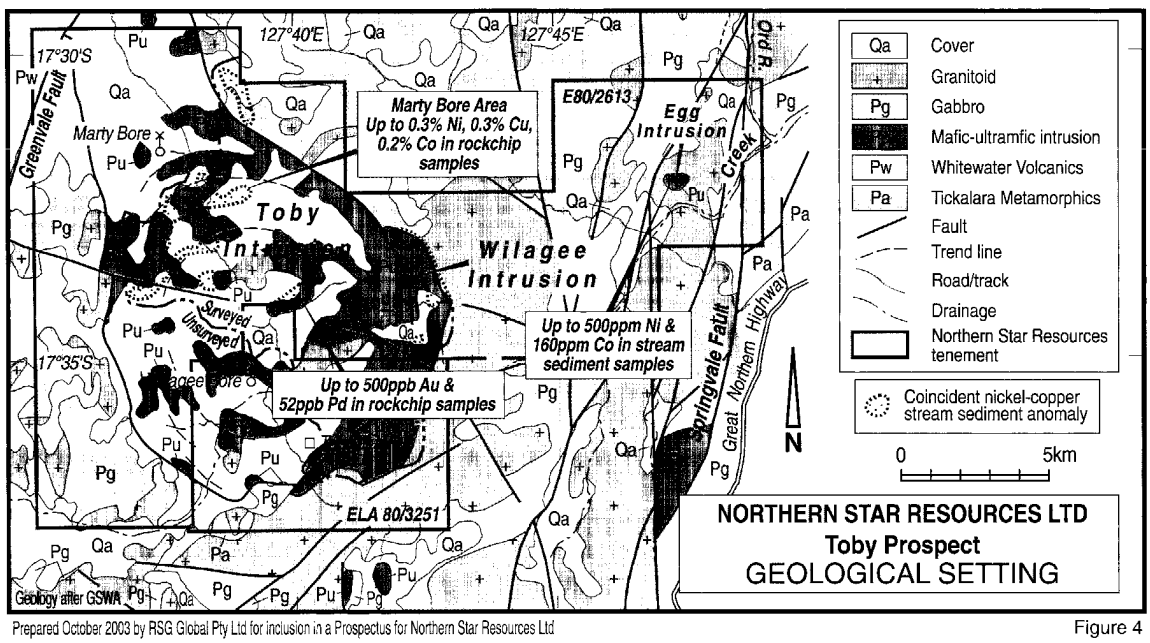
The Toby intrusion is the largest area mafic intrusion in the East Kimberley covering approximately 240km^2. The main lobe of the intrusion is centred in the southeast of the intrusion with a tail extending approximately 20km to the northwest, where it is truncated by the Greenvale Fault.

The intrusion is poorly exposed, although mapping suggests that the principal rock type is a relatively homogenous fine grained gabbro. Compositional layering is poorly developed at an outcrop scale, however mapping has identified troctolite, pyroxenite and olivine norite near the centre of the intrusion and previous studies have suggested that in excess of 4km of layered intrusion is preserved. Remote sensed data shows that layering generally dips between 10° and 20° towards the centre of the intrusion.

Blocks of marble localised along west-northwest trending faults near the centre of the intrusion are interpreted to represent country rock collapsed into the magma chamber.

The intrusion is indistinguishable in age from the Springvale intrusion, although contact relationships on the south margin of the intrusion are interpreted as intrusive into granitoid of the Paperbark supersuite, in contrast with relationships observed at Springvale.

The intrusion exhibits chemically evolved compositions and lacks significant variation in copper and nickel content with stratigraphic level. Slight differences in composition between the northern and southern portions of the intrusion have been interpreted in terms of slight uplift by faulting of the former. High sulphur abundances throughout the intrusion indicate that the magma was saturated in sulphur through the development of the exposed portions of the intrusion. Accumulations of copper-nickel±PGE sulphides within the observed succession are unlikely, therefore, however the character of the intrusion at depth is unknown.



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 4

The Wilagee intrusion comprises a 10km zone located around the east and southeast margin of the Toby intrusion. The contact relationship between the Toby and Wilagee intrusions is not clear. The southern portion of the Wilagee intrusion comprises a basal layer of peridotite overlain to the southeast by layers of troctolite, gabbro and anorthosite. A 20cm thick chromitite layer is preserved within the top of the lowermost troctolitic layer. The northern portion comprises homogeneous troctolitic gabbro rocks that intrude granitoid of the Paperbark supersuite.

The Sandy Creek intrusion is an elongate, north trending body of gabbro and gabbronorite about which little is known in detail.

The Egg intrusion is a steep sided, 1000m x 700m, ovoid body of olivine gabbro and troctolite forming a distinctive black hill within the northeast corner of the tenement. Rhythmic compositional layering is preserved along the eastern margin of the intrusion, although most of the intrusion is massive textured troctolite. Egg intrudes rapakivi granitoid of the Paperbark supersuite along its eastern margin. A 700m long, northeast trending dyke of similar composition is mapped to the southwest of the Egg intrusion intruding the Sandy Creek intrusion.

[illegible] EXPLORATION HISTORY

The area was subjected to regional stream sediment and rock chip sampling by PMI between 1964 and 1968, and by Western Mining Corporation Limited (WMC), during 1978 and 1979. PMI detected anomalous nickel and cobalt geochemistry in association with both the southern Willagee and Egg intrusions, and anomalous copper in association with the southern Willagee intrusion.

Australian Anglo American Limited (AAA) undertook geological mapping, stream, soil and rock chip sampling, and geophysical surveys near Marty Bore, near the northern margin of the Toby intrusion during 1975. Gossan sampling detected up to 3280ppm Cu, 140ppm Zn, 1850ppm Co and 2900ppm Ni in separate samples. Detailed stream sediment sampling and limited ground EM surveying did not detect significant anomalies, although additional anomalous gossanous float was discovered. No analysis for gold or PGEs was carried out.

AAA discovered the Snake Cu-Pb-Zn prospect, within the northeast portion of the tenement, and subsequently carried out limited stream sediment sampling along Sandy Creek with Helix Resources NL. The Snake prospect occurs adjacent to a fault within brecciated gabbro and comprises quartz-carbonate veins extending over 1km and containing galena, sphalerite, chalcopyrite and malachite. Selective sampling detected up to 200ppm Cu, 1% Zn, 1% Pb and 5ppm Ag, although PGEs and gold were not analysed.

During the late 1980s, Geopeko, in joint venture with National Strategic NL, completed an airborne magnetic survey and localised stream sediment and outcrop sampling program. Low-order palladium anomalies near Toby Dam were found to be associated with a 10-15 cm-thick chromitite within the Willagee intrusion that contained up to 1400ppm Ni and 265ppm Cu, and up to 0.4g/t Pd in selected samples. The chromitite was tested by three diamond drillholes that intersected anorthosite and troctolitic rocks containing anomalous PGE abundances, up to 92ppb Pt and 240ppb Pd (TD3, 86m-87m). Sulphur analyses suggest that the transition zone from sulphur undersaturated to saturated magma compositions was not adequately tested by the drilling.

Rock chip sampling by Geopeko identified a lens of marble incorporated into the Toby intrusion displaying anomalous gold and platinum abundances, including maximum values of 0.5g/t Au, 52ppb Pd, 1700ppm Cr and 1600ppm Ni. No additional testing of these rocks is reported.

In July 1998, BHP, in joint venture with Northern Exploration NL, flew a 500m line spacing airborne EM survey utilising a 25Hz GEOTEM system and tested one conductor in the southeast portion of the Toby intrusion with ground EM. The ground survey failed to replicate the airborne anomaly and no further work was completed.

Exploration outside the Northern Star tenement that is considered of significance to exploration within the project includes that at Billymac Yard, located within the Billymac Yard intrusion of the Corridor gabbro and approximately 5km south of Toby. The prospect was recognised by PMI as a series of gossans that were not detected in stream sediment sampling. Dampier Mining Company in joint venture with Stratin Minerals NL explored the prospect between 1972 and 1974, and subsequently WMC between 1978 and 1980. WMC completed extensive ground geochemical and geophysical surveys and completed only two drillholes, of which drillhole BP1 intersected massive and disseminated sulphide containing up to 4560ppm Ni and 1200ppm Cu. Geopeko completed mapping over the prospect during 1987 and 1988, and noted that the area contained a poorly layered sequence of troctolite, gabbro and gabbronorite with localised magnetite seams. Delta Gold NL completed stream and surface sampling during 1991 but no further work is reported.

2.4 FOAL CREEK

2.4.1 LOCATION, GEOLOGY AND MINERALISATION

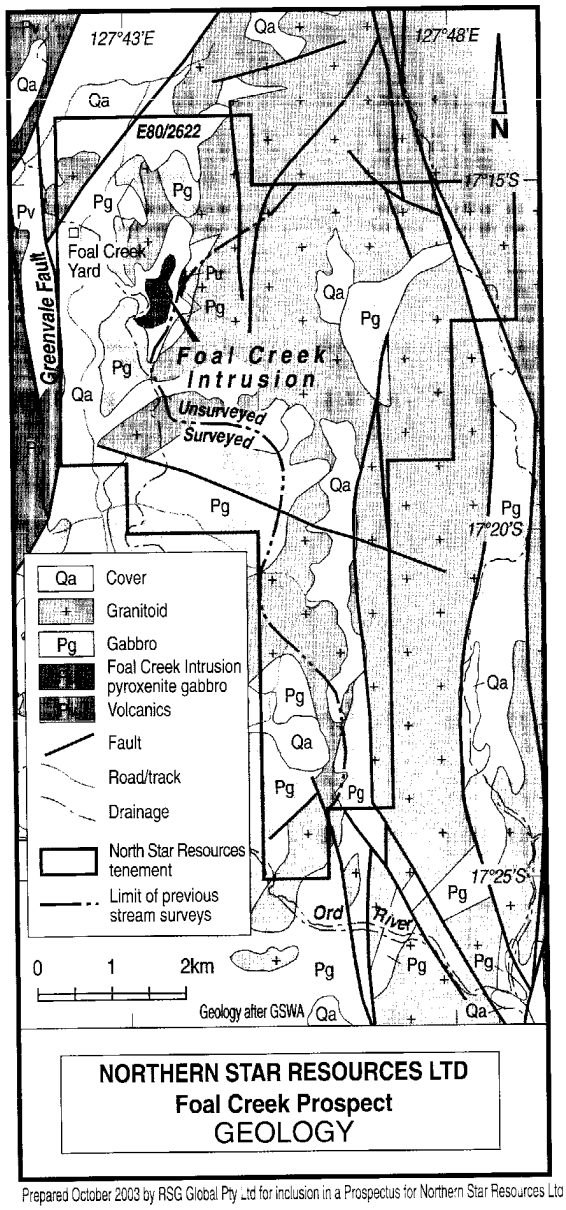
Foal Creek is located within E80/2622, which covers approximately 137km², and is located adjacent to the Ord River. The area is generally hilly with extensive rocky outcrop and minor colluvial plains within the western portion of the tenement. The project area can be accessed by travelling 70km north from Halls Creek to Springvale Station and thence 65km by station tracks via Marty Bore.

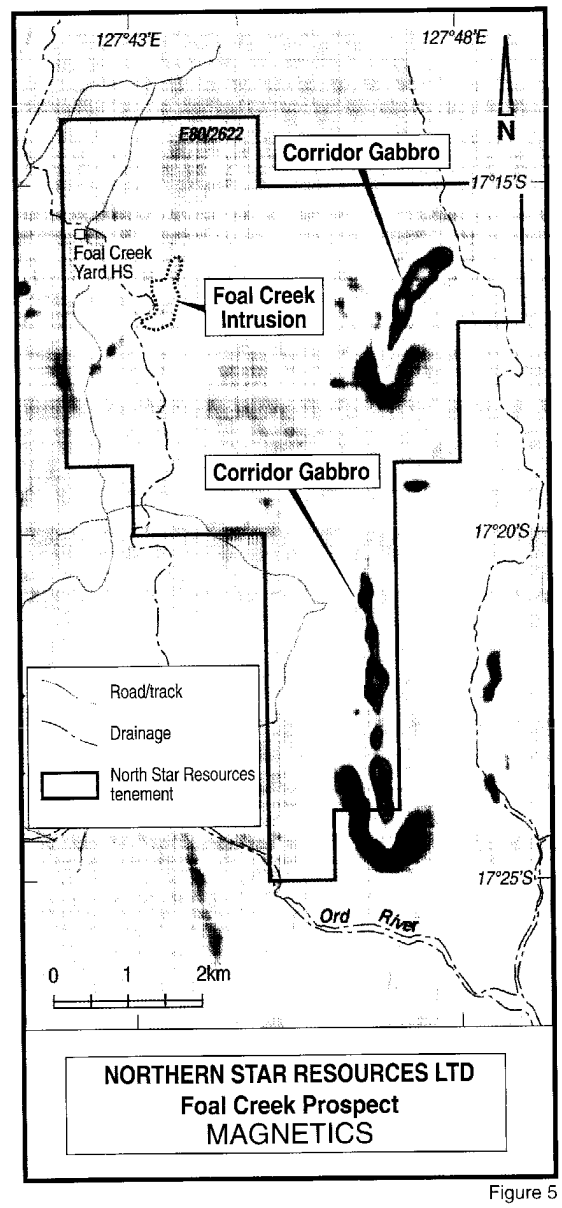
The tenement encompasses the differentiated Foal Creek mafic intrusion and a significant area of gabbroic and granitoid rocks of the Paperbark supersuite, including Corridor gabbro (Figure 5). The significant Greenvale Fault is located just west of the tenement boundary. A regionally significant magnetic anomaly associated with a narrow zone of north-south faulting in Corridor gabbro and granitoid occurs within the eastern portion of the area.

The Foal Creek intrusion is a small, differentiated mafic body 1km wide by 2.2km north-south, and possibly up to 1km in thickness. The western portion of the intrusion is interpreted as the base, and is composed of massive to rarely layered coarse-grained amphibole-bearing melagabbro and olivine gabbro, which is overlain to the east by massive leucogabbro, troctolite and anorthosite. Petrographic studies indicate the rocks formed under slow crystallisation within a compositionally evolved magma.

2.4.2 EXPLORATION HISTORY

The area has received very limited exploration. PMI sampled the area during exploration in 1968 and later regional exploration was conducted by Geopeko and Hunter Resources NL.





Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

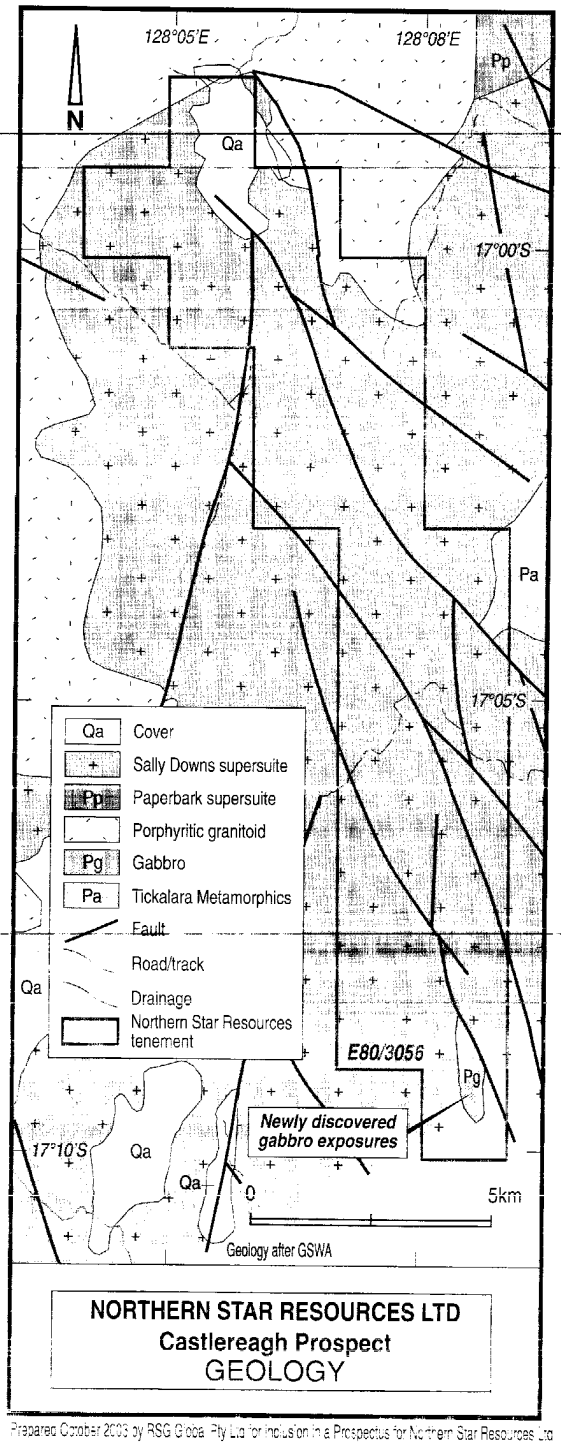
Figure 5

During 2000, BHP completed airborne 25Hz GEOTEM [illegible] clearance over the Boat Creek intrusion and southern portions of the tenement. BHP reported no significant conductors and no ground exploration.

Castlereagh is located approximately 130km north of Halls Creek and 30km west of Warmun settlement. The project is not serviced by formed tracks and requires helicopter or four wheel drive vehicle transport to gain access. The prospect comprises a single exploration licence, E80/3056, covering approximately 78km².

Prior to Northern Star's investigations, no gabbroic rocks were recorded in the area and the rocks were interpreted as granitoid of the Sally Downs supersuite and isolated remnants of Tickalarra Metamorphics. No exploration of any kind is documented within the prospect area.

Northern Star recognised a 15km long, north-northwest trending magnetic anomaly in regional magnetic data



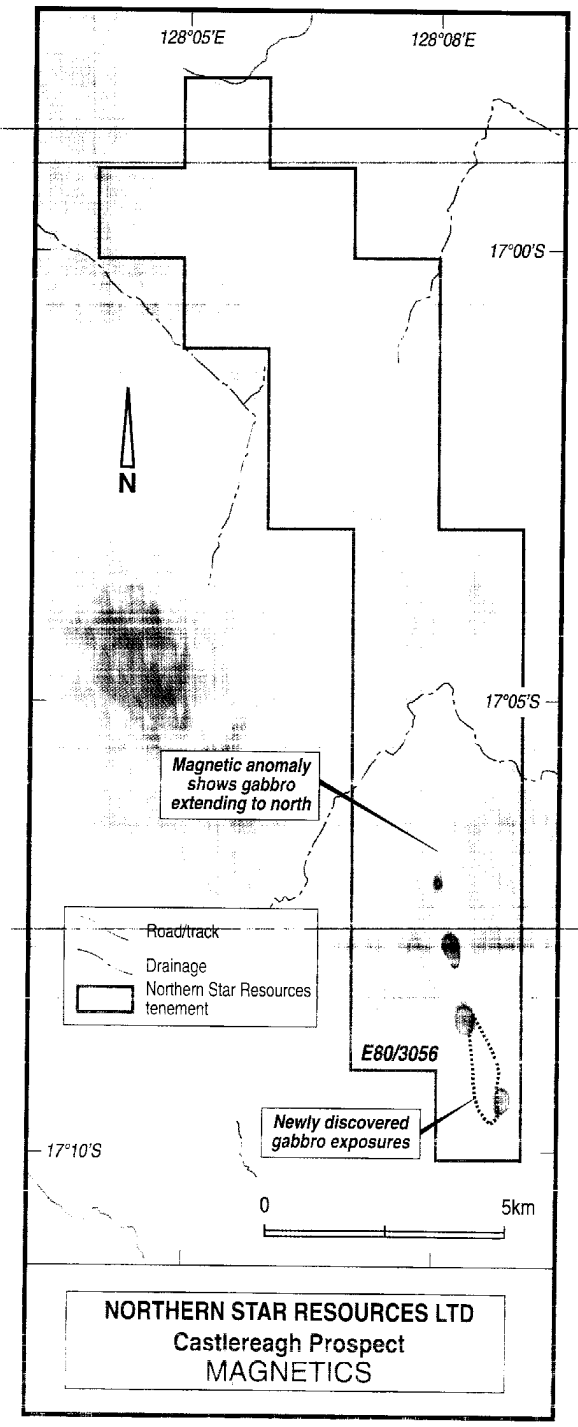


Figure 6

associated with a significant zone of interpreted north-northwest faulting (Figure 6). Field investigation during 2003 established the presence of gabbroic rocks associated with the most intense portion of the magnetic anomaly. Northern Star collected opportunistic stream sediment samples, which did not detect anomalous nickel or copper abundances.

The recognition of this new gabbroic body provides Northern Star with an exciting opportunity to explore a mafic intrusion that has not been subjected to any previous exploration.

2.6 RED BILLABONG

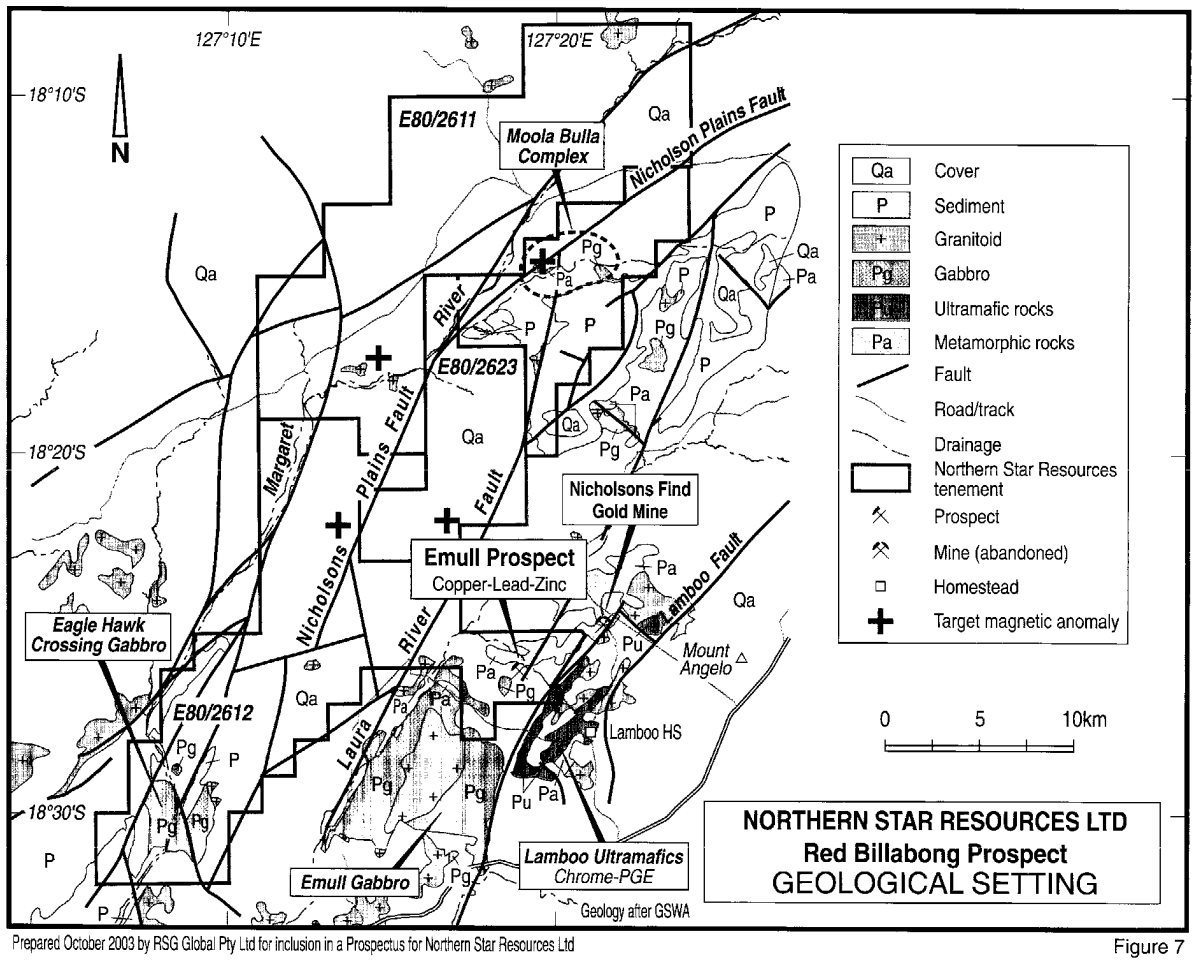
2.6.1 LOCATION, GEOLOGY AND MINERALISATION

Red Billabong is located between 30km and 60km west and southwest of Halls Creek and comprises three exploration licences (EL80/2611, EL80/2612, EL80/2623) and one application for exploration licence, ELA80/3234) covering approximately 606km^2. The project is readily accessible by station tracks from the Great Northern Highway.

The area comprises a flat plateau of Cainozoic laterite dissected by the southwest flowing Margaret River (Figure 7). Colluvium and black soil plains are developed in response to scarp retreat of the laterite ferruginous hardpan.

The area is mapped as largely underlain by granitoid rocks of the Sally Downs supersuite, in contact with intrusive rocks of the Paperbark supersuite within the northwest portion of the area. Two bodies of mafic-ultramafic rocks are mapped in the southern portion of the tenement, including the Lamboo ultramafics and Emull gabbro, and the Eaglehawk Crossing gabbro. Significant gabbro bodies are also mapped to the northeast of the area, including the informally named Moola Bulla or Station Creek complex and Amphitheatre gabbro, suggesting that as yet unmapped gabbro bodies may extend into the Red Billabong area.

The Lamboo ultramafics and Emull gabbro are interpreted as intruding metamorphosed felsic volcanic rocks of the Koongie Park Formation. Within the southwest portion of the area, fault blocks of sedimentary rocks of the Neoproterozoic Louisa Downs Group and basalt of the Cambrian Antrim Plateau Basalt are preserved.



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 7

The area is structurally complex, associated with a series of northeast-northwest trending faults, including the Panton River and Mary River Faults, cutting the area and linking the major zone-bounding Halls Creek and Greenvale Faults.

At least two significant mineral occurrences are known within or near Red Billabong.

The Emull base metal occurrence comprises an indicated resource of 4.7Mt at 4.5% Zn, 0.2% Pb, 0.33% Cu and 19g/t Ag, and is hosted by altered and contact metamorphosed calc-silicate rocks, which have been partially assimilated by the Emull gabbro. A wide range of mineralisation styles are represented, including intersections of 11.6m averaging 1.14% Cu, 0.95% Zn, 1.68% Pb, 107g/t Ag and 1.56g/t Au (DDHE1), 16.3m averaging 0.31% Cu, 1.65% Zn, 0.22% Pb, 11g/t Ag and 0.13g/t Au (DDHE9) and 2.1m averaging 0.56% Cu, 4.33% Zn and 0.25% Pb (DDHE7).

The deposit was recognised as a series of copper stained, siliceous gossans located adjacent to the contact between the Emull gabbro and felsic volcanic rocks of the Koongie Park Formation. Thin semi-massive and disseminated mineralisation is confined to 4 discontinuous but apparently stratabound lenses, dominated by sphalerite, with subordinate chalcopyrite and galena. The largest lens has a strike length of 500m and a maximum width of 50m.

The genesis of mineralisation at Emull is not certain, although models based on an origin as a volcanic hosted massive sulphide (VHMS) deposit partially assimilated during intrusion of gabbro, or as a skarn developed during intrusion of gabbro into carbonate units within the Koongie Park Formation, have been proposed. A second prospect of similar character, Location 5, is located approximately 800m northwest of Emull.

Volcanogenic massive sulphide mineralisation is well documented within Koongie Park Formation sediments and volcanics northeast of Emull. Base metal occurrences at Sandiego, Hanging Tree, Onedin, Gosford and Atlantis, referred to as the Koongie Park deposits, have been identified. The most significant of these is the Sandiego deposit where mineralisation includes an Inferred Resource of 4.3Mt at 7.9% Zn, 0.83% Pb, 0.51% Cu and 31g/t Ag and supergene mineralisation comprising an Indicated Resource of 335,000t at 6.71% Cu, 288g/t Ag.

Within these deposits, metal zonation within massive sulphide lenses characteristic of VHMS deposits is preserved at Sandiego and Onedin, where lead-zinc lenses overlie both massive and stringer copper mineralisation. The ore occurs in massive, breccia, banded and stringer [illegible] to the axes of isoclinal folds.

The Lamboo Ultramafic sill, located 3km southeast of Emull and outside Northern Star's tenement, contains folded PGE-bearing chromitite layers contained within the lower olivine rich, ultramafic zone of the complex. This complex is regarded as equivalent to Type 1 ultramafic bodies such as the Panton Sill and Melon Patch intrusions, both of which contain significant chromitite PGE mineralisation.

2.3.2 EXPLORATION HISTORY

The Emull copper-lead-zinc prospect was explored by PMI, North Broken Hill Pty Ltd and Shell Minerals (Shell) in joint venture with Kimberley Ventures between 1972 and 1977. Rock chip and soil sampling and the excavation of costeans identified a strong lead-zinc-copper anomaly extending over 500m of strike. Ground magnetic and IP geophysical surveying was followed by 547.7m of percussion drilling and 514.6m of diamond drilling at Emull. Petrographic studies indicated that the gabbro is strongly metamorphosed, and originally comprised a layered succession of gabbro, pyroxenite and peridotite.

Shell completed geological mapping, 1641m of shallow auger drilling, 114m of percussion drilling and 698.9m of diamond drilling, principally at Location 5. Drilling intersected thin massive sulphide bands associated with gabbro and calc-silicate rocks adjacent to the contact with felsic country rocks. The widths of mineralisation intersected by drilling range up to 5.6m, although the tenor of mineralisation is low. Shell did not report any additional exploration and withdrew from the joint venture.

Between 1981 and 1990, West Coast Holdings Ltd (WCH) completed 110 RAB drillholes for 1650m, which focussed on the potential for identifying a significant supergene resource. The results were discouraging. WCH also completed airborne and ground magnetic surveys, and ground IP geophysical surveys. Four percussion drillholes targeting a possible east plunging IP anomaly did not intersect significant mineralisation.

In 1998, Greenstone Resources NL reviewed the previous exploration data and identified opportunities for extending the known mineralisation at Emull, however no field exploration is reported.

During 1973, AAA identified a layered sequence of dunite and peridotite at Station Creek, within the northern portion of the project area. AAA completed ground magnetic

surveying, excavated five costeans and carried out RAB and percussion drilling. The highest nickel values in drilling, up to 6000ppm Ni, were reported from the weathered zone, although anomalous copper, up to 242ppm Cu, suggests that the high values are not entirely due to surface enrichment in nickel. Subsequent exploration by Unicorp, between 1979 and 1982, included 85 shallow RAB and 15 RC drillholes. RAB drilling samples analysing up to 5490ppm Ni and 7.5% Cr were reported from the weathered zone. RC drilling over these anomalous values detected lower order values for all elements relative to the surface zone. Limited analyses for PGE did not detect any significant results.

During 1989, Geopeko completed RAB drilling, most of which did not intersect fresh bedrock, along selected traverses at Station Creek. Surface cover sediment hampered drilling on several traverses. No significant PGE values are reported, however anomalous gold, up to 1.3g/t, was detected in a single drillhole (PS2, 40m-42m).

The Station Creek area was held under tenement by Thundelarra Exploration Ltd until mid-2003, however the results of exploration were not reported at the time of preparing this report.

6.3 EXPLORATION POTENTIAL

Northern Star's East Kimberley Nickel Project is considered to contain significant potential for the discovery of nickel-copper-PGE mineralisation, and to have more limited potential for the discovery of chrome-PGE mineralisation. An overriding observation with respect to previous exploration for magmatic nickel-copper-PGE mineralisation throughout the project area is that very little drilling was carried out. Limited exploration has been completed since the late 1980's and, although the quality of earlier exploration was generally high, it was generally designed around exploration for classic Bushveld-style PGE mineralisation.

The relatively minor nickel-copper sulphide exploration was generally focussed on stream sediment sampling and gossan search, followed by ground geophysics. Targets without a strong surface geochemical expression would not have been detected with this exploration strategy. Previous airborne EM surveys were flown with specifications designed to target mineral deposits of large dimensions, and may not have detected buried deposits of a size that may be economically viable to Northern Star. At Springvale, the flight line direction of an airborne EM survey was sub-parallel to the strike direction of stratigraphy and shear zones, decreasing the effective test of that area. The 6km, southern shear zone contact of the Springvale intrusion remains one of the more prospective targets for Northern Star based on the widespread occurrence of samples anomalous in nickel, copper and cobalt within rock chip sampling.

The success of recent explorers at historically recognised prospects such as Panton Sill and Sally Malay, and at emerging prospects such as Copernicus and Eileen Bore, serves to emphasise the potential for successfully exploring within the East Kimberley mafic magmatic province. Each of these occurrences is located within different intrusions of varying age and geochemical character. The new discoveries have resulted, to a large degree, from the exploration of electrical geophysical targets with drilling. Despite the work of the NGMA in developing a system of subdividing the intrusions based on the composition and age of mafic bodies, there is no clear basis, at this time, by which intrusions of a particular association can be shown to be more or less prospective for the wide variety of magmatic nickel-copper-chrome-PGE mineralisation styles.

Northern Star will benefit from the significant advances in understanding of the formation of magmatic nickel-copper-chrome-PGE deposits, and in the geochemical and geophysical exploration methods available to explorers for mafic hosted sulphide mineralisation. There is a broader acknowledgement within the minerals industry of the validity of low grade disseminated styles of mineralisation, such as at the Lac de Isles palladium deposit in Canada, as viable exploration targets. Study of the world class Voisey's Bay and Norilsk deposits has also demonstrated the importance of magma conduits and high volume magma flow to the localisation of massive nickel-copper sulphide mineralisation, and the potential for mineralisation to be localised in smaller, discrete magma chambers. Smaller gabbroic bodies and dyke rocks within the region have not been explored as potential conduits to mafic magma on this basis, and are regarded as high priority targets for exploration.

Geochemical study suggests that many of the East Kimberley mafic intrusions, including the Toby and Wilagee intrusions, were emplaced at relatively shallow depth. The magmas also show evidence for contamination by crustal rocks and magma mingling. Each of these characteristics is considered to enhance the potential that the East Kimberley mafic rocks are prospective for magmatic nickel-copper sulphide mineralisation. Mineralisation within the Corridor gabbro, for example at Billymac Yard, is poorly constrained and additional exploration utilising modern

geophysical exploration is considered warranted. The identification of regional magnetic data of phases of intrusions that are relatively more magnetic to the surrounding intrusions, but which have not been identified in mapping, provides an opportunity for Northern Star to focus exploration on new opportunities. Examples of this style of target include Castlereagh, at Foal Creek and at Red Billabong.

By securing tenement holding over a significant number of discrete mafic-ultramafic intrusions, over significant areas of exposure of Norton or Corridor gabbro, and over a newly identified gabbro intrusion at Castlereagh, Northern Star has compiled a strategic landholding for magmatic nickel-copper sulphide deposits with which it can advance its exploration strategy. Northern Star also has also identified an opportunity to explore for additional copper-lead-zinc mineralisation at the Emull prospect targeting a structural duplication of the deposit. The project is considered to have good potential for the discovery of a significant base metal mineral deposit.

8.2 PROPOSED EXPLORATION STRATEGY AND BUDGET

Northern Star proposes to assess geochemically anomalous areas identified on the margins of outcropping mafic-ultramafic intrusive complexes for nickel-copper-PGE and hydrothermal-disseminated PGE mineralisation. Exploration activities are proposed to include systematic geological mapping and geochemical and ground based electrical geophysical surveys. Northern Star will complete airborne magnetic or EM surveys where previous data is non-existent or of an inadequate standard.

Northern Star intends to prioritise the Springvale shear zone, the northwest portion of the Springvale intrusion, the West Robin Soak intrusion and the Marty Bore and Egg prospects at Toby for initial evaluation. Systematic mapping and geochemical surveys are proposed for the Castlereagh, Foal Creek and Red Billabong tenements.

Drill programs, comprising RC and diamond drilling, will be completed over the highest priority targets identified as a consequence of Northern Star's exploration.

The exploration strategy is considered appropriate to the project. Northern Star has provided a comprehensive budget designed to cover the costs of the Year 1 and 2 programs (Table 2) that is considered to be consistent with the status and potential of the East Kimberley Nickel Project. The expenditure allocations of $974,000 and $905,000 in Years 1 and 2 respectively are considered adequate to cover the cost of the proposed programs and exceed the minimum statutory expenditure requirements of $321,500 for granted tenements or $382,100 if all tenements are granted.

Table 2

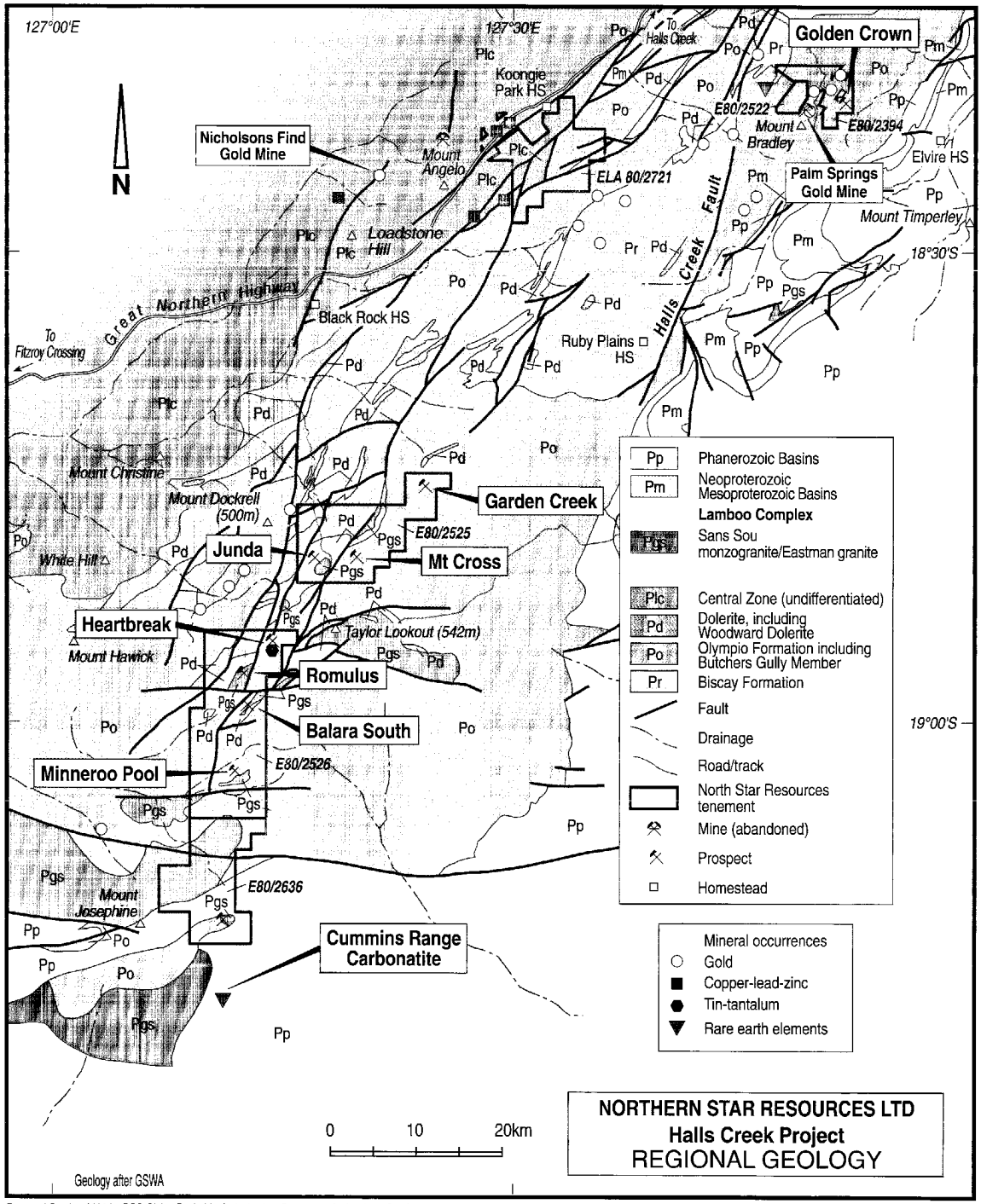
EAST KIMBERLEY NICKEL PROJECT – PROPOSED YEAR 1 AND 2 EXPLORATION EXPENDITURE

	Year 1 $	Year 2 $	Total $
Airborne geophysical surveying	70,000	-	70,000
Ground geophysical surveys	185,000	160,000	345,000
Acquisition and processing of airborne and satellite imagery	16,000	2,000	18,000
Geochemical Sampling	87,000	35,000	122,000
Geological Mapping	32,000	29,000	61,000
Drilling	247,000	389,000	636,000
Vehicle/Accommodation/Travel	104,000	98,000	202,000
Rehabilitation	12,000	20,000	32,000
Tenements Rates and Rents	51,000	51,000	102,000
Native Title Clearance	33,000	20,000	53,000
Administration	104,000	97,000	201,000
Total	974,000	905,000	1,879,000

3 HALLS CREEK PROJECT

The Halls Creek Project comprises five granted exploration licences (E80/2394, E80/2522, E80/2525, E80/2526 and E80/2636) and one application for exploration licence (ELA80/2721) covering a total area of approximately 563km² (Figure 8). The tenements are distributed east and south of Halls Creek, and are accessible from a network of unsealed roads and tracks from the Great Northern Highway.

The physiography of the project area varies from moderately dissected strike ridges in the north and northwest, with isolated remnants of a ferruginous laterite surface on the highest ridges, to flat expanses with isolated low rounded ridges toward the south. This gradual decrease in topography corresponds with the transition from the west draining Fitzroy River drainage south into the inland draining Sturt Creek catchment, and is



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

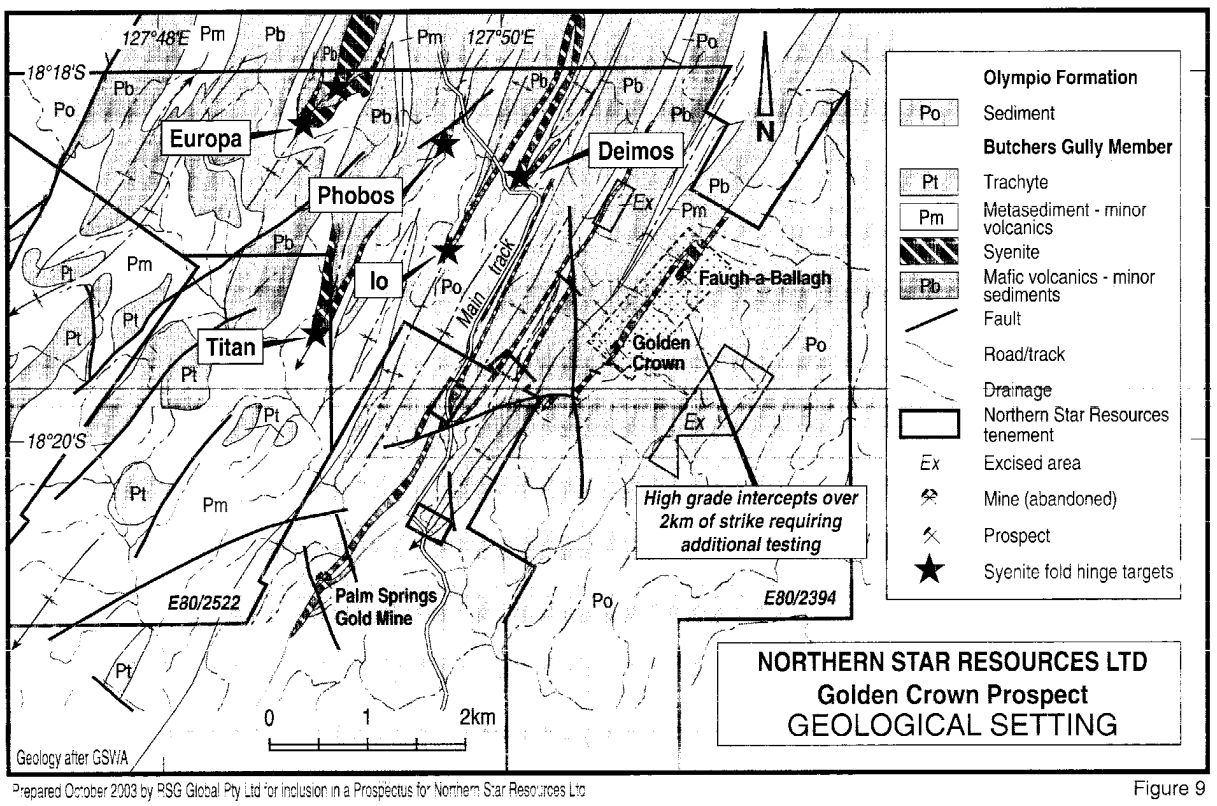
Figure 8

accompanied by a transition in vegetation style from spinifex and open Schlerophyl forest to Spinifex and Acacia scrub. Stream deposits throughout the northern and central portions of the project area were worked historically for alluvial production, primarily for gold and cassiterite (tin oxide).

The project is located, with minor exception, within the Eastern Zone of the HCO. The Eastern Zone succession within the project area is dominated by the Olympio Formation, with exposure of the Biscay Formation within the cores of regional scale anticlines. To the west, the succession is separated from the Central Zone of the HCO by the Halls Creek Fault. Major north-northwest to northwest trending faults, including the Dockrell and Woodward Faults, dominate the structural fabric, which rotate into an east-west direction towards the southern portion of the project area. To the south and east of the project, Neoproterozoic and Palaeozoic sedimentary cover sequences unconformably overlie the HCO.

Golden Crown comprises two granted exploration licences, E80/2522 and E80/2394, covering approximately 40km² and located approximately 20km east of Halls Creek (Figure 9). The tenements overlie portions of the contact between the Biscay and Olympio Formations, which is regionally anomalous in terms of the number of gold occurrences near the contact.

Rocks of the Biscay Formation, comprising basalt and subordinate units of intercalated sandstone, siltstone, chert and tuff, form the basal succession of the prospect area. This succession is overlain successively by intermediate to felsic volcanic and volcaniclastics rocks and syenite sills of the Butchers Gully Member of the Olympio Formation, and a monotonous sequence of thin bedded, lithic sandstone of the Olympio Formation. Dolerite sills intrude all rock sequences within the project area.



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 9

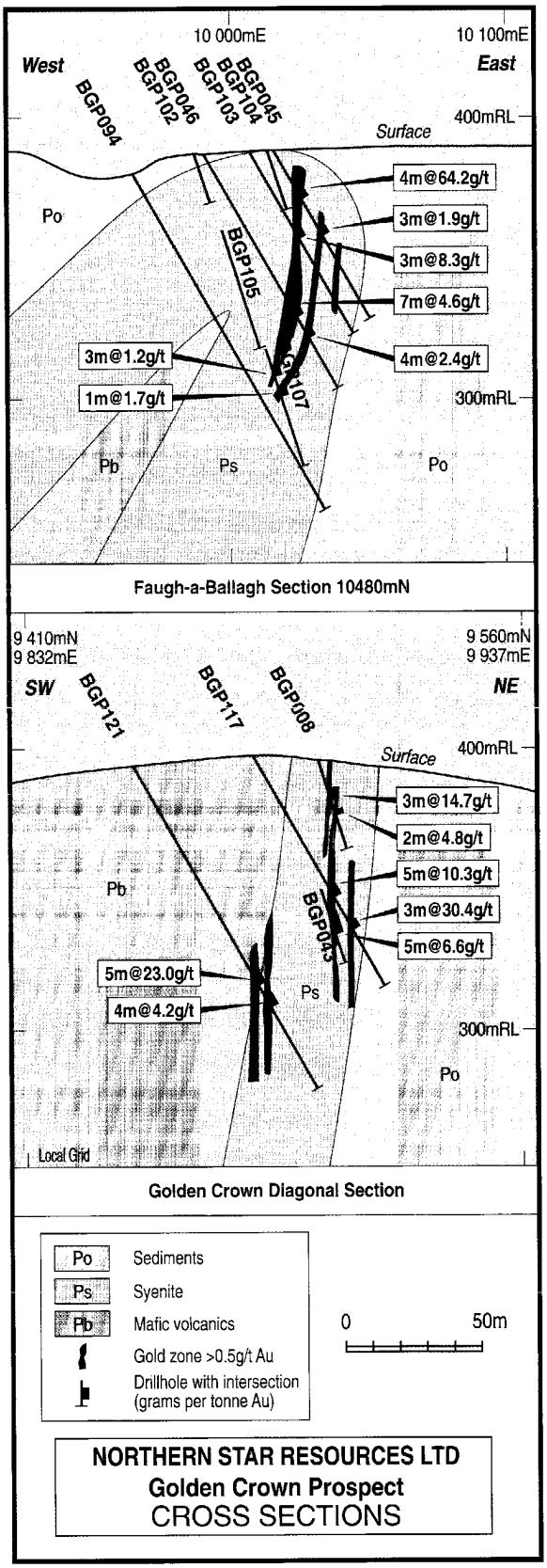
Historic hard rock mining was focussed on extracting higher grade quartz vein occurrences and alluvial prospecting. Approximately 1,100oz of gold production is recorded from the Golden Crown Mine, with minor production from the Faugh-a-Ballagh and Long Shot mines. The Palm Spring deposit, located 3.5km southwest of Golden Crown, is the largest gold deposit known, and one of only two significant modern producing gold mines, within the East Kimberley.

3.2.2 EXPLORATION HISTORY

Modern exploration, apart from alluvial prospector activity, was first completed by Panorama Resources Limited (Panorama) between 1993 and 1996. Panorama completed a soil sampling program over the Golden Crown workings and rock chip sampling over much of the project area, the latter focussed predominantly on syenite units. Soil sampling at Golden Crown outlined a coherent, 2km long, +20ppb gold anomaly based on bulk leach (BLEG) analyses, with the highest result of 0.87g/t Au. Panorama completed 76 reverse circulation (RC) drillholes over the Golden Crown workings, and to the north at Faugh-a-Ballagh, which produced a number of significant intersections associated with massive and stockwork quartz veining (Figure 10, Table 3).

Geological mapping, soil sampling and rock chip sampling completed subsequent to Panorama's initial phase of RC drilling showed that anticline hinge zones within syenite throughout the area are anomalous in gold, and seven prospects for additional work were delineated. Rock chip sampling included a maximum value of 8.15g/t Au at the Io prospect, and showed that the prospects are also anomalous in arsenic and base metals. Saddle reef and stockwork quartz veins located within anticlinal fold closures in sediment to the south of Golden Crown are also anomalous in gold, with a maximum value of 2.22g/t Au obtained in Panorama's sampling.

During 1996, Panorama completed 10 RC drillholes to test the Io, Deimos and Lady Margaret prospects, although the best result was 1m @ 4.9g/t Au at the Io prospect (BGP043, 34m-35m). A stream sediment sampling program was completed over the entire project area and 11 anomalies identified for further work. Rock chip sampling and mapping completed over four anomalies during 1997 did not identify evidence for significant mineralisation.



Prepared October 2003 by RSG Global Pty Ltd
for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 10

TABLE 3

GOLDEN CROWN PROSPECT – SIGNIFICANT RC DRILLING ASSAY RESULTS

BGP008	Golden Crown	13	16	3m @ 14.7g/t Au
BGP043	Golden Crown	61	66	5m @ 6.60g/t Au
BGP067	Golden Crown	24	31	7m @ 4.35g/t Au
BGP114	Golden Crown	21	22	1m @16.9g/t Au
and		64	73	7m @ 5.50g/t Au
including		64	66	2m @ 15.8g/t Au
BGP117	Golden Crown	53	58	5m @ 10.3g/t Au
and		68	71	3m @ 30.4g/t Au
BGP121	Golden Crown	65	68	3m @ 1.33g/t Au
and		81	86	5m @ 23.0g/t Au
and		90	94	4m @ 4.22g/t Au
BGP019	Faugh-a-Ballagh	7	15	8m @ 7.29g/t Au
BGP38	Faugh-a-Ballagh	66	73	7m @ 2.74g/t Au
BGP45	Faugh-a-Ballagh	13	17	4m @ 64.2g/t Au
including		16	17	1m @ 252g/t Au
BGP46	Faugh-a-Ballagh	60	67	7m @ 4.63g/t Au
BGP098	Faugh-a-Ballagh	123	130	7m @ 11.4g/t Au
BGP099	Faugh-a-Ballagh	100	106	6m @ 4.67g/t Au
BGP103	Faugh-a-Ballagh	33	36	3m @ 8.27g/t Au
BTP002	Titan	11	15	4m @ 1.56g/t Au
BTP003	Titan	55	56	1m @ 1.68g/t Au
BTP004	Titan	12	14	2m @ 1.33g/t Au
and		21	24	3m @ 2.88g/t Au

Panorama completed 29 RC drillholes into the Golden Crown prospect and 6 RC drillholes into the Titan prospect during 1997. At Golden Crown, a small number of drillholes were oriented to drill normal to the principal quartz vein direction, rather than normal to the syenite margins. These drillholes provided greater confidence in interpretation of results and intersected significant mineralised intervals. At Titan, three of six RC drillholes successfully intersected low grade mineralisation.

Despite the very positive results from this phase of drilling, no subsequent exploration by Panorama is reported.

3.3 BAILY RANGE

3.3.1 LOCATION, GEOLOGY AND MINERALISATION

The Baily Range Prospect comprises a single application for exploration licence, ELA80/2721, covering 93km^2 and located approximately 25km southwest of Halls Creek (Figure 8). The tenement is located immediately southeast of the Great Northern Highway, with the exception of two small outliers of tenement coverage, which are located to the northwest, and can only be accessed via four wheel drive station tracks.

The Baily Range tenement is underlain predominantly by lithic sandstone of the Olympio Formation with relatively minor sediment, mafic volcanic and syenitic units of the Butchers Gully Member (Figure 11). Two small tenement outliers, mentioned above, are located within the Central Zone of the Lamboo Complex and overlie rocks of the Koongie Park Formation within an area that contains several base metal occurrences, including Onedin and Hanging Tree.

The southwest trending Angelo Fault, which is defined as separating the Central and Eastern Zones of the Lamboo Complex to the south of Halls Creek, is interpreted to pass along the northwest boundary of the main tenement block.

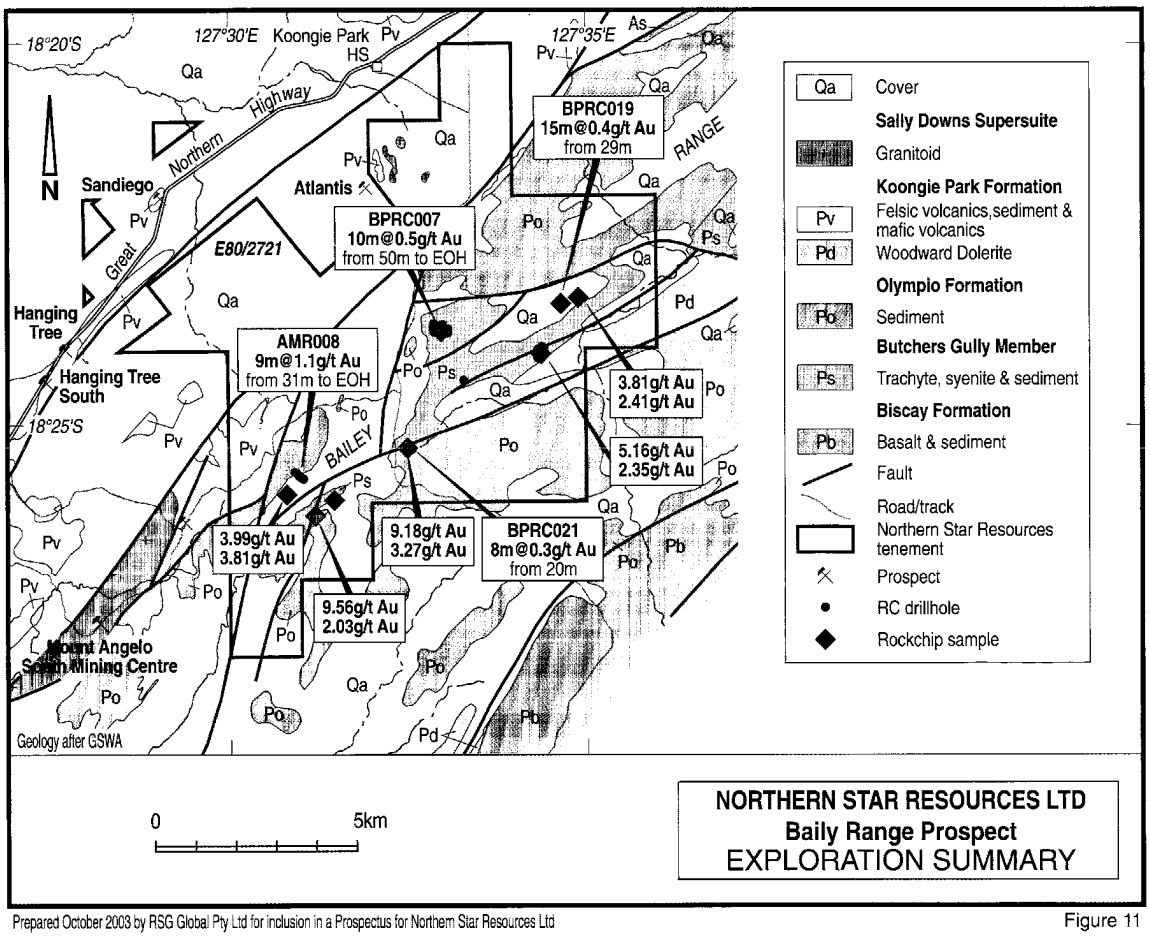
3.4.2 EXPLORATION HISTORY

Significant exploration within the Baily Range area was completed by Billiton Australia (Billiton) and Acacia Resources Limited (Acacia) between 1992 and 1996, and by Panorama between 1993 and 1997.

Billiton completed regional geological mapping and stream sediment sampling, including BLEG sampling for gold. This work identified an anomaly of up to 786ppb Au in BLEG samples over an area underlain by folded sediment and volcanic rocks of the Olympio Formation. This area was named the Big Mac prospect after initial follow-up detected a quartz vein stockwork containing up to 0.3g/t gold in rock chip samples. Soil sampling led to the identification of a 750m long greater than 20ppb gold soil anomaly and detection of up to 1.65g/t gold in rock chip samples.

Ownership of the project transferred to Acacia, which completed systematic rock chip sampling at Big Mac and eight RC drillholes over the strongest anomalies. Drilling intersected significant widths of low grade mineralisation, including both 24m averaging 0.29g/t Au (BPP001, 36m-60m) and 10m averaging 0.48g/t gold (BPP007, 50m-60m) at the ends of drillholes.

Acacia established the 9.1km long Whopper grid, over which it completed mapping, soil sampling and costean sampling in areas of poor exposure. Systematic 2.5m composite rock chip samples of quartz stockwork zones gave values up to 9.2g/t Au. Twenty one trenches were completed in areas of poor exposure, for best assays of 6m averaging 0.3g/t Au associated with pyritic metasediment (line 17400E), 4m averaging 0.36g/t Au in quartz veined metasediment (line 20800E) and 12m



Prepared October 2003 by RSG Global Pty Ltd for inclusion in a Prospectus for Northern Star Resources Ltd

Figure 11

averaging 0.176g/t Au in quartz-hematite veined metasediment (Line 22200E). Sixteen RC drillholes were completed over five targets based on a number of mineralisation styles, including the sheared contact of

Highway and unsealed Balara Road, and thence 50km southwest via unserviced station and exploration tracks. The project area lies within the catchment of the inland draining Wolfe and Sturt Creeks, and is characterised by

WHOPPER GRID – SELECTED RC DRILLING RESULTS

BPRC011	53	60	7m @ 0.27g/t Au	18000mN	
including	48	49	1m @ 0.89g/t Au		
BPRC012	57	60	3m @ 0.33g/t Au	18050mN	
BPRC023	25	46	21m @ 0.10g/t Au	20150mN	
BPRC020	1	58	57m @ 0.14g/t Au	20200mN	20000 Zone
BPRC021	58	69	11m @ 0.16g/t Au (EOH)	20200mN	20000 Zone
BPRC24	18	35	17m @ 0.15g/t Au	22200mN	Central Prospect
including	22	24	2m @ 0.59g/t Au		
and	70	80	10m @ 0.16g/t Au		
BPRC015	20	48	28m @ 0.14g/t Au	24250mN	Syenite Prospect
BPRC019	27	44	17m @ 0.40g/t Au	25200mN	Northeast Anomaly

sediment with dolerite, stockwork veining within altered syenite, quartz stockwork in sediment and chloritic shear zones in sediment. Eight of the drillholes intersected significant widths of low grade gold mineralisation (Table 4).

Panorama identified an area of anomalous gold in stream sediment samples in the northeast portion of its tenements abutting Acacia's project area. Limited drill testing was completed at the Michelangelo prospect, where a 500m long anomaly showing greater than 50ppb gold in BLEG and minus 80 mesh soil sampling was identified. This single RAB drilling traverse (9 holes for 360m) returned 9m averaging 1.07g/t associated with quartz veining within quartz sericite schist. No follow up work is documented by Panorama.

3.4 Cummins Range

Cummins Range is located approximately 120km south-southwest of Halls Creek and comprises a single granted Exploration Licence, E80/2636, covering an area of approximately 113km^2. The northern part of the tenement also covers the southern extent of the Balara tantalite field, discussed in the following section.

Access to the area is gained by travelling approximately 100km southwest from Halls Creek via the Great Northern

Spinifex grassland and isolated stunted Eucalypt trees.

Cummins Range is located within an area of extensive superficial cover at the projected intersection of the Halls Creek and King Leopold Orogens. Major regional faults regarded as important in localising deformation during Palaeoproterozoic tectonic movements, including the Halls Creek Fault and Pinnacles Fault, trend into the prospect area. These faults may have played an important role during deformation involving the Kimberley and Granites-Tanami blocks, and in localising the Cummins Range carbonatite intrusion, which is located approximately 8km south of the prospect area.

The most significant exposure in the area occurs within the east-northeast trending Cummins Range, which is located immediately north of the prospect and consists of sandstone, mudrock and dolomitic sediment of the Neoproterozoic Ruby Plains Group. Isolated exposures of volcanic rocks equated with the Butchers Gully Member of the Olympio Formation are mapped within the tenement, and Olympio Formation is mapped immediately south of the prospect. Small exposures of granitoid correlated with the Sans Sou suite is mapped southwest of the prospect area.

The nearest known gold prospect is located at the old Mt Dockrell workings, approximately 40km to the north.

3.4.3 EXPLORATION HISTORY

The Cummins Range received exploration after CRA detected a total count radiometric anomaly associated with isolated magnetic anomalies, approximately 4km south of Burrtina Pool, during the course of regional airborne geophysical surveying in 1974. CRA completed a percussion drilling program of 37 drillholes at its Shiddy Creek prospect. Drillholes were completed at 150m spacing on three 1.8km long drill lines. The results showed that the radiometric anomaly is sourced within a veneer of pisolite cover overlying a granitoid body intruded into quartz-plagioclase schist.

Samples from nine drillholes were submitted for gold analysis after anomalous bismuth (420ppm) was detected in weathered schist intruded by granite (PD19, 3m to 5m). The bismuth-rich sample contained 0.6g/t gold. No other significantly anomalous samples were detected and CRA did not report any further exploration.

3.5 BALARA

3.5.1 LOCATION, GEOLOGY AND MINERALISATION

Balara comprises two granted Exploration Licences, E80/2525 and E80/2526, covering approximately 317km² and located between 60km and 100km southwest of Halls Creek. Access to the Balara area is gained by travelling approximately 80km southwest from Halls Creek via the Great Northern Highway and the unsealed Balara Road, and thence via unserviced station tracks. The project area overlies the drainage divide between the northwest draining Fitzroy River catchment and the inland draining Sturt Creek system.

The area is underlain by tightly folded and faulted metasediment of the Olympio Formation, intruded by Woodward Dolerite and granitoid of the Sans Sou suite, the latter commonly intruding the cores of anticlinal features. The area is situated at the intersection of the north-northwest trending Dockrell and Woodward Faults and the east-west trending Houghton Range Fault system and is strongly affected by brittle faulting at a local scale.

Numerous pegmatite, hydrothermal vein and skarn-style occurrences, hosting tin, copper and gold, tungsten and tantalum mineralisation, are recorded throughout the Balara area. The most significant recorded production is from the Dockrell gold mining centre, where approximately 1,400 ounces of gold is reported as mined from quartz-base metal veins hosted by metasediment. Minor production from alluvial workings is also reported from throughout the area, most significantly from the Mount Heartbreak mining centre where 1.3 tonnes of cassiterite (tin oxide) concentrate is recorded.

3.5.2 EXPLORATION HISTORY

Recorded mineral production in the Balara area occurred between 1927 and 1962. Significant regional and detailed exploration has been completed since the mid-1960's, leading to the identification of more than 20 prospects prospective for various combinations of gold, base metals, tantalum, tungsten, tin and uranium.

PMI completed regional stream sediment sampling and rock chip sampling throughout much of the area between 1964 and 1966. PMI recognised a 3km long limestone unit, up to 300m in thickness, on the contact between the Saunders Creek Formation and the Biscay Formation at Taylor's Lookout. The rock units are folded and intruded by granite in the core of a regional scale anticline. Samples at a single location within the limestone contained sphalerite and galena, reporting up to 0.5% zinc and 0.7% lead. Based on the similarity of rock units with those at the Ilmars copper-lead-zinc prospect area, four wide spaced traverses of soil and rock chip sampling and IP geophysics were completed. Two traverses (100+00N and 104+00N) detected coincident soil copper and IP anomalies associated with calc-silicate rocks, quartz muscovite schist and mafic volcanic units. Four costeans were subsequently excavated over separate prospects.

At Site B, located approximately 800m south of line 100+00N, disseminated chalcopyrite and cupriferous gossans were identified over more than 150m of strike in the upper parts of the limestone unit. Rock chip samples contained up to 18.5% copper. Channel sampling of the single costean intersected 18m averaging 0.14% Cu (Costean B). Despite these encouraging results, PMI did not report any exploration at this prospect after 1971.

CRA Exploration Pty Limited (CRA) explored the area surrounding Taylor's Lookout for base metal-gold-uranium mineralisation during 1974, completing airborne and ground magnetic surveys and ground geological traversing. Channel sampling of an old PMI costean returned up to 26m averaging 1088ppm Cu, and individual grab samples containing secondary copper oxide up to 1% Cu. No radiometric anomalies indicative of uranium mineralisation were detected, and exploration ceased.

WMC explored the Taylor's Lookout area between 1978 and 1980. WMC re-sampled PMI's Site B area, obtaining

up to 19.5% Cu, 10ppm Ag and 0.2g/t Au in rock chip samples. Approximately 3km north of Pivis Site B, sporadic disseminated chalcopyrite and molybdenite mineralisation distributed over 1,800m of strike provided rock chip samples contained up to 6.6% Cu, 1150ppm Mo and 1050ppm Sn. WMC completed seven shallow percussion drillholes at three prospects. The best intersection was 12m averaging 0.38% Cu within amphibolite skarn containing disseminated pyrite and chalcopyrite (MP6, 46m-58m), including up to 2m @ 13.5% Cu and 14g/t Ag (MP6, 46m-48m). Anomalous molybdenum analyses include up to 1400ppm Mo (MP6, 10m-12m).

Anglo American Prospecting Pty Ltd (Anglo American) completed a regional photo-geological assessment during 1981 that identified the Romulus and Remus prospects as anomalous circular features. A regional stream sediment survey confirmed that massive pegmatite at the Romulus prospect and a pegmatite dyke swarm distributed over 3km^2 at Remus were anomalous in tantalum. Surface rock chip and soil sampling completed at both prospects confirmed the pegmatites as anomalous in tantalum and niobium. At Romulus, massive pegmatite and numerous pegmatite dykes are exposed intruding laminated metasediment over an area of more than 1.6ha. A soil sampling traverse detected coincident tantalum and niobium enrichment over the central portion of the pegmatite, with tantalum in the -10 to +20 mesh fraction exceeding 600ppm Ta. Six diamond drillholes were completed at Remus, the deepest to 500m depth, but no significant mineralisation, nor the postulated sub-surface granitic source to the pegmatite swarm, was intersected.

Between 1980 and 1984, Union Oil Corporation Pty Ltd (Union Oil) explored vein and stratabound scheelite mineralisation within a number of prospects, including Junda, Balara, Taylor's Lookout, Mt Dockrell, Ruby Plains and Sophie Downs. All prospects comprise meta-volcanic rocks of the Biscay Formation interfolded with micaceous schist units of the Olympio Formation. Union Oil's exploration included heavy mineral concentrate stream sediment sampling (HMC) followed by ultraviolet lamp traversing and rock chip sampling. At Junda and Mt Dockrell, quartzite assigned to the Saunders Creek Formation is present, and granitoid intrusions are exposed in the cores of major folds at Taylor's Lookout and Junda.

At Mt Dockrell, tungsten mineralisation was observed as up to 3% scheelite by volume disseminated within epidote bearing quartzite occurring at the contact between the Biscay and Olympic Formations. Cross-cutting blue quartz veins contain tin-tantalum±tungsten mineralisation. Three diamond drillholes were completed to between 51.5 and 103.5m depths at Mt Dockrell. All intersected pelitic and psammitic schist of the Olympio Formation containing minor disseminated and quartz vein-hosted sulphide and fluorite-cassiterite-scheelite mineralisation.

At Junda, pegmatite was found to variously contain up 950ppm tungsten, 6ppm tin and 240ppm tantalum. Several highly anomalous stream sediment pan concentrate samples, including up to 0.77% tungsten, 0.72% tin, 1.85% tantalum and 0.72% niobium, were not further investigated by Union Oil. At Balara, rock chip samples from a 40m long quartz vein contained up to 7800ppm tungsten and 800ppm tin. No systematic sampling of this prospect was undertaken.

At Taylor's Lookout, stream sediment data showed a regional tungsten anomaly overlying the area explored for base metals by PMI, CRA and WMC. Union Oil showed that tungsten mineralisation occurred throughout the area, including surrounding previous costeans and drillholes. Secondary molybdenum mineralisation was located near WMC's PM6. Tungsten mineralisation was shown to be associated with thin calc-silicate or siltstone horizons interbedded with mafic units and no potentially economic concentrations were identified.

HMC samples collected by Union Oil at Mt Dockrell contained up to 820ppm Au, although no bedrock source was identified. During 1985, West Coast Holdings Limited (WCH) completed regional stream and rock chip sampling to further test areas identified as shedding gold into streams by Union Oil. Only one rock chip sample returned anomalous gold values (up to 10g/t Au). Alluvial resources were shown to be too thin to justify detailed evaluation.

Between 1982 and 1986, WCH explored the Mt Dockrell area for tin and tungsten based on an exhalative stratiform model for mineralisation.

During 1983 and 1984, Maitland Mining NL explored the area around Mineroo Pool for gold and pegmatite tin-tantalum mineralisation. Stream sediment samples anomalous in niobium, copper, tantalum, lead and rare earth elements were identified. While ground investigations of these anomalies proved negative, additional sampling detected up to 0.525g/t Au in association with tourmaline concentrate. Rock chip sampling included vein quartz samples contained up to 21.9g/t Au and 1.4% Pb, although the veins were typically thin and discontinuous.

A hiatus in exploration occurred until 1994, when Roebuck Resources NL completed an assessment of Poacher's Creek and Horseshoe Creek, near Mt Dockrell, for both alluvial and lode gold resources. As found by WCH, alluvial resources were shown to be superficial and insufficient to support economic extraction at the time. Quartz vein mineralisation was shown to be thin and discontinuous in nature.

Aurora Gold Limited (Aurora) explored the area northeast from Garden Creek for gold between 1992 and 1994. The area is underlain by sediments of the Biscay Formation and Olympio Formation exposed within a regional scale anticline. Aurora identified anomalies from airborne multispectral data and magnetic data, which were field checked during following stream sediment and rock chip sampling. Aurora collected BLEG samples and minus 53 micron overbank samples at each site. All samples were assayed for gold and copper, and BLEG samples additionally for silver. Quality control on the BLEG samples showed that detrital gold particles were present in some samples.

Exploration by Aurora highlighted a strong association between calc-silicate, mafic volcanic and quartz-magnetite horizons on the contact between the Biscay and Olympio Formations and both magnetic and stream sediment anomalies. Detailed soil and stream sediment sampling was undertaken over two prospect areas highlighted by stream sediment anomalies up to 109ppb Au. At both prospects, mineralisation was attributed to narrow quartz veins hosted within silica-carbonate±magnetite chert horizons, although the highest gold analyses in rock chip samples were reported as 200ppb Au.

3.6 EXPLORATION POTENTIAL

The most advanced prospects within the Halls Creek Project are the gold prospects at Golden Crown and Faugh-a-Ballagh, where high grade, narrow vein gold mineralisation is hosted by structural culminations within a brittle syenite host rock. This setting is identical to that at the largest gold deposit yet recognised within the East Kimberley region, the Palm Springs deposit, where a stockwork vein system was exploited. Northern Star recognises the potential for stockwork vein systems occurring in favourable structural settings similar to that observed at Palm Springs, and particularly in association with the regionally extensive syenite unit, within the Biscay Formation. Northern Star has reasonably suggested that the Golden Crown area may contain a resource of this style.

At Golden Crown, significant previous drilling was completed by Panorama prior to its withdrawal from exploration throughout the region. Of this work, most was systematic grid drilling over a limited length of strike and only a small proportion of drilling was optimally oriented for targeting the high grade vein quartz mineralisation. Whilst individual structures of this type may prove difficult to constrain, there appears to have been no systematic structural analysis to assist exploration. In addition, sampling and analytical techniques employed by Panorama may have not provided a representative analysis in this high nugget style deposit, such that the tenor of both vein and stockwork mineralisation may be under-rated.

At Baily Range, RC drilling in areas of anomalous surface costean and rock chip sampling has detected significant widths of low grade gold mineralisation, indicating that a substantial mineralising system occurs within the area. Drilling completed to date is sparse and appears to have been targeted on the basis of geochemical data with limited recognition of the local geological controls. In several instances, drillholes contain significant mineralisation at the bottom of hole, or did not test the down-dip projection of the best intervals of surface sampling.

At Cummins Range, no follow-up was undertaken of a weak gold-tungsten association observed in very limited geochemical data from wide-spaced drilling, and identified within an area where the bedrock geology is completely obscured by surficial cover deposits. This metal association is characteristic of mineralisation at Tennant Creek, within the Northern Territory, where high grade gold-copper-bismuth mineralisation has been exploited. The prospect is considered to warrant further exploration for gold, tin-tungsten-tantalum and carbonatite-hosted mineralisation, in particular via more detailed airborne magnetic data than is currently available.

It is noteworthy that in previous gold exploration within the region, including at both Golden Crown and at Baily Range, there is no documented evidence for the systematic application of structural mapping or of airborne magnetic or ground geophysical exploration techniques, as would be expected within other moderately explored terrains characterised by shear-hosted gold mineralisation. The systematic application of these techniques is particularly important if Tennant Creek or Pine Creek style gold mineralisation is to be targeted, as has been proposed by several previous explorers. In fact, evaluation

of most prospects is limited to stream sediment and surface rock chip and soil sampling and geological mapping, with only very limited drilling.

RSG Global considers that the Halls Creek Project provides a significant opportunity for the discovery of a gold resource, or resources, which may prove economically viable. Northern Star's intent to establish an economic operation based on a number of smaller resources, whilst not discounting the potential for discovery of a resource comparable with, or larger than, Palm Springs, is considered consistent with the potential of the Golden Crown and Baily Range project areas.

Previous stream sediment sample coverage over much of the Halls Creek Project has identified the highly anomalous nature of the area for gold, tungsten, tin and tantalum. Occurrences tend to be associated with a limited stratigraphic interval close to the contact between the Biscay and Olympio Formations, and with a zone of structural culminations cored by granitoid. Numerous prospects have been exploited for alluvial production. Significant bedrock sources have eluded previous explorers, leading some to suggest that the alluvial deposits were sourced from a now eroded, ancient land surface. This interpretation is not supported, however, by the existing distribution of data. There is no record of significant lag anomalies associated with the peneplain surface nor is there any evidence, at this time, for stream sediment anomalies detached from bedrock source areas, as would be expected were this the case. Modern exploration was also concentrated over areas of good exposure, whilst areas of similar geological character beneath cover deposits have been ignored. Further exploration of the region for bedrock mineralisation containing these metals is considered warranted.

The priority exploration target for Northern Star at Balara is 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. These deposits collectively contain more than 50 million pounds of Ta2O5 in resource, and produce a significant proportion of the world's tantalum supply. Northern Star has identified the highly anomalous nature of the Balara area for these specialty metals, and the limited nature of previous exploration. RSG Global notes the low infrastructure requirements for deposits of this style, and considers that the Northern Star prospects have good potential for discovery of deposits of tin, tantalum and tungsten that may sustain economic extraction.

Northern Star intends to focus exploration on the Golden Crown and Faugh-a-Ballah workings, where high grade mineralisation has been identified. Through the systematic application of structural mapping techniques at surface and in drill core, Northern Star's aim is to establish the distribution of grade within the quartz vein and to focus on establishing potential resources for early cash flow. Regional airborne magnetic or ground geophysical exploration techniques, geological mapping and soil and stream sediment geochemical programs will be implemented to generate new target areas.

Northern Star has provided an exploration program for the Halls Creek Project that includes:-

- Compilation of all pre-existing exploration data, including stream, rock chip and soil sampling and drilling data, into digital format.
- Prospect scale mapping and rock chip sampling, and acquisition of regional and prospect scale soil and stream sediment geochemical samples as required to infill or advance prospects.
- Acquisition of airborne magnetic data, some of which is available from third parties, at Balara, Cummins Range and Golden Crown.
- Ground geophysical surveys.
- RAB drilling to refine the geochemical anomalies over existing and new targets at Baily Range and Cummins Range.
- RC drilling at Golden Crown (Au), Faugh-a-Ballagh (Au) and Romulus (Nb-Ta) testing for the presence of high grade vein and low grade stockwork or pegmatite mineralisation. At each of these prospects, successful drilling results can be expected to lead to additional drilling with the aim of defining resources and material for preliminary metallurgical investigations.

The program is considered appropriate to the project. Northern Star has provided a budget to cover the costs of Year 1 and Year 2 programs, which is considered to be consistent with the status and potential of the various prospects (Table 5). The expenditure allocations of $434,000 and $392,000 in Years 1 and 2 respectively are considered adequate to cover the cost of the proposed programs and exceed the minimum statutory expenditure requirement of $159,700 for granted tenements, or $189,400 if all tenements are granted.

TABLE 3

HALLS CREEK PROJECT – PROPOSED YEAR 1 AND 2 EXPLORATION EXPENDITURE

	Year 1 $	Year 2 $	Total $
Airborne geophysical surveying	35,000	-	35,000
Ground geophysical surveys	8,000	8,000	16,000
Acquisition and processing of airborne and satellite imagery	16,000	2,000	18,000
Geochemical Sampling	28,000	20,000	48,000
Geological Mapping	23,000	22,000	45,000
Drilling	183,000	214,000	397,000
Vehicle/Accommodation/Travel	44,000	42,000	86,000
Rehabilitation	14,000	13,000	27,000
Tenements Rates and Rents	19,000	19,000	38,000
Native Title Clearance	18,000	10,000	28,000
Administration	46,000	42,000	88,000
Total	434,000	392,000	826,000

4 WILSON RIVER PROJECT

The Wilson River Project comprises three granted exploration licences (E80/2425, E80/2426, E80/2427) covering a total area of approximately 684km² (Figure 1). The tenements are located between 120km and 170km north of Halls Creek and approximately 50km west and northwest of the settlement of Warmun (formerly Turkey Creek). The area is accessible from a network of unsealed roads and station tracks from the Great Northern Highway.

The project area is characterised by a dissected plateau terrain and becomes increasingly rugged to the west in the area of underlain by folded sedimentary sequences. The area is drained to the north by the Wilson River, which merges with the Bow River before flowing into Lake Argyle approximately 120km to the east-northeast.

The project area includes the significant Maude Creek diamondiferous kimberlite dyke occurrence.

4.1 REGIONAL GEOLOGY

The Wilson River project area is dominated by felsic ignimbrite, tuffaceous units and felsic porphyry of the Whitewater Volcanics unconformably overlain by clastic sediment of the Speewah Basin (Figure 12). Both successions are typified by low dip, with the more siliceous and indurated nature of the sediments forming the Speewah Group giving rise to a slightly elevated plateau topography and prominent plateau scarp. Thick, laterally extensive sills of the Hart Dolerite intrude the Speewah Group.

The Whitewater Volcanics are in fault contact with felsic granitoid and porphyritic granitoid of the Paperbark Suite along the Greenvale Fault, which is a major through going fault within the Western Zone of the HCO, on the eastern margin of the project tenements.

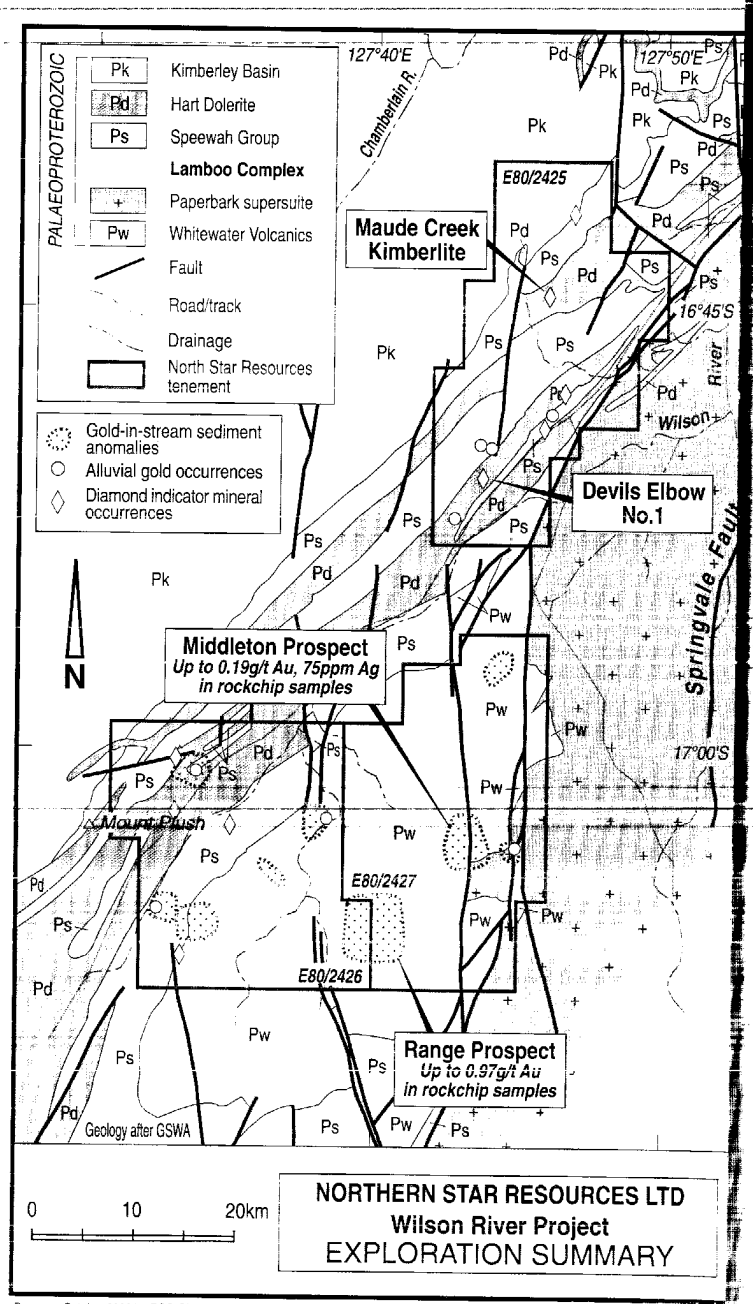
4.2 EXPLORATION HISTORY

The area was subjected to concerted phases of exploration for diamonds between 1972 and 1983 and between 1994 and 1995, and for gold and base metals between approximately 1980 and 1999.

4.2.1 CRA

CRA Exploration Pty Ltd (CRA) carried out exploration for diamonds on behalf of the Ashton Joint Venture between 1972 and 1983. The predominant mode of exploration was by regional stream sediment sampling for diamond indicator minerals, typically followed by more detailed stream sediment and loam sampling. By 1977, numerous kimberlite dyke occurrences had been discovered, the most prominent being Maude Creek where kimberlitic dyke intruding Proterozoic Hart Dolerite was exposed in an exploration costean. The costean was only 22m long, although a prominent aerial photograph lineament more than 2km in length trends through the locality.

Processing of two sub-samples of a 4.6 tonne sample resulted in the recovery of a 0.05 carat diamond and 5 microdiamonds. Petrographic analysis showed that the dyke was mica peridotite, and contained inclusions of



Prepared October 2003 by RSG Global Pty Ltd for Inclusion in a Prospectus for Northern Star Resources Ltd

Figure 4

kimberlitic origin. An additional diamond was recovered in a stream gravel sample near Lightning Creek about 40km south west of Maude Creek. This work identified several other targets, referred to as Devil's Elbow, within the southern portion of the project. The ground was relinquished in 1983 and almost no exploration was completed within the area prior to Panorama in 1994.

Panorama sampled the area for diamonds between 1994 and 1998. Sampling was largely confined to the western portion of the project area and detected probable kimberlitic chrome spinel, picroilmenite and pyrope in many of the stream gravel samples. Of some significance, however, was the detection of a new target area at Archie Creek, 5km north of Maude Creek, where a 0.3mm diamond was recovered.

Ground reconnaissance by Panorama also identified two new potential kimberlite occurrences, at Durack, where a polymictic "vent" breccia was described in petrographic analysis, and at East Bank, where gravel and loam samples showed positive indicator mineral results.

Panorama commissioned an independent review of the scanning electron microprobe (SEM) chemical data for many of the kimberlitic indicator minerals recovered during its field program. This study indicated that, based on chemistry, not all the indictor minerals analysed can be sourced from the known kimberlite occurrences at Maude Creek, Devil's Elbow 1, 2 and 3, East Bank and Durack. Sixteen new indicator anomalies are identified within the western portion of the Wilson River project, with the SEM data suggesting that many of the indicator minerals show compositions consistent with derivation from depths within the lithosphere within the diamond stability field.

Interpretation of Landsat TM data outlined two distinctive, north-south trending, structurally complex corridors containing curvilinear, splay and circular faults, which can be considered as evidence for long lived fault reactivation and intrusive activity. The western corridor is about 40km long and 7km wide, widening to the north where it is overlain by Kimberley Group sediments. The eastern zone is narrower, about 4km wide, with the Greenvale Fault forming the eastern boundary.

Colour enhancements of the satellite data was used to identify alteration zones associated with base metal mineralisation and kimberlitic intrusions. More than 100 anomalies were highlighted, most of which are associated with the two structural corridors, as are all the known kimberlite and base metal occurrences.

4.2.2 GOLD AND BASE METALS

Uranerz Australia Limited (Uranerz) completed a regional stream sediment sampling program, exploring for uranium, over much of the project area between 1980 and 1982. Heavy mineral concentrate samples (HMC's) were analysed for a range of elements, including the base metals, and significant base metal anomalies were identified at Antares and at an un-named copper-lead-molybdenum anomaly. Detailed exploration at these prospects included soil sampling, ground magnetic surveys, petrographic studies and the excavation of shallow costeans.

At the Middleton Zone prospect, located approximately 8km southwest of Antares, copper-lead (Zn-Mo-Ag±Au) mineralisation was located at surface scattered over an area of about 2km by 300m. The mineralisation is hosted by chlorite-sericite-albite-carbonate altered welded ignimbrite. Rock chip samples collected over the prospect returned up to 13.5% Cu, 1.05% Pb, 98g/t Ag, 0.4g/t Au, 230ppm Zn and 330ppm Mo within a well defined soil anomaly. No significant follow up was undertaken at that time.

WCH completed stream sediment sampling over an area including the northern portion of E80/2427 in 1984. Samples were analysed for a broad range of elements. WCH completed a statistical analysis of the data that identified a low order anomaly associated with a northeast trending shear. No further work is documented.

Hunter Resources (1989 to 1991) completed a BLEG stream sediment sampling program over the same area, generating several well defined gold anomalies (one associated with the Middleton base metal prospect). Samples were analysed for gold, silver, platinum and palladium. Follow up exploration was limited to reconnaissance rock chip sampling.

Panorama explored the area between 1994 and 1999. Panorama identified areas of hematite alteration, brecciation of volcanic rocks and quartz veins and secondary copper mineralisation in association with brecciated felsic rocks. Random rock chip sampling reported up to 290ppm Cu, 500ppm As, 800ppm Ba and 140ppm Pb. A 400m line spaced airborne magnetic survey was completed to enhance the existing 400m line spaced survey data, although the resulting data density was not to 200m line spacing specifications.

Quartz float containing visible malachite and galena was sampled in Lightning Creek, which drains Speewah Group sedimentary rocks. Gold grains were observed in heavy mineral concentrates collected during diamond exploration sampling.

Soil samples from adjacent to a low order stream sediment base metal anomaly in Wall Creek are considered weakly anomalous (up to 140ppm Cu). Petrographic study identified the presence of adularia, pseudomorphs of calcite and barite and chalcedony filled open spaces, features characteristic of epithermal gold mineralisation.

Panorama completed base metal exploration focussed on two zones of mineralisation; uranium mineralisation associated with hematite and potassium metasomatism of rhyolite at Antares, and disseminated copper-lead mineralisation within sheared felsic ignimbrite at Middleton. An RC drilling campaign of four drillholes, each to 150m depth, was completed at Middleton. Samples were analysed for base metals and gold. The drillholes intersected chlorite and hematite altered felsic tuff, with the best intersection 40m averaging 0.14% Pb (RMP2, 0m-40m), including 24m averaging 0.14% Zn (RMP2, 0m-24m).

4.5 EXPLORATION POTENTIAL

Northern Star intends to focus initially on evaluating the gold and base metal potential of the project area. Northern Star has identified low order gold anomalies in regional stream sediment sampling for which no prior evaluation is documented. At the Range Prospect, sampling and field reconnaissance has identified a complex of quartz veins, exposed over an area of at least 2500m², displaying textures characteristic of epithermal gold mineralisation and containing up to 0.97g/t Au and 2.1ppm Ag. Other stream sediment gold anomalies of similar magnitude are yet to be visited. At Middleton, previous surface sampling and RC drilling has concentrated on surface exposures of secondary copper mineralisation. Whilst the area can be considered well exposed, no systematic soil sampling of the prospect for copper or gold has occurred, nor have detailed magnetic or electrical geophysical surveys been undertaken. Exploration at the Antares uranium prospect is also considered to be of an early status. Each of these prospects is considered to provide good prospects for Northern Star to discover significant epithermal gold or polymetallic base metal style mineralisation.

Northern Star also intends to complete exploration based on existing diamond indicator anomalies where no systematic detailed follow up sampling has been undertaken. Northern Star has identified at least three anomalies, at Durack, Archie Creek and Maude Creek, where additional exploration is considered warranted. Northern Star can also explore for the source of particulate gold anomalies identified during stream sediment sampling. Whilst the source of these anomalies is yet to be ascertained, they may be similar in origin to alluvial gold anomalies detected by Striker Resources NL along the northeast Kimberley coast. Whilst existing drill testing of Striker's anomalies has not provided strongly positive evidence for a source, this exploration must be considered as very early stage in terms of understanding the source.

RSG Global considers that systematic exploration of the Wilson River Project for gold and polymetallic base metal mineralisation and for diamonds is warranted, however the data is insufficient to comment on the potential for a significant discovery within the project area.

4.6 PROPOSED EXPLORATION PROGRAM

Northern Star regards the Range and South Middleton prospects as priority exploration targets and intends to complete systematic ground based geological mapping, detailed stream sediment sampling and soil sampling surveys. If considered useful, electrical geophysical surveys will be undertaken prior to drill testing. Low order gold anomalies in regional stream sediment sampling and particulate gold anomalies identified during stream sediment sampling for diamond indicator minerals will be evaluated in detail.

Northern Star intends to conduct systematic detailed sampling for diamonds at the Durack, Archie Creek and Maude Creek occurrences as a priority. Northern Star will seek an alliance with a diamond exploration company to further these prospects.

Northern Star's exploration program for the Wilson River Project will include:-

- Prospect scale mapping and rock chip sampling, and acquisition of regional and prospect scale soil and stream sediment geochemical samples as required to infill or advance prospects.
- Completion of airborne magnetic data or EM surveys.
- Detailed grid geochemical and geophysical surveys over priority targets.
- RAB or RC drilling to assess the targets generated.

Northern Star has provided a comprehensive budget designed to cover the costs of the Year 1 and 2 programs (Table 6) that is considered to be consistent with the status and potential of the Wilson River Project. The expenditure allocations of $203,000 and $199,000 in Years 1 and 2 respectively are considered adequate to cover the cost of the proposed programs and exceed the minimum statutory expenditure requirements of $188,100.

TABLE 6

WILSON RIVER PROJECT – PROPOSED YEAR 1 AND 2 EXPLORATION EXPENDITURE

	Year 1 $	Year 2 $	Total $
Airborne geophysical surveying	20,000	20,000	40,000
Ground geophysical surveys	25,000	-	25,000
Acquisition and processing of airborne and satellite imagery	12,000	5,000	17,000
Geochemical Sampling	30,000	30,000	60,000
Geological Mapping	15,000	15,000	30,000
Drilling	27,000	54,000	81,000
Vehicle/Accommodation/Travel	20,000	20,000	40,000
Rehabilitation	3,000	5,000	8,000
Tenements Rates and Rents	25,000	25,000	50,000
Native Title Clearance	4,000	4,000	8,000
Administration	22,000	21,000	43,000
Total	203,000	199,000	402,000

5.1 ALTERNATIVE APPLICATION OF FUNDS

The exploration programs and budgets provided by Northern Star, and reviewed under the individual projects in previous sections, are proposed on the basis of a capital raising of $5 million comprising 25 million shares at $0.20 per share.

Northern Star has indicated that it will accept a lesser subscription of $3 million by issuing 15 million shares at $0.20 per share. In that event, alternative work programs and budgets are proposed for the East Kimberley Nickel, Halls Creek and Wilson River Projects for the first two years of operation. The alternative budgets adopted by Northern Star are provided below in Tables 7, 8 and 9.

RSG Global notes that for the Wilson River Project, budgeted expenditure for Year 2 under the reduced subscription is slightly less than the statutory exploration commitment for the current granted tenements. Northern Star has available to it a number of ways to comply with that commitment, including selective relinquishment of tenements and the potential to introduce a joint venture partner to the project tenements.

TABLE 7

EAST KIMBERLEY NICKEL PROJECT – ALTERNATIVE YEAR 1 AND 2 EXPLORATION EXPENDITURE

	Year 1 $	Year 2 $	Total $
Airborne geophysical surveying	70,000	-	70,000
Ground geophysical surveys	70,000	-	70,000
Acquisition and processing of airborne and satellite imagery	26,000	6,000	32,000
Geochemical Sampling	64,000	30,000	94,000
Geological Mapping	25,000	24,000	49,000
Drilling	91,000	268,000	359,000
Vehicle/Accommodation/Travel	73,000	70,000	143,000
Rehabilitation	10,000	17,000	27,000
Tenements Rates and Rents	51,000	51,000	102,000
Native Title Clearance	30,000	18,000	48,000
Administration	65,000	69,000	134,000
Total	608,000	648,000	1,256,000

TABLE 8

HALLS CREEK PROJECT – ALTERNATIVE YEAR 1 AND 2 EXPLORATION EXPENDITURE

	Year 1 $	Year 2 $	Total $
Airborne geophysical surveying	-	-	-
Ground geophysical surveys	-	-	-
Acquisition and processing of airborne and satellite imagery	8,000	-	8,000
Geochemical Sampling	24,000	10,000	34,000
Geological Mapping	17,000	17,000	34,000
Drilling	64,000	112,000	176,000
Vehicle/Accommodation/Travel	21,000	23,000	44,000
Rehabilitation	12,000	13,000	25,000
Tenements Rates and Rents	20,000	20,000	40,000
Native Title Clearance	18,000	10,000	28,000
Administration	22,000	24,000	46,000
Total	206,000	229,000	435,000

TABLE 9

WILSON RIVER PROJECT – ALTERNATIVE YEAR 1 AND 2 EXPLORATION EXPENDITURE

	Year 1 $	Year 2 $	Total $
Airborne geophysical surveying	25,000	-	25,000
Ground geophysical surveys	20,000	10,000	30,000
Acquisition and processing of airborne and satellite imagery	12,000	-	12,000
Geochemical Sampling	25,000	23,000	48,000
Geological Mapping	13,000	15,000	28,000
Drilling	27,000	54,000	81,000
Vehicle/Accommodation/Travel	17,000	18,000	35,000
Rehabilitation	3,000	5,000	8,000
Tenements Rates and Rents	25,000	25,000	50,000
Native Title Clearance	3,000	43,000	6,000
Administration	20,000	18,000	39,000
Total	190,000	171,000	362,000

6.1 PRINCIPAL SOURCES OF INFORMATION

Selected key references relating to the Northern Star projects are included in this section. Because of the extensive literature relating to aspects of the regional geology, mineralisation styles and exploration covered by these projects, the list is not comprehensive, but may lead a researcher to additional information of interest and relevance to the Northern Star projects. Referenced company open file data can be obtained from the relevant State Government Geological Surveys, and are listed by their WAMEX I-series, M-series or A-series number (Western Australia) where relevant.

GENERAL REFERENCES

Argyle Diamonds		http://www.argylediamonds.com.au/
Barnes, S J, Perring, R J	(1991)	Mafic-ultramafic intrusions of the East Kimberley and Bunting, J A (1991) region. Barnes, S J and Hill, R E T (Editors) Mafic-Ultramafic complexes of Western Australia. Sixth International Platinum Symposium. Guidebook for the post-symposium field excursion. Geological Society of Western Australia.
Dow, D B and Gemuts, I	(1969)	Geology of the Kimberley Region, Western Australia - The East Kimberley. Geological Survey of Western Australia, Bulletin 120.
Griffin, T J and Grey, K	(1990)	King Leopold and Halls Creek Orogens, in The Geology and Mineral Resources of Western Australia, GSWA Memoir 3, pp 232-249.
Hassan, L Y	(2000)	Mineral Occurrences and Exploration Potential of the East Kimberley, GSWA Report 74.
Hoatson, D.M. and Blake, D.H. (eds)	(2000)	Geology and mineral potential of the Palaeoproterozoic layered mafic-ultramafic intrusions of the East Kimberley, Western Australia. Australian Geoscience Survey Organisation Bulletin 246
Marston, R J	(1979)	Copper Mineralisation in Western Australia. Mineral Resources Bulletin No 13. Geological Survey of Western Australia.
Marston, R J	(1984)	Nickel Mineralisation in Western Australia. Mineral Resources Bulletin No 14. Geological Survey of Western Australia.
Platinum Australia Limited		http://www.platinumaus.com.au/
Plumb, K A	(1990)	Halls Creek Province and the Granites - Tanami Inlier - regional geology and mineralisation. Geology of the Mineral Deposits of Australia and Papua New Guinea (Ed. F E Hughes), The Australian Institute of Mining and Metallurgy: Melbourne, pp 681 - 695.
Precious Metals Australia Limited	(1997)	Quarterly Report to Australian Stock Exchange Limited for the period ended 30 June 1997.
Sally Malay Mining Limited		http://www.sallymalay.com/
Sanders, T S	(1999)	Mineralisation of the Halls Creek Orogen, East Kimberley Region, Western Australia. Geological Survey of Western Australia (Report 66).
Sheppard, S, Griffin, T J and Tyler, I M	(1995)	Geochemistry of felsic igneous rocks from the southern Halls Creek Orogen Geological Survey of Western Australia, Record 1995/4.
Tyler, I M, Griffin, T J, Page, R W and Shaw, R D	(1995)	Are there terranes within the Lamboo Complex of the Halls Creek Orogen? GSWA Annual Review 1993-1994, pp 37-46.

EAST KIMBERLEY NICKEL PROJECT

Australian Anglo American Limited	1976	Halls Creek Regional, Marty Bore Prospect, Final report – January 1976. Australian Anglo American Limited company report (unpublished) (I740)
Australian Anglo American Limited	1973	Halls Creek Regional Project, Moola Bulla Prospect, Final report – Results of exploration of mineral claims during 1973. Australian Anglo American Limited company report (unpublished) (M1181)
Barrett, FM	1988	Annual report on Exploration Licence 80/787 (Three Sisters) for period January 20, 1987 to January 19, 1988. Geopeko company report (unpublished) (I4936)
Barrett, FM	1987	Annual report on Exploration Licence 80/746 (Springvale) for period October 6, 1986 to October 5, 1987. Geopeko company report (unpublished) (I4592)
Barrett, FM	1989	Annual report on Exploration Licences 80/683 and 80/684 (Tony North and Toby South) for period July 4, 1988 to July 3, 1989. Geopeko company report WA89/28S (unpublished) (I4326)
Barrett, FM	1989	Annual report on Exploration Licence 80/746 (Springvale) for period October 6, 1988 to October 5, 1989. Geopeko company report (unpublished) (I4592)
Barrett, FM	1989	Annual report on Exploration Licence 80/1179 (Billabong). Geopeko company report WA89/32S (unpublished) (I5330)
Foster, RD	1990	Lamboo/Paddock Well JV, Halls Creek - East Kimberley, E80/1233: Progress report to November 1990. Money Mining NL company report (unpublished) (I8171)
Brown, I	1999	E80/1641 Toby Dam, Exploration Licence, Annual report for the year ending 30 September 1998. BHP Minerals Pty Ltd company report CR9179 (unpublished) (I10621)
Brown, I	1999	Springvale Project E80/2343 & 2344, Annual report for the period ending 9 February 1999. BHP Minerals Pty Ltd company report CR9269 (unpublished) (I10429)
Brown, I, Smit, R	2000	Springvale Project E80/2223, 2224, 2343, 2344, 2345 & 2346, Annual report for the period ending 9 February 2000. BHP Minerals Pty Ltd company report CR9274 (unpublished) (I10429)
Girschik, HF	1987	Annual report to W,.A. Mines Department for year ending 8th September, 1987 on Exploration Licence 80/757 "Springvale", Kimberley mineral Field W.A. Argold Holdings Pty Ltd report to Hadowill Pty ltd (unpublished) (I3796)
Inco Australia Pty Ltd	1982	Springvale Calim group: Mineral claim nos. 80/8783 to 80/8802, 80/8804, 80/8812, 80/8815, 80/8820, 80/8821 and 80/10296: 1982 annual report. Inco Australia Pty Ltd company report (unpublished). (M2950)
McNeil, PA	1992	Final report on exploration conducted at E80/1478 – Springvale Station. Exploration and Administration Consultants Pty Ltd report (unpublished) (I6424)
Mosig, RW and Mills, BO	1971	Reconnaissance geological mapping and stream sediment geochemistry, Panton River Project, Western Australia. Northern Mining Corporation company report (unpublished) I737
Nickel Ventures NL	1997	East Kimberley Project, Annual report (unpublished). (I10502)

Northern Exploration NL	1996	Three Sisters Project: Annual report for the period 6th October 1993 – 5th October 1994. Exploration Licence E80.1643, Kimberley Mineral Field, Western Australia (unpublished). (M10220)
Pickands Mather & Co International	1968	1968 annual report, Springvale area, East Kimberley Region. Pickands Mather & Co International report (unpublished) (M67)
Ransted, TW	1998	Emull Bore Prospect M80/448 & 449: Compilation of historic exploration data. Multi Metal Consultants Pty Ltd report LAM GNR 001 to Greenstone Resources NL (unpublished).
Union Corporation (Australia) Pty Limited	1982	Moola Bulla Prospect, TR7067H. Union Corporation (Australia) Pty Limited Bulletin No. 65 (unpublished) (M2522)
Wilson, PA	1987	Annual report Moola Bulla E80/674. Pancontinental Mining Limited company report (unpublished) (I3674)

HALLS CREEK PROJECT

Barber, T St J	1971	Report on Cummins Range Prospect. Picklands Mather & Co. International company report (unpublished) A2227
Butler, AJ	1971	Cummins Range Costeans. Picklands Mather & Co. International company report (unpublished) A2228
Carr, HW	1995	An adjunct to Mt Bradley Project: Exploration Licences E80/1494 & 80/1548, Kimberley Mineral Field, Western Australia. Multi Metal Consultants Pty Ltd report to Panorama Resources NL (unpublished)
Chadwick, R	1985	Evaluation of gold potential of Exploration Licence 80/372. West Coast Holdings Limited Company Report 602-570/002-85 (unpublished) A15698
Clifford, M	1995	Burks Park EL80/1489: Annual report for the period ending 16 June 1995. Acacia Resources Limited company report 08.7657 (unpublished)
de Largie, D	1994	Burks Park EL80/1489: Annual report for the period 17.04.93 – 16.04.94. Billiton Australia company report 08.6966 (unpublished)
Doe, ARD, Fraser, WJ and French, DJ	1974	Final Report McLintock Range – T.R. 5918H CRA. Exploration Pty Limited company report 7664, (unpublished).
Duncan, RK	2001	Balara Project, East Kimberley Region, Western Australia. Preliminary Geological Assessment. Report prepared for Northern Star Resources Ltd (unpublished)
El-Ansary, M	1971	Reconnaissance work in the Cummins Range. Picklands Mather & Co. International company report (unpublished) A712
Fraser, WJ and Doe, ARD,	1975	Final Report on T.R. 5950H, Shiddy Creek, Western Australia CRA. Exploration Pty Limited company report 8272, (unpublished). A5900
Goldner, PT	1983	Report on the Balara claim block (MC's 80/9472 to 80/9475) Halls Creek District, East Kimberley Province, Western Australia. Peter Goldner & Associates report to Union Oil Development Corporation (unpublished) A13237

Goldner, PT	1983	Report on the Junda prospect (MC's 80/8221 to 8226 and 80/9470 to 9471) Halls Creek District, East Kimberley Province, Western Australia. Peter Goldner & Associates report to Union Oil Development Corporation (unpublished) A13238
Goldner, PT	1984	Report on the Taylor's Lookout prospect (MC's 80/8078 to 8082 and 80/9766 to 9770) Halls Creek District, East Kimberley Province, Western Australia. Peter Goldner & Associates report to Union Oil Development Corporation (unpublished) A13235
Goldner, PT	1984	Report on the Mount Dockrell prospect (MC's 80/8035 to 8046, 80/9469 to 9469 and 80/11057 to 11059) Halls Creek District, East Kimberley Province, Western Australia. Peter Goldner & Associates report to Union Oil Development Corporation (unpublished) A13684
Maitland Mining NL	1984	Final report (1983-1984) on exploration Licence 80/101 (late TR 8712H), Mineroo Pool, Kimberley Mineral Field, Western Australia. company report (unpublished) A13931
McGrath, S	1995	Mt Bradley Project: Exploration Licences E80/1494 & 80/1548, Kimberley Mineral Field, Western Australia. Multi Metal Consultants Pty Ltd report to Panorama Resources NL (unpublished)
Multi Metal Consultants Pty Ltd	1994	Mt Bradley Project: Exploration Licences E80/1494, Kimberley Mineral Field, Western Australia. Annual Report for the period ending 4 May 1994. Multi Metal Consultants Pty Ltd report to Panorama Resources NL (unpublished)
Multi Metal Consultants Pty Ltd	1996	Mt Bradley Project: Exploration Licences E80/1494 & 80/1548, Kimberley Mineral Field, Western Australia. 1996 Annual Report. Multi Metal Consultants Pty Ltd report to Panorama Resources NL (unpublished)
Multi Metal Consultants Pty Ltd	1997	Mt Bradley Project: Exploration Licences E80/1494 & 80/1548, Kimberley Mineral Field, Western Australia. 1997 Annual Report for the period ending 30 June 1997. Multi Metal Consultants Pty Ltd report to Panorama Resources NL (unpublished)
Sampson, DB	1993	Annual Technical Report, H284 Ruby Plains Project – Exploration Licence 80/1521 for the period 14 December 1992 to 13 December 1993. Aurora Gold (W.A.) Ltd. company report (unpublished) A40505
Sampson, DB	1994	Final Technical Report, H284 Ruby Plains Project Exploration Licence 80/1521 for the period 14 December 1992 to 3 November 1994. Aurora Gold (W.A.) Limited company report (unpublished) A42884
Warland, NG	1996	Burks Park EL80/1489, EL80/1996, EL80/1997: Annual report for the period ending 16 June 1996. Acacia Resources Limited company report 08.7915 (unpublished)
Warne, SB	1990	Exploration Licence 1377 Columbium Creek – Geology, mineralisation and Sn-Ta-Nb potential. Roebuck Resources Technical Report 157 (unpublished). A13512
Warne, SB	1987	Exploration Licence No 80/372 and Prospecting Licences 80/854-856, Mt Dockrell prospect, Kimberley Region, Western Australia. Roebuck Resources Technical Report 74 (unpublished). A23791

Ransted, TW	1994	Annual report 1994 for E80/1496-1498: Mt Remarkable Project, Kimberley Mineral Field, Western Australia. Multi Metal Consultants Pty Ltd report REM PRA 001 to Panorama Resources NL (unpublished).
Ransted, TW	1995	Annual report for the period 25/2/95 to 24/2/1996, Exploration Licences E80/1496-1498, 1664, 1869 and 1953: Mt Remarkable Project, Kimberley Mineral Field, Western Australia. Multi Metal Consultants Pty Ltd report REM PRA 002 to Panorama Resources NL (unpublished).
Ramsay, R	1995	Report on diamond indicator-mineral compositions, Mt Remarkable Project, Kimberley Mineral Field, Western Australia. Mineral Analysis report REM PRA 003 to Panorama Resources NL (unpublished).
Ransted, TW	1996	Mt Remarkable Project, Kimberley Mineral Field, Western Australia: Annual report for the period 25/2/95 to 24/2/1996. Exploration Licences E80/1496-1498, 1664, 1869, 1953 and 2061. Multi Metal Consultants Pty Ltd report REM PRA 004 to Panorama Resources NL (unpublished).
Stevens, L	1997	Mt Remarkable Project, Kimberley Mineral Field, Western Australia: Annual report for the period ending 24/2/1997. Exploration Licences E80/1496-1498, 1664, 1869, 1953 and 2061. Multi Metal Consultants Pty Ltd report REM PRA 005 to Panorama Resources NL (unpublished)..
Ashley, J	1997	Mt Remarkable Area, WA. Interpretation of airborne geophysical data: Southern Geoscience Consultants report to Panorama Resources NL (unpublished).
Stevens, L	1997	Mt Remarkable Project, Exploration Licence E80/1496, Kimberley Mineral Field, Western Australia: Partial surrender report for the period ending 21 October 1997. Multi Metal Consultants Pty Ltd report REM PRA 007 to Panorama Resources NL (unpublished).
Stevens, L	1997	Mt Remarkable Project, Exploration Licence E80/1497, Kimberley Mineral Field, Western Australia: Partial surrender report for the period ending 21 October 1997. Multi Metal Consultants Pty Ltd report REM PRA 008 to Panorama Resources NL (unpublished).
Stevens, L	1997	Mt Remarkable Project Exploration Licence E80/1498, Kimberley Mineral Field, Western Australia: Partial surrender report for the period ending 21 October 1997. Multi Metal Consultants Pty Ltd report REM PRA 009 to Panorama Resources NL (unpublished).
Stevens, L	1998	Mt Remarkable Project, Kimberley Mineral Field, Western Australia: Annual report for the period ending 24 February 1998. Exploration Licences E80/1496-1498, 1664, 1869, 1953 and 2061. Multi Metal Consultants Pty Ltd report REM PRA 006 to Panorama Resources NL (unpublished).
Multi Metal Consultants Pty Ltd	1999	Mt Remarkable Project Kimberley Mineral Field Western Australia: Final report Exploration Licences E80/1496-1498, 1664, 1869, 1953 and 2061. Multi Metal Consultants Pty Ltd company report REM PRA 011 to Panorama Resources NL (unpublished).

7 : GLOSSARY

alluvial	Silt, sand and gravel material, transported and deposited by rivers.
amphibolite	A metamorphic crystalline rock consisting mainly of amphibole and some plagioclase.
anorthosite	A plutonic rock comprised almost entirely of calcium-rich plagioclase feldspar (labradorite).
anticline	A fold in rocks in which strata dip in opposite directions away from the central axis.
auger drilling	A drill for seismic shotholes or geophone holes modelled after the conventional carpenters screw auger.
banded iron formation	A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance.
basalt	A dark, fine-grained extrusive igneous rock, composed of feldspar and iron and magnesium rich minerals.
base metals	A non-precious metal, usually referring to the transition elements of the Periodic Table including copper, lead, zinc and iron.
breccia	Rock comprising angular fragments enclosed in a matrix, usually the result of persistent fracturing by tectonic or hydraulic means
calcareous	A descriptive term for rocks containing significant calcium carbonate.
calc-silicate	A fine grained metamorphic rock containing a high abundance of calcium and/or magnesium silicate minerals.
Cambrian	The oldest period of the Palaeozoic era, between approximately 545 million years and 490 million years ago.
carbonatite	An alkaline, carbonate-rich magmatic rock.
cassiterite	A tin ore, SnO_2, found in hydrothermal veins, alluvial deposits, and acid igneous rocks.
chalcopyrite	A copper iron sulphide, $CuFeS_2$.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chrome spinel	Another name for the mineral picotite, a member of the spinal group.
chromite	An oxide of chromium, $FeCr_2O_4$, some varieties of which can represent an indicator of diamonds.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
co-magmatic	A term applied to a series of igneous rocks of similar age and which are assumed to have been derived from common sources.
costean	A trench excavated to expose an orebody or structure during exploration.
craton	A relatively large and stable block of the earth's crust.
detrital	Term applied to particles of minerals, or rock, that have been derived from pre-existing rock by weathering and erosion.
diagenesis	Any change occurring within a sediment after its deposition and during and after its lithification, exclusive of weathering. It includes such processes as compaction, cementation, replacement, and crystallization, under normal surficial conditions of pressure and temperature.
diamond drilling	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit.

diamond indicator mineral	Mechanically resistant minerals derived from kimberlitic intrusions and which are more abundant than diamonds in the primary rock. Because of their relative abundance, diamond indicator minerals are more readily detectable in river and stream gravels eroded from kimberlite pipes.
disseminated	Distributed finely and evenly throughout.
dolerite	A medium grained mafic intrusive igneous rock composed mostly of pyroxenes and sodium-calcium feldspar.
dyke	A tabular body of intrusive igneous rock, crosscutting the host strata at an oblique angle.
EM geophysical surveying	A geophysical technique whereby transmitted electromagnetic fields are used to energise and detect conductive material beneath the earth's surface.
en echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
epithermal	A term applied to deposits formed at shallow depths from ascending solutions of moderate temperatures.
Feasibility study	An advanced study undertaken to determine the economic viability of a mineral deposit to a high degree of accuracy.
felsic	Light colour rocks containing an abundance of feldspars, feldspathoids and quartz.
fluorite	A natural calcium fluoride, CaF_2, weakly radioactive.
g/t	Grams per tonne, a standard mass unit for demonstrating the concentration of precious metals in a rock, equivalent to parts per million (ppm).
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene, magnetite and ilmenite, and sometimes olivine.
galena	A grey sulphide ore of lead, PbS.
gossan	A ferruginous deposit remaining after the oxidation of the original sulphide minerals in a vein or ore zone.
granitoid	A general term to describe coarse grained felsic intrusive igneous rocks, resembling granite.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
granulite facies	Metamorphic rocks formed by high temperature and/or pressure metamorphism.
greenschist facies	A classification of the metamorphic grade of a rock, diagnostically defined by the metamorphic formation of chlorite at generally lower pressures and temperatures.
hydrothermal	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
Indicated Resource	As defined in the JORC Code, "that part of mineralisation where the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralisation. Confidence in the estimate is sufficient to allow the appropriate application of technical and economic parameters and to enable an evaluation of economic viability".
Inferred Resource	As defined in the JORC Code, "that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability".

IP geophysical survey	Induced Polarisation survey, an electrical geophysical method used to detect buried deposits formed by disseminated sulphide minerals.
kimberlite	An alkaline ultramafic igneous rock that is generated at great depths in the Earth and emplaced at the surface in pipes (diatremes), dykes or sills. The principal source of primary diamonds.
lamproite	A highly alkaline volcanic or subvolcanic rock, characterised by the presence of unusual potassium and titanium minerals. Mafic and ultramafic lamproites may host diamond.
LandSat TM	Imagery of the earth's surface collected by satellite and commonly processed to enhance particular features.
leucogabbro	A plutonic rock of gabbroic composition containing less than 30% mafic minerals.
lithosphere	Mass of the mantle attached to the base of the crust that has a geological history related to that of the overlying crust, and that is cold and rigid relative to the deeper parts of the mantle.
lopolith	Saucer-shaped igneous intrusion with concave upward form.
mafic	Pertaining to, or composed dominantly of, the dark coloured ferromagnesian rock forming silicates.
magma	Fluid produced by partial or complete melting of a rock.
magnetite	A naturally occurring oxide of iron (Fe_3O_4) which produces a strong magnetic response.
magma	Fluid produced by partial or complete melting of a rock.
malachite	A green hydrated carbonate ore of copper $Cu_2 (OH)_2 CO_3$.
marble	Metamorphosed carbonate rock.
massive sulphide	Rock comprised of close to 100% sulphide minerals.
Measured Resource	As defined in the JORC Code, "that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and/or grade continuity".
megalayer	Layer greater than 1metre in thickness.
metamorphism	The process of altering a rock by temperature and/or pressure.
micaceous	Containing mica.
Mineralogical study	Study of a rock via the compositions and properties of the contained minerals. Includes mineral analysis by X-ray and optical microscopy.
minus 80 mesh	Material fraction passing a screen size equivalent to approximately 80 apertures per inch, equating to an aperture size of 180µm.
monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.
multispectral data	Data acquired by measuring the wavelength of light emitted from the surface.
muscovite	A white to pale green, potassium-aluminium mica commonly found in igneous and metamorphic rocks
Neoproterozoic	The period of Earth evolution between 1,000 million years and approximately 545 million years ago.

norite	A coarse-grained igneous rock of basic composition consisting essentially of plagioclase (near labradorite in composition) and orthopyroxene.
olivine gabbro	Gabbro containing 10% to 30% of the mineral olivine.
open cut	A mining method that comprises extraction of ore from the surface without the need for underground development or access.
orogen	A belt of deformed rocks, in many places accompanied by metamorphic and plutonic rocks.
Palaeoproterozoic	The period of the Earth evolution between 2,500 million years and 1,600 million years ago.
Palaeozoic	The era of geologic time between the Late Precambrian and the Mesozoic era, 545 to 251 million years ago.
pegmatite	A very coarse grained intrusive felsic igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
pelitic	Term used in relation to a metamorphic rock formed from a sediment composed of silt and clay-sized particles.
percussion drilling	A drilling method which uses a percussive hammer on a set of drill rods to drill a hole, using compressed air to power the hammer and remove drill cuttings.
peridotite	A general term for intrusive ultramafic igneous rocks dominantly consisting of olivine and clinopyroxene.
picroilmenite	A magnesium-rich variety of ilmenite, commonly indicative of the presence of diamonds.
platinum group element	A group of elements that includes platinum, palladium and gold.
polymictic	Referring to coarse sedimentary rocks, typically conglomerate, or breccia containing clasts of many different rock types.
post-tectonic	Occurring after a major deformational and/or metamorphic event.
ppm	Parts per million; quantitative equivalent of g/t.
Proterozoic	An era of geological time within the Precambrian, spanning the period from 2,500 million years to 545 million years before present.
psammitic	A textural term meaning sandy.
pyrite	A sulphide mineral of iron, FeS_2.
pyrope	An isometric mineral, $8[Mg_3 Al_2 (SiO_4)_3]$; garnet group, with Fe and Mn replacing Mg and Cr replacing Al, commonly red and may be of gem quality.
pyroxenite	A coarse grained mafic igneous intrusive rock composed primarily of the mineral pyroxene.
quartz	A mineral composed of silicon dioxide, SiO_2.
quartzite	A sandstone which has been metamorphosed or indurated by the recrystallisation of silica.
radiometric	Data relating to the radioactivity emitted by rocks at or near the earth's surface, usually collected by helicopter or fixed wing aircraft.
rapakivi	A hornblende-biotite granite containing large rounded crystals of orthoclase mantled with oligoclase. The name has come to be used most frequently as a textural term where it implies plagioclase rims around orthoclase in plutonic rocks.
rare earth element	A member of group of rare metals with similar chemical behaviour, and including the elements cerium, lanthanum, thorium and yttrium.

reverse circulation	Drilling method employing the repeated hammering action of a drill bit to break the rock, and in which sample material is delivered to the surface inside the rod string by compressed air.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
saddle reef	A stratabound vein located in the anticlinal position of a fold.
sandstone	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.
saturated	Chemical state of a fluid in which a chemical compound will crystallise from solution.
scanning electron microprobe	Instrument that analyses small samples, commonly mineral samples, by measuring x-rays emitted from the sample.
scheelite	Calcium tungstate, $CaWO_4$, which represents a major ore of tungsten.
sill	A sheet of igneous rock which is flat lying or has intruded parallel to stratigraphy.
siltstone	A rock intermediate in character between a shale and a sandstone. Composed of silt sized grains.
sinistral	Lateral movement on a fault, whereby the far side block has moved left, relative to the near side.
skarn	An alteration halo of iron-rich minerals formed in carbonate rocks by contact metasomatic replacement of the original carbonate-rich rock mass.
sphalerite	A black to brown sulphide ore of zinc, ZnS.
stockwork	A network of (usually) quartz veinlets of varying orientation, produced during pervasive brittle fracture.
stratabound	Occurring parallel to the rock strata, but not necessarily deposited at the same time.
stream sediment sample	Bulk or sieved sample of sand or silt collected from an active or ephemeral stream-bed and analysed as representative of the area drained by the stream.
strike-slip fault	Fault on which the principal direction of movement is sub-horizontal.
stringer	A small discontinuous or irregular veinlet.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syenogranite	Similar in composition to a granite, but dominated by orthoclase with little or no associated quartz.
tectono-stratigraphic terrain	A term applied to an area or corridor defined by a particular set of structural and lithological characteristics.
tenor	The proportion of an element or compound by weight. Synonymous with "grade".
tonalite	A coarse grained granitic rock composed of quartz, sodium-calcium feldspar and a high proportion iron rich minerals.
tourmaline	A complex aluminium silicate mineral containing boron.
troctolite	A variety of gabbro consisting essentially of labradorite feldspar and olivine with little or no pyroxene.
tuff	A rock formed of volcanic fragments generally smaller than 4 millimetres in diameter.
ultramafic	Referring to an igneous rock in which more than 90% of the minerals are ferromagnesium minerals, with only trace quartz and feldspar.
undersaturated	Chemical state of a fluid in which a chemical compound will remain in solution.
volcaniclastic	Pertaining to a clastic rock composed primarily of volcanic material.

McAuliffe Williams & Partners

LAWYERS

Independent Solicitor's Report

Partners
MARK ADRIAN McAULIFFE
JEREMY LUDLOW
SUE TAYLOR
Senior Associates
HALYNA SOBOTNIK
CRAIG HOLLETT
STACEY FORD

The Directors
Northern Star Resources Limited
90 Parry Street
EAST PERTH WA 6006

3 November 2003

Dear Sirs

SOLICITOR'S REPORT ON MINING INTERESTS

This report ("Report") is prepared for inclusion in a prospectus to be dated on or about the day of 5 November 2003 ("Prospectus"), to be issued by Northern Star Resources Limited ("Company"), for the issue of Twenty Five Million (25,000,000) fully paid ordinary shares in the capital of the Company at an issue price of Twenty Cents (20¢) per share to raise Five Million Dollars ($5,000,000).

This Report relates to tenements and applications for tenements in Western Australia as are set out in the Tenement Schedule that forms part of this Report ("Tenements").

1. ASSETS

As at the date of this report the Company has entered into Agreements with Biscay Resources Pty Ltd (ACN 082 797 064). Under the Agreements the Company has acquired, or is entitled, subject to completion of the Agreements, to acquire or earn an interest in the mining tenement described in the Agreement and in various applications for the grant of mining tenements (all granted mining tenements and all applications collectively referred to as the "Tenements").

A schedule of Tenements is attached to and forms part of this Report (Schedule). Part 1 of the Schedule contains a list of the Tenements. Part 2 of the Schedule contains a summary of the status of native title claims affecting the Tenements .

2. SEARCHES

For the purposes of this Report we have conducted the following searches:

(a) searches of the Western Australia mining tenements in a register maintained by the Department of Industry & Resources ("DIR"). These searches were conducted on the 22nd day of October 2003. Updated searches of the Tenements were obtained on the 30th day of October 2003 to confirm any changes that had occurred in respect of the Tenements since the initial searches were conducted;

(b) we have obtained "Quick Appraisal" reports from the DIR, summarising information available in the "TENGRAPH" system maintained by the DIR to determine if any native title claims are registered over the area of the Tenements. These searches were conducted on the 24th day of October 2003. Updated searches were also conducted on the 30th day of October 2003 to confirm that no relevant changes had occurred in respect of the claims since the initial searches were conducted; and

(c) we have obtained a register of extracts from the Register of Native Title Claims maintained by the National Native Title Tribunal ("NNTT") in respect of registered native title claims identified in the Quick Appraisals. This material was obtained on the 24th day of October 2003. Updated searches were also conducted on the 31st day of October 2003 to confirm that no relevant changes had occurred in respect of the claim since the initial searches were conducted.

We have perused the material contracts that relate to the mining tenements and which are summarised in the Summary of Material Agreements in the Prospectus. On the basis of the searches and our perusal of the material contracts, subject to the enforceability of such material contracts, we consider that this report provides an accurate statement as to the status of the Tenements as at 30 October 2003 and of the Company's interests therein.

Where the Schedule refers to a grant of tenement in which the Company is not recorded as being registered as the holder of a legal interest, the Company may lodge a caveat to protect its interest and we have advised the Company to do so in order to protect its prior equitable claim to an interest in the Tenement. As at 30 October 2003 we have sighted evidence confirming caveats have been lodged to protect the Company's interest in the Tenements the subject of the Agreement between the Company and Biscay Resources Pty Ltd dated 5 June 2001.

3. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are satisfied that, as at the date of the relevant searches:

(a) the details of the Tenements are accurate as to the status of the Tenements and the Company's interests or right to acquire an interest in the Tenements;

(b) all applicable rents due under the Mining Act in respect of the Tenements have been paid, unless otherwise noted in the Schedule;

(c) all expenditure requirements under the Mining Act have been met and where not met applications for exemption have been lodged;

(d) under the Agreements, and subject to their terms and conditions, the Company has the right to acquire an interest in the Tenements on the terms set out in the Agreement, subject to the matters set out in the Schedule;

(e) where expenditure requirements have not been notified to the DIR in accordance with the provisions of the Mining Act, all reasonable steps have been taken by the Company to rectify the default and subject to payment of a minor fine, no forfeiture should occur in accordance with the standing departmental policy;

(f) where title to a Tenement has not been granted or is pending, that fact is disclosed in the Schedule; and

(g) Tenements granted are valid, assuming the applicable processes prescribed by the *Native Title Act 1993* as amended by the *Native Title Amendment Act 1998 (Cth)* (which as amended is referred to as the "NTA") were complied with by the State Government (which we have not checked). The valid grant of any of the current applications for Tenements that may affect native title will require compliance with the applicable processes of the NTA.

4. TENEMENTS GENERALLY

The Tenements comprise exploration licences granted or applied for under the Mining Act.

An exploration licence remains in force for a period of five years. An exploration licence may, in certain circumstances, be extended by a further period or periods of one or two years on application.

The area of an exploration licence must be reduced by no less than 50% at the end of the third year of the initial term and by a further 50% of the remainder at the end of the fourth year of the initial term.

An exploration licence authorises the entry to land specified in the licence for exploration purposes. Subject to its terms and the provisions of the Mining Act, an exploration licence authorises the holder to enter land for the purpose of exploration for minerals and permits the undertaking of operations and works necessary for that purpose, including digging pits, trenches and holes and sinking bores and tunnelling.

An exploration licence cannot be assigned during the first year of its initial term without the prior written consent of the Minister. Thereafter there are no restrictions on assignment.

Pursuant to Section 76(1) and Section 75(7) of the Mining Act, the holder of an exploration licence may apply for and, subject to the Mining Act, have granted one or more mining leases over any parts of the land the subject of the exploration licence.

The rights conferred upon the Company in respect of an application for an exploration licence are limited. Subject to its terms, Section 105A of the Mining Act confers priority upon the applicant who first complies with the initial requirements in relation to the application. Various decisions of the Supreme Court of Western Australia interpret the provisions of the Mining Act such that an application for an exploration licence is not property and is not capable of being assigned. Further, such an applicant acquires no title to land under the Act until the grant of the Tenement.

5. NATIVE TITLE – GENERALLY

On 3 June 1992 the High Court of Australia held in ***Mabo –v- Queensland (No 2) (1993) 175 CLR 1*** that the common law of Australia recognises a form of native title. In order to succeed in a native title claim, the persons making such a claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or with the granting of a wholly "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some type of exclusive possession of a leasehold interest in the land. The granting of a lesser form of interest not conferring exclusive possession will not extinguish native title, as it would not be wholly inconsistent with native title rights and interests.

Both State and Federal governments responded to the Mabo decision by passing legislation. The Commonwealth government saw fit to pass the *Native Title Act 1993*. This Act was further extensively amended in 1998 by the *Native Title Amendment Act 1998*. Under these two Acts (NTA), procedures were put in place to validate any mining tenements granted prior to the initial commencement of the Act which might otherwise have been invalidated by reason of the *Racial Discrimination Act 1975*. The amending Act included the validation of any titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996.

The State of Western Australia has enacted the *Titles (Validation) & Native Title (Effect of Past Acts) Act 1995*, which adopts the Commonwealth legislation into Western Australia.

Various Court decisions since the Mabo decision have further defined the recognition of native title and the impact that legislative reform has had upon it. In particular, the High Court concluded in the recent Ward decision (8 August 2002) that, inter alia, native title had been wholly extinguished in respect of land the subject of freehold, public works ~~or other previous "exclusive possession" acts, and in respect of minerals and petroleum which are vested in the~~ Crown, as well as various grants and vestings. In respect of the grant of "non-exclusive possession" pastoral leases and mining leases, together with the declaration of certain reserves, native title has been partially extinguished.

For the purposes of this report we have not researched the underlying land tenure in respect of the Tenements to determine the extent of extinguishment for the purposes of this report.

6. NATIVE TITLE – NATIVE TITLE CLAIMS

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court in turn refers the application to the National Native Title Tribunal. The Native Title Registrar is then required to determine and satisfy himself that the lodged claim meets the registration requirements set out in the NTA. Assuming it meets the registration requirements, it is entered on the Register of Native Title Claims maintained by the National Native Title Tribunal and thereafter claimants are afforded certain procedural rights under the NTA. One of the key procedural rights is the "right to negotiate".

Claims that fail to meet the registration test are recorded on the Schedule of Applications Received maintained by the NNTT. Such claims may be entered on the register at a latter date if additional information is provided by the claimant that satisfies the registration test. Claims which are de-registered will lose the right to negotiate from the date of de-registration, but will still remain on foot in the Federal Court until such time as they are determined by the Federal Court.

As detailed in the Schedule, each of the Tenements relates to land that is currently the subject of a registered native title claim. The fact that a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title will be established in due course as the claims are determined by the Federal Court. No enquiry has been undertaken in the preparation of this report to determine the probable outcome of any applications before the Federal Court or any future applications that may be made.

The existence of a registered native title claim requires the Company to observe the provisions of the NTA in proceeding with its applications for tenements.

7. NATIVE TITLE – VALIDITY OF TITLES

None of the Tenements were granted on or prior to 1 January 1994 (being the date of commencement of the Commonwealth legislation), nor prior to 23 December 1996. Certain issues remain regarding the validity of tenements granted between 1 January 1994 and 22 December 1996. Accordingly, for the purposes of this report, and given the date of the granting of the Tenements, such issues are not relevant.

We understand that it has been the practice of the State Government since 23 December 1996 to comply with the process under the NTA, subject to certain cases and procedures subsequently affected by the Ward decision.

The Tenements (other than the applications for the grant of exploration licences) have been granted on subsequent dates as detailed in the Schedule. We have not undertaken any independent enquiries to confirm whether the applicable processes prescribed by the NTA were complied with by the State Government.

In respect of those tenements the subject of an application for the grant of an exploration licence, the grant will be a "future Act" as defined by the NTA. As such, any grant will be valid only if there has been compliance with the relevant requirements of the NTA. Renewals of tenements will not be subject to the right to negotiate procedure provided:

(a) the area to which the earlier right is made is not extended;

(b) the term of the new right is not longer than the term of the earlier right; and

(c) the rights to be created are not greater than the rights conferred by the earlier grant.

A number of issues exist concerning the applicability of the right to negotiate process to second and subsequent renewals. Such matters are yet to be clarified by further legislation or determined by the Courts.

8. ABORIGINAL HERITAGE

There is State and Commonwealth heritage legislation applying to all of the Tenements. This legislation is aimed at the preservation and protection from desecration of significant Aboriginal areas and objects through their use in a manner inconsistent with Aboriginal tradition *(Aboriginal and Torres Strait Islanders Heritage Act (1984) (Cth))*.

The Aboriginal Heritage Act 1972 (Western Australia) protects Aboriginal sites and makes it an offence to alter or damage any Aboriginal site or object on or under any Aboriginal site. A site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent. There is no requirement or need for an Aboriginal site to be registered in any public manner, or indeed, be in any way acknowledged as an Aboriginal site for it to qualify as such a site for the purposes of the WA Act. For the purposes of compliance with the WA Act, a register of Aboriginal sites is maintained by the Aboriginal Affairs Department of Western Australia. For the purposes of this Report, we have not conducted a search of this register.

To ensure compliance with both State and Commonwealth legislation, the Company would need to conduct heritage surveys to determine if any Aboriginal sites exist within the area of the Tenements and if so, would need to ensure that any interference with such Aboriginal sites is in strict conformity with the provisions of the State and Federal legislation. The Company has entered into various Agreements as detailed in the Summary of Material Agreements in the Prospectus to facilitate compliance with the statutory obligations.

9. QUALIFICATIONS

While the status of the Tenements is dealt with in detail in the Schedule and the notes to the Schedule, we point out by way of summary that:

(a) we have assumed the results of the searches that have been made or caused to be made of the register established and maintained pursuant to the Mining Act and our enquiries are accurate;

(b) we have relied on the accuracy of the registers maintained by the DIR and the NNTT;

(c) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the Mining Act;

(d) we have assumed the accuracy and completeness of any instruction or information which we have received from the Company or any of its officers, agents or representatives;

(e) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(f) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

(g) references in the Schedule to any area of land are taken from details shown on searches obtained from the DIR. It is not possible to verify the accuracy of those areas without conducting a survey. A survey has not been conducted for the purposes of this Report; and

(h) where Ministerial consent to any agreement or dealing referred to in the Schedule is being or will be sought, or where any indulgence is being sought by the Minister or his delegated representative pursuant to the provisions of the Mining Act, we express no opinion as to whether such consent or indulgence will be granted or the consequences of the consent or indulgence being refused, although we have no reason to believe that any application for consent or indulgence will be refused.

10. CONSENTS

McAuliffe Williams & Partners consent to being named in the prospectus as being responsible for the preparation of this report. Except for this report, and any other references to this report in the prospectus and as otherwise disclosed, McAuliffe Williams & Partners:

(a) has not authorised or caused the issue of this prospectus;

(b) is not responsible for any matter included in or omitted from this prospectus;

(c) makes no representation or warranty, either express or implied, with respect to the accuracy or completeness of the information contained in the prospectus; and

(d) disclaims liability to any persons in respect of any statement included in, or omitted from, the prospectus.

Yours faithfully

McAULIFFE WILLIAMS & PARTNERS

SCHEDULE

PART 1: SCHEDULE OF TENEMENTS

Tenement Particulars	Grant or Application Date	Registered Holder and Holding (%)	Area Size in Blocks	Expiry Date	Minimum Annual Expenditure	Live Tenements Affected/ Affecting	Native Title (Notes)	Notes
E80/2611	Granted 08/04/2003	Note 37	70	7/4/08	$63,000		32 and 33	1-2, 4-9, 26 and 30
E80/2612	Granted 08/04/2003	Note 37	70	7/4/08	$63,000	M80/362 M80/503	32-34	1, 2, 4-9, 25, 26 and 30
E80/2613	Granted 08/04/2003	Note 37	70	7/4/08	$63,000	E80/2749 E80/2903 E80/2925 E80/2925	32 and 35	1-12, 26 and 30
E80/2623	Granted 08/04/2003	Note 37	22	7/4/08	$20,000		32 and 33	1,2 and 4-9, 26 and 30
E80/2636	Granted 08/04/2003	Note 37	35	7/4/08	$31,500		32 and 34	1,2, 4-9, 26 and 30
E80/2425	Granted 22/04/2002	Note 37	69	21/4/07	$62,100		32	1-9, 13-15, 27 and 30
E80/2426	Granted 22/04/2002	Note 37	70	21/4/07	$63,000		32	1-9 and 13-16, 27 and 30
E80/2427	Granted 22/04/2002	Note 37	70	21/4/07	$63,000		32	1-12, 27 and 30
E80/2622	Granted 09/05/2002	Note 37	42	8/5/07	$37,800	E80/2901 E80/2902	32 and 35	1-12 and 17-18, 28 and 30
E80/2525	Granted 18/06/2002	Note 37	39	17/6/07	$35,100		32 and 34	1,2, 4-9, 19, 27 and 30
E80/2526	Granted 18/06/2002	Note 37	59	17/6/07	$53,100		32 and 34	1,2, 4-9, 20, 27 and 30
E80/2576	Granted 18/06/2002	Note 37	58	17/6/07	$52,200		32, 33 and 35	1-9, 13-15, 27 and 30
E80/2394	Granted 15/07/2002	Note 37	12	14/7/07	$20,000	P80/1477 M80/106 M80/198 M80/315 M80/418	32 and 36	1-12, 21-22, 24, 27, 30 and 31
E80/2522	Granted 16/07/2002	Note 37	4	15/7/07	$20,000	M80/106 M80/418 P80/1481	32 and 36	1-12, 24, 27 and 30
E80/3056	Granted 18/09/2003	Note 37	24	17/9/08	$21,600		32	2-12, 23 and 26
E80/2721	Applied For 15/03/2001	Note 37	33	-	Not Applicable	E80/2283 E80/2552 E80/2560 E80/276 E80/278 E80/372	32, 34 and 36	29
E80/3227	Applied For 23/05/2003	Note 37	20	-	Not Applicable	E80/2576	32, 33 and 35	29
E80/3234	Applied For 09/06/2003	Note 37	24	-	Not Applicable	E80/2523 E80/2552 E80/2611 E80/2623	32-33	29
E80/3251	Applied For 11/08/2003	Note 37	16	-	Not Applicable	E80/2572	32 and 35	29

PART 2: STATUS OF NATIVE TITLE CLAIMS

Tribunal Number	Federal Court Number	Application Name	Status	RNTC Status	In Mediation
WC99/20	WG6095/98	Lamboo	Active	Registered	Yes
WC99/44	WG6182/98	Malarngowem	Active	Registered	Yes
WC96/75	WG6107/98	Ngarrawanji	Active	Registered	Yes
WC99/40	WG6157/98	Koongie-Elvire	Active	Registered	Yes

NOTES TO SCHEDULE OF TENEMENTS

1. Endorsement: Pursuant to the Savings and Transitional Provisions of the Mining Amendment Acts 1990 and 1994 all land surrendered, forfeited (other than by plaint action) or expiring from a non-graticular exploration licence will either:
   - Automatically be included into a graticular exploration licence, provided the surrender, forfeiture or expiry occurred after the grant of the graticular exploration licence; or
   - Automatically be included into an application for a graticular exploration licence provided the surrender, forfeiture or expiry occurred after 14 October 1995
2. Endorsement: The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act, 1972.
3. Endorsement: The Licensee's attention is drawn to the provisions of the Rights in Water and Irrigation Act 1914, as amended.
4. Condition: All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
5. Condition: All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the District Mining Engineer. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the District Mining Engineer.
6. Condition: All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
7. Condition: Unless the written approval of the District Mining Engineer is first obtained, the use of scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
8. Condition: The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
9. Condition: The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
   - the grant of the Licence; or
   - registration of a transfer introducing a new Licensee;

   advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

10. Condition: No mining being carried out that will pollute or unduly interfere with the natural water courses.

11. Condition: The rights of ingress to and egress from any mining operation being at all reasonable times preserved to the authorised officers of the Water and Rivers Commission (WRC), for inspection purposes.

12. Condition: Such further conditions concerning the pollution of or interference with the natural water courses as the Minister for State Development may from time to time determine.

13. Condition: In respect to the Ord River Irrigation District Area 'C', no mining is to be carried out that will pollute or unduly interfere with the natural water courses.

14. Condition: In respect to the Ord River Irrigation District Area 'C', the rights of ingress to and egress from any mining operation being at all reasonable times preserved to the authorised officers of the Water and Rivers Commission (WRC), for inspection purposes. 22/04/2002

15. Condition: In respect to the Ord River Irrigation District Area 'C', such further conditions concerning the pollution of or interference with the natural water courses as the Minister for Mines may from time to time determine.

16. Condition: No interference with Geodetic Survey Station SSM-R657 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

17. Condition: The prior written consent of the Minister for Mines being obtained before commencing mining on Use & Benefit of Aborigines Reserve 13944 and the area outlined in red and designated 'FNA 1453' (Aboriginal Living Area) in Tengraph.

18. Condition: No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.

19. Condition: No interference with Geodetic Survey Station SSM-MRAM50 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

20. Condition: No interference with Geodetic Survey Station SSM-MRAM52 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

21. Condition: No excavation, excepting shafts, approaching closer to Duncan Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Duncan Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.

22. Condition: The prior written consent of the Minister for State Development being obtained before commencing mining on Water Reserve 4175 and the area outlined in red and designated FNA366 in Tengraph.

23. Condition: The prior written consent of the Minister for State Development being obtained before commencing mining on Use & Benefit of Aborigines Reserve 13944.

24. By notice of intention to forfeit dated 2 October 2003, the Department of Industry & Resources notified Biscay Resources Pty Ltd of the potential forfeiture of tenements E80/2522 and E80/2394. Notification issued under Regulation 50(a) for forfeiture under the provisions of Section 96A(1) for breach of covenant, being failure to lodge a Form 5 within the requisite period of time. By letter dated 30 September 2003 Biscay Resources Pty Ltd lodged Form 5's in respect of E80/2394 and E80/2522. The Department has advised that in accordance with Departmental Policy an infringement notice for a small fine will issue. Subject to payment within the time specified the Tenements will not be forfeited.

25. Condition: The prior written consent of the Minister for State Development being obtained before commencing mining on the area outlined in red and designated FNA 806 in Tengraph (Proposed Aboriginal Reserve).

26. Expenditure Commitments Not Yet Due To Be Reported.

27. Expenditure Commitments Met In Full.

28 Expenditure Commitments Not Met In Full (9419 Underexpended). Exemption Application Lodged 08/07/2003.

29. No Expenditure Commitment Yet, No Endorsements Or Conditions Yet Imposed.

30. Caveats lodged on behalf of the Company

31. Amalgamation 6/023

32. ARB/10 KIMBERLEY A.R.B.

33. WC96/75, NGARRAWANJI

34. WC99/020, LAMBOO

35. WC99/044, MALARNGOWEN

36. WC9/040 KOONGIE-ELVIRE

37. Biscay Resources Pty Ltd (100%)

Rothsay Consulting Services Pty Ltd
ABN 15 008 939 446

Level 1, 2 Barrack Street, Sydney NSW 2000 GPO Box 2759, Sydney NSW 2001
Phone 9299 0091 Facsimile 9299 2595 Email swan2000@bigpond.com

7.0

Independent

Accountant's

Report

4 November, 2003

The Directors
Northern Star Resources Ltd
129 Edward St
PERTH WA 6000

Dear Sirs

RE: INDEPENDENT ACCOUNTANT'S REPORT

1. INTRODUCTION

This report has been prepared at the request of the Directors of Northern Star Resources Ltd ("Northern Star" or "the Company") for inclusion in a Prospectus to be dated on or around 5 November 2003 ("the Prospectus") relating to the proposed issue by Northern Star of up to 25,000,000 shares to be issued at a price of 20 cents per share to raise up to $5,000,000. The minimum subscription level is $3,000,000 (15,000,000 shares).

2. BASIS OF PREPARATION

This report has been prepared to provide investors with information on historical results and the assets and liabilities of Northern Star. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Rothsay Consulting Services Pty Ltd has not been requested to consider the prospects for Northern Star, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Rothsay Consulting Services Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report.

3. BACKGROUND AND PROPOSED TRANSACTIONS

Northern Star was incorporated in May 2000 with the issue of 2 fully paid shares for a total consideration of $2.

On 21 August 2000 the Company issued 20,000,000 fully paid shares to the founders of the Company for a total consideration of $20,000.

On 31 August 2000 the Company issued 500,000 fully paid shares to Mineral Administration Services Pty Ltd in consideration for company secretarial and corporate advice for a total consideration of $100,000.

On 4 September 2000 the Company issued 250,000 fully paid shares to Oakborough Pty Ltd pursuant to an agreement dated 28 August 2000 for a total consideration of $50,000.

On 8 August 2001 the Company issued 250,000 fully paid shares to Oakborough Pty Ltd pursuant to an agreement dated 16 July 2001 for a total consideration of $50,000.

On 3 January 2002 the Company issued 5,000,000 fully paid shares for a total consideration of $25,000.

On 19 May 2003 the Company cancelled 13,000,000 fully paid ordinary shares.

On 2 September 2003 the Company issued 5,000,000 options to Biscay Resources Pty Ltd as part consideration for earning an interest in tenements.

On 15 October 2003 the Company issued 4,000,000 fully paid shares and 4,000,000 options for a total consideration of $320,000.

On 16 October 2003 the Company issued 9,375,000 fully paid shares and 9,375,000 options for a total consideration of $750,000

Potential investors should read the Prospectus in full including the geological technical report and legal report. We make no comment as to ownership or values attributed to the mineral tenement interests (mining leases, prospecting licences and applications for prospecting licences). Details on all contracts entered into between Northern Star and other parties are outlined in the Material Contracts section of the Prospectus.

4. SCOPE OF EXAMINATION

You have requested Rothsay Consulting Services Pty Ltd prepare an Independent Accountant's Report on:

(a) Audited statement of financial position of Northern Star as at 30 June 2003;

(b) The pro-forma statement of financial position of Northern Star as at 30 June 2003 adjusted to include funds to be raised by the Prospectus and activities to the date of the Prospectus.

We have examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

(i) Discussions with Directors and other key management of Northern Star;

(ii) A review of publicly available information; and

(iii) A review of work papers, accounting records and other documents.

5. OPINION

In our opinion, the proforma statement of financial position as set out in Appendix 2 presents fairly, the proforma statement of financial position of Northern Star as at 30 June 2003 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3.

No opinion is expressed on the historical results, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the results of the periods identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2003, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. OTHER MATTERS

At the date of this report, Rothsay Consulting Services Pty Ltd does not have any material interest in Northern Star either directly or indirectly, or in the outcome of the offer. Rothsay Chartered Accountants have been appointed as auditors of Northern Star. Apart from this report, Rothsay Consulting Services Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Rothsay Consulting Services Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

ROTHSAY CONSULTING SERVICES PTY LTD

Graham R Swan

Graham R Swan

Director

APPENDIX 1

AUDITED CONDENSED STATEMENTS OF FINANCIAL PERFORMANCE

	Period ended 30 June 2001	Year ended 30 June 2002	Year ended 30 June 2003
Revenue from ordinary activities	-	-	-
Expenses from ordinary activities	(19,292)	(1,366)	(102,039)
Other expenses	-	-	-
Net (loss) before Tax	(19,292)	(1,366)	(102,039)
Income Tax expense attributable to net loss	-	-	-
Net (loss) after tax	(19,292)	(1,366)	(102,039)
Accumulated losses brought forward	-	(19,292)	(20,658)
Accumulated losses carried forward	(19,292)	(20,658)	(122,697)

APPENDIX 2

CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Audited 30 June 2003 $	Pro-forma 30 June 2003 $
Current Assets			
Cash Assets	3	2,658	5,216,585
Receivables		84,036	79,743
Total Current Assets		86,694	5,296,328
Non Current Assets			
Exploration tenements	4	313,694	379,427
Total Non Current Assets		313,694	379,427
Total Assets		400,388	5,675,755
Current Liabilities			
Payables	5	278,083	-
Total Current Liabilities		278,093	-
Net Assets		122,305	5,675,755
Equity			
Contributed Equity	7	245,002	5,865,002
Accumulated Losses	6	(122,697)	(189,247)
Total Equity		122,305	5,675,755

To be read in conjunction with Appendix 3

APPENDIX 3

NOTES TO THE STATEMENTS OF FINANCIAL PERFORMANCE AND STATEMENTS OF FINANCIAL POSITION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The condensed Statement of Financial Performance and condensed Statements of Financial Position have been prepared in accordance with applicable accounting standards, Corporations Act and mandatory professional reporting requirements and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The Company adopts the liability method of tax effective accounting, whereby the income tax expense in the Statement of Financial Performance is based on the operating profit before tax adjusted for permanent differences. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will comply with the conditions of deductibility imposed by the law.

(c) Exploration, evaluation and development expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(d) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(e) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(f) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

2. ACTUAL AND PROPOSED TRANSACTIONS TO ARRIVE AT PROFORMA STATEMENT OF FINANCIAL POSITION

Actual and proposed transactions adjusting the 30 June 2003 Audited Statement of Financial Position in the pro-forma Statement of Financial Position are as follows:

The issue of 13,375,000 ordinary shares subsequent to 30 June for a consideration of $1,070,000

Exploration costs subsequent to 30 June

Movement in working capital and payment of payables subsequent to 30 June

The issue of 25,000,000 ordinary shares at 20 cents each pursuant to the Prospectus to raise a gross $5,000,000; and

The payment of expenses of the public issue totaling an estimated $450,000 and expensed against equity.

	Note 2	Audited 30 June 2003 $	Pro-forma 30 June 2003 $
3. CASH AT BANK			
The movements in cash at bank are as follows:			
At 30 June 2003		2,658	2,658
issue of shares pursuant to placement(a)			1,070,000
Issue of shares pursuant to Prospectus(d)		-	5,000,000
Prospectus issue costs(e)		-	(450,000)
Movement in working capital and payment of payables	(c)	-	(406,073)
		2,658	5,216,585
4. EXPLORATION TENEMENTS			
Capitalised exploration costs		313,694	313,694
Less:Additional costs since 30 June	(b)	-	65,733
		313,694	379,427
5. PAYABLES			
Accounts payable		278,083	278,083
Less: Payment of accounts payable	(c)	-	278,083
		278,083	-
6. ACCUMULATED LOSSES			
Accumulated losses		122,697	122,697
Less: Loss since 30 June 2003	(c)	-	66,550
		122,697	189,247
7. CONTRIBUTED EQUITY			
(a) Share Capital			
Contributed equity as at 30 June 2003		245,002	245,002
Issue of 13,375,000 shares pursuant to placement	(a)		1,070,000
Issue of 25,000,000 shares pursuant to this Prospectus	(d)		5,000,000
		245,002	6,315,002
Less: share issue costs	(e)	-	(450,000)
Proforma (51,375,002 shares)		245,002	5,865,002

In the event that only the minimum subscription is obtained, the issued share capital would be 41,375,002 fully paid shares contributing $2,650,000 (net of $350,000 share issue costs).

(b) Share Options

5,000,0000 share options exercisable at 20 cents per share five years from the date of commencement of quotation of the Company's securities on the Australian Stock Exchange Ltd (ASX) and 13,375,000 share options exercisable at 25 cents on or before a period of three years from the date of commencement of quotation of the Company's securities on the ASX.

8. CONTINGENT LIABILITIES

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no material contingent liabilities. As noted in the Solicitor's Report, there are potential native title claims over the tenements in which Northern Star has an interest.

9. RENTAL OF PREMISES COMMITMENTS

The Company has no fixed term obligations for the rental of premises.

10. EXPLORATION COMMITMENTS

For details on minimum expenditure commitments on mineral tenements, refer to the Independent Legal Report of this Prospectus.

Both the Company and any investment in it are subject to risks.

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed herein.

Applicants should read this document carefully and in its entirety. They should understand that minerals exploration is both speculative and subject to a wide range of risks and that, unless the Company makes a commercial discovery, they may lose the entire value of their investment. The principal risks include, but are not limited to, the following.

8.0

Risk

Factors

8.1 SHARE MARKET RISKS

Potential investors should recognise that the prices of shares fall as well as rise. Many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment.

8.2 INVESTMENT RISKS GENERALLY

Risks of a general nature relating to investment in shares and securities generally and especially where the company in which the investment is made has a small market capitalisation.

8.3 SUFFICIENCY OF FUNDING

The Company has limited financial resources and may need to raise additional funds from time to time. Any such fund raisings will be subject to factors beyond the control of the Company and its Directors.

8.4 ECONOMIC RISKS

Many economic factors, such as exchange rates, interest rates, commodity prices, inflation, and taxation, may impact on the Company's operations but are beyond the control of the Company. Implementation of sound management strategies can help to offset these impacts and the Company is reliant on the experience of the management team to implement such strategies.

8.5 MINING AND EXPLORATION RISKS

All of the Company's prospects are in an exploration phase and, as with all projects involved with the exploration for, or development of resources, are subject to high levels of risk. No assurances can be given that the Company's exploration activities will enable the establishment and operation of viable commercial mining operations. All of the Company's tenements are in the Kimberley region of Western Australia, which is subject to a tropical wet season for several months of the year. Whilst during this period exploration progress may be slowed or temporarily halted, mining operations are generally unaffected.

8.6 DISCOVERY AND PRODUCTION RISKS

There can be no assurance given that the Company will establish any mineable resource or reserve from any of the projects referred to in this Prospectus. The capacity of the Company to achieve production will depend on a wide range of factors including capital costs and operating costs that may be applicable to the individual projects and the capacity of the Company to fund those costs. If production is achieved then unanticipated problems may increase extraction costs and reduce anticipated recovery rates.

8.7 OPERATIONAL AND TECHNICAL RISKS

The current and future operations of the Company, such as exploration, appraisal and possible production activities may be affected by a range of factors, including:

start-up risks; geological conditions; alterations to joint venture programmes and budgets; unanticipated operational and technical difficulties encountered in seismic survey, drilling and production activities; mechanical failure of operating plant and equipment; adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events; unavailability of drilling equipment; unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; prevention of access by reason of political unrest, outbreak of hostilities, inability to obtain consents or approvals; contracting risks from third parties providing essential services.

8.8 CONTRACT RISKS GENERALLY

The Company will operate through a series of contractual relationships with operators and contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed.

8.9 COMMODITY PRICE RISK

The Company is exploring for a range of commodities, principally, nickel and precious metals. Commodity prices can fluctuate significantly and are affected by factors beyond the control of the Company, including world supply, stockpiles and demand for the various commodities. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as its abilities to fund those activities.

8.10 FISCAL RISKS

These involve the imposition of additional taxes, imposts and other charges by government from time to time relating to revenue or cash flow. Industry profitability can be affected by changes in tax policies, the interpretation and application thereof.

8.11 LEGAL RISKS

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its securities.

8.12 LITIGATION

The Company is not presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company may arise.

8.13 ENVIRONMENTAL RISKS

Exploration operations by the Company may require approvals from regulatory authorities and will be subject to environmental guidelines as set down by the Department of Industry and Resources ("DOIR"). Development of any of the Company's projects will be subject to the approval of the Environmental Protection Authority, the DOIR and other statutory authorities. If such approvals are not forthcoming modification of the Company's exploration or development plans may be required.

8.14 NATIVE TITLE

Various of the Company's tenements are subject to claims for Native Title and are subject to agreements with the Kimberley Land Council and various Native Title Claimant Groups (see Section 6). Other tenements are not presently the subject of such claims but may, at some time in the future, become subject thereto.

Proposing Investors should consider these matters in light of their personal circumstances (including financial and taxation affairs) and seek professional advice from their accountant, lawyer or other professional advisor before deciding whether to invest.

9.1 COMPANY DETAILS

The Company was incorporated as an unlisted public company on 12th May 2000 for the purposes of acquiring, exploring and developing mineral exploration properties, focusing primarily on nickel, PGE and gold in the East Kimberley region of Western Australia.

The primary objective of the Company is to become a successful and profitable resource exploration and mining company. In pursuing the corporate objectives the focus will be on the exploration and development of East Kimberley projects. In the Directors' opinions, the project areas are relatively easy to explore and the exploration programmes are designed with the aim of proving up mineable resources and bringing projects into early production. The Company's objective is to generate cash flow as early as possible to seek to avoid reliance solely on equity markets for future funding. No assurance can however be given that these aims will be achieved and Applicants are referred to Section 8 dealing with risk factors.

9.0

Additional

Information

9.2 CORPORATE GOVERNANCE POLICIES

The Board of the Company will formally adopted a corporate governance policy. The policy is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The Board monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

9.3 BOARD PERFORMANCE AND COMPOSITION

Board policy is that the Board will constantly review and monitor its performance. As part of this process the Board may seek to appoint persons who, in the opinion of the Board, will provide specialist expertise required for the Board to adequately perform its role. Additionally, the Board will also review its composition and advise Board members where it is felt that a Director's skills are different from those required by the Company.

9.4 EMPLOYEE SHARE OPTION PLAN

The Company has established The Northern Star Employee Share Option Plan ("Plan") to assist in the attraction, retention and motivation of employees in the Company and any future related bodies corporate ("Group"). No options have been granted under the Plan as at the date of this Prospectus. A share option plan with no performance hurdles is a crucial remuneration tool for a small exploration company such as Northern Star.

A summary of the Rules of the Plan is set out below:

All employees (full and part-time) will be eligible to participate in the Plan after a qualifying period of 12 months' employment by a member of the Group, although the Board may waive this requirement.

The allocation of options to each employee is at the discretion of the Board.

If permitted by the Board, options may be issued to an employee's nominee (for example, a spouse or family company).

Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the Board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) must be exercised within 1 month thereafter otherwise they will automatically lapse. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.

Options cannot be transferred other than to the legal personal representative of a deceased optionholder.

The Company will not apply for official quotation of any options issued under the Plan.

Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.

Optionholders may only participate in new issues of securities by first exercising their options.

If there is a bonus share issue to the holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue.

If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules.

The Board may amend the Rules of the Plan subject to the requirements of the Listing Rules.

9.5 SUMMARY OF MATERIAL AGREEMENTS

The Company has not entered into any material agreements, other than in the ordinary course of its business, which remain uncompleted or relevant to investment in the Company pursuant to this Prospectus other than as set out below.

9.5.1 AGREEMENT MADE 3 OCTOBER 2003 BETWEEN THE COMPANY AND JUBILEE OIL NL ("JUBILEE"), A WHOLLY OWNED SUBSIDIARY OF JUBILEE MINES NL

Under the agreement Jubilee agreed to subscribe for 9,375,000 shares each with a free attaching option at an issue price of $0.08 per share and with the attaching options being exercisable at $0.25 and to expire on the 3rd anniversary of the date on which the Company is admitted to the Official List.

The agreement was conditional upon the Company having issued not less than 5,125,000 shares and not more than 4,000,000 shares at the same price each with free attaching options. That condition was satisfied by a placement made to various persons in accordance with the provisions of Section 708 of the Corporations Act.

The placement to Jubilee was completed on 16 October 2003 at which time Jubilee subscribed an amount of $750,000 for the shares and options agreed to be taken by it and the Company issued the shares and granted the options to Jubilee.

Under the agreement Jubilee is entitled to nominate a director to the Board of the Company and if, following listing on the ASX, Jubilee's voting power exceeds 30% and is maintained at greater than that percentage, Jubilee has the right to nominate a second person as a director of the Company and the Company must take all necessary steps to appoint that person as a director as soon as possible after nomination. The Company is not under an obligation to maintain any nominee of Jubilee on the Board and the re-election or otherwise of Jubilee's nominees will be subject to approval at the next general meeting of the Company in accordance with the Company's constitution.

Jubilee has not yet appointed any director to the Board and no proposed appointment has been notified to the Company.

Under the agreement, the Company undertook to use its best endeavours to obtain admission to the Official List as soon as practicable after execution of the agreement and this Prospectus has been prepared, in part, in the context of that obligation.

The agreement provides that Jubilee is entitled to maintain its percentage equity by having the right, but not the obligation, to participate in new issues of shares or securities with rights of conversion to equity (excluding the grant of options under an employee share option plan) with that participation to be on terms and conditions no less favourable to Jubilee than those offered to other participants in any such issue.

Subject to the overriding fiduciary duty of the Directors under the Corporations Act and the law generally, the Company has undertaken to endeavour to allocate a minimum of 60% of its exploration budgets on exploration for nickel and/or base metals. This is generally consistent with the business plan and representations contained in the information memorandum issued by the Company at the time of the capital raising in which Jubilee participated under the agreement. The qualification in relation to

directors' duties means that the Directors are not restricted by this clause from acting in the best interests of the Company generally in relation to allocation of expenditure but that, all other things being equal, they will comply with the undertaking given.

The agreement provides that, if the Company wishes to dispose of any of its mining tenements, then if it does so whilst Jubilee's voting power in the Company exceeds 10%, Jubilee has the right to acquire same on terms and conditions (as to price, payment terms and otherwise) no less favourable than those on which the Company proposes to sell it to any bona fide third party. The agreement provides for determination of the cash equivalent of any non-cash consideration offered but is subject to the rights of Biscay under the agreement referred to in section 9.5.2 below entered into between the Company and Biscay on 5 June 2001.

Under the Jubilee agreement the Company gave standard warranties in relation to its capacity, power, financial status and the condition of its tenements and acknowledged that breach of or non-compliance with the provisions of the agreement by it may result in injury to Jubilee for which damages may not be an adequate remedy with the Company consenting to Jubilee being entitled to obtain equitable remedies including injunction and/or specific performance to enforce its rights.

9.5.2 FARM IN AGREEMENT BETWEEN THE COMPANY AND BISCAY RESOURCES PTY LTD ("BISCAY")

The Farm In Agreement made between Biscay, a company in which Messrs Ian Chalmers and Terrence Ransted have a substantial interest, on 5 June 2001 granted the Company the right to acquire an interest in the tenements now set out in Section 6 being the subject of the Independent Solicitor's Report on Mining Interests.

The agreement provided for the Company to earn a 90% interest in the tenements. It has since been amended by a supplementary agreement made 6 May 2002 whereby, in consideration of the Company granting Biscay a 1% net smelter return (NSR) (as referred to below), the Company was deemed to have earned a 100% interest in the tenements. The 1% NSR essentially comprises one per cent (1%) of the total purchase price received by the Company from the sale of any minerals (or any product) produced from the tenements less all costs of transporting, concentrating smelting refining or otherwise treating the minerals or product, all taxes and other imposts or levies calculated on production or the value of production.

Under the agreement, Biscay has the right to lodge caveats under the Mining Act to protect its right to receive the net smelter return. Under clause 5 of the agreement if the Company wishes to withdraw any application for any of the tenements or surrender any tenement it must first offer to sell each such tenement to Biscay for $1.00 and Biscay has a period of 14 days after receiving notice within which to accept that offer. Any acceptance must be in writing. The agreement with Jubilee in section 9.5.1 which provides rights to Jubilee to match offers for any of the tenements is expressly made subject to Biscay's prior right under this agreement.

At this stage, the Company has no intention of abandoning or disposing of any application or any such tenement.

By an amending Deed made 31 October 2003 between the Company and Biscay the area of influence was extended to all tenements and it incorporates four new tenements that were not previously included in the original Farm In Agreement of 5 June 2001. The agreement as amended provides that if either party had an opportunity to acquire or does in fact acquire any interest within 5 kilometres of the boundaries of the tenements described in the schedule to the amending Deed then in the case of Biscay, Biscay shall offer that interest to the Company and if it is acquired by the Company, it will be subject to the 1% NSR. The tenements scheduled include all of the tenements referred to in the Independent Solicitor's Report in Section 6.

9.5.3 AGREEMENT ENTERED INTO BETWEEN OAKBOROUGH PTY LTD ("OAKBOROUGH") AND BISCAY

The Company is not a party to the agreement. Under this agreement (entered into on 28 August 2000) Oakborough sold mining information relating to the application for Exploration Licence 80/2480 covering the Emull Zinc Prospect to Biscay and, as part of that agreement, agreed to withdraw that application. The consideration for the sale of the mining information was the payment of cash and the procurement by Biscay to cause the Company to issue 250,000 shares in its capital direct to Oakborough. These shares have been issued and allotted.

Under the agreement Biscay was, as a result of the withdrawal of the application, able to apply for a subsequent mining tenement over the same area.

The agreement was initially subject to a condition precedent requiring that the Company list on the ASX by not later than 31 December 2001. Under the agreement, if the condition precedent was not satisfied by that date Biscay was required to transfer or cause that subsequent mining tenement to be transferred to Oakborough (if granted) and if not granted was required to do all things and sign all documents as Oakborough required to effectively reapply for the ground in respect of which it had initially surrendered the application. The agreement provided that Biscay could assign its interest in the agreement to the Company.

By a letter agreement dated 16 July 2001 the date for satisfaction of the condition precedent (listing of the Company on the ASX) was extended to 31 December 2002 and by a further letter agreement dated 8 April 2002, that date was further extended to 31 December 2003.

9.5.4 AGREEMENTS BETWEEN KIMBERLEY LAND COUNCIL ABORIGINAL CORPORATION ("KLC") AND BISCAY

A series of agreements each dated 24 April 2002 have been entered into between KLC and Biscay dealing with the various tenements, the subject of the Independent Solicitor's Report on Mining Interests, namely, E80/2522, E80/2525, E80/2576, E80/2622 and E80/2394.

The agreements provide for the identification and protection of areas of significance to Aboriginal persons. It includes provisions requiring the payment to KLC of a percentage of the annual statutory expenditure commitment in respect of the tenement if it remains in force following the 3rd anniversary of the grant of that tenement. The agreements prohibit any on-going exploration being carried out without the prior approval of KLC who may require a Heritage Protection Assessment ("HPA") prior to giving such approval. A HPA may include a requirement for a field inspection or work clearance survey, the cost of which shall be met by the explorer. Any proposed assignee must agree to be bound by the terms of the agreements.

Under the terms of the acquisition of the tenements under the Farm In Agreement with Biscay referred to in Section 9.5.2 above the Company was required to execute a Deed of Assumption with KLC under which it agreed to assume the rights and obligations of Biscay under those agreements which it has done by a Deed of Assumption executed between KLC, Biscay and the Company dated 24 October 2003.

9.5.5 LOAN AGREEMENT BETWEEN THE COMPANY AND MULTI METAL CONSULTANTS PTY LTD (MMC)

MMC is a company associated with each of Ian Chalmers and Terrence Ransted, directors of and shareholders in the Company. Under the agreement, MMC has lent the Company a total of $150,000 as at the date hereof which is repayable on the earlier to occur of the date on which the Company becomes listed on the ASX or 30 June 2004. The loan is interest-free. Under the agreement, the Company indemnifies MMC against the costs involved in preparation, execution and stamping of the agreement and its enforcement, in the event of default by the Company.

9.5.6 DEEDS OF INDEMNITY, INSURANCE AND ACCESS

The Company has entered into a Deed of Indemnity, Insurance & Access with each of its Directors ("the Deeds"). Under the Deeds the Company agrees to indemnify the Directors (to the maximum extent permitted by the Corporations Act) against any liability incurred by the Directors in their capacity as directors and officers of the Company. The Company is required to maintain insurance policies for the benefit of each Director for the term of the Director's appointment as a Director or Officer of the Company and for a further period of at least seven years after the Director ceases to be a Director or Officer of the Company and the Company must also allow the Directors access to inspect Company records and board papers in certain circumstances.

9.5.7 AGREEMENT WITH DJ CARMICHAEL PTY LIMITED ("DJC") AND CARMICHAEL CAPITAL MARKETS PTY LIMITED ("CCM")

By agreement dated 29 October, 2003 DJC will be Broker to the Issue and CCM will be Corporate Advisor to the Company. The Company has agreed to pay a management fee of 1% plus GST of all funds raised and an additional fee of 4% plus GST of funds raised by DJC other than from parties from which the Company has received a firm commitment. CCM will receive a fee of $15,000 plus GST for corporate advisory work undertaken by it in association with the Issue.

9.6 SHARES: RIGHTS AND LIABILITIES

A summary of the more significant rights attaching to the Company's shares is set out below. This summary is not exhaustive nor does it constitute a definite statement of the rights and liabilities of the Company's members. To obtain such a statement, Applicants should seek independent legal advice.

9.6.1 RANKING

The Shares will be ordinary shares and will rank equally in all respects with the existing ordinary shares in the Company.

9.6.2 REPORTS AND NOTICES

Members are entitled to receive all notices, reports, accounts and other documents required to be furnished to members under the Constitution of the Company and the Act.

9.6.3 GENERAL MEETINGS

Members are entitled to be present in person, or by proxy, attorney or representative to speak and to vote at general meetings of the Company. Members may requisition general meetings in accordance with the Act and the Constitution of the Company.

9.6.4 VOTING

At a general meeting of the Company every ordinary member present in person, or by proxy, attorney or representative shall, on a show of hands, have one vote and, upon a poll, every member present in person or by proxy, attorney or representative has one vote for every share held. A qualification to the above is that where a person is present at a meeting as proxy or representative for more than one member then, on a show of hands, that person shall have only one vote and not one vote for each person represented by him.

A member who holds a share that is not fully paid shall be entitled to a fraction of a vote equal to the proportion that the amount paid-up bears to the total issue price of the Share.

9.6.5 DIVIDENDS

The Directors may declare and authorise the distribution, from the profits of the Company, of dividends to be distributed to members according to their rights and interests.

9.6.6 REDUCTION OF CAPITAL

The Company may only reduce its capital in such manner as may be permitted by the provisions of the Act from time to time.

9.6.7 BORROWING AND LENDING POWERS

The Company may borrow and lend in such manner as may be permitted by the provisions of the Act from time to time.

9.6.8 WINDING UP

Members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them respectively, less any amount which remains unpaid on their shares at the time of distribution.

9.6.9 TRANSFER OF SHARES

Subject to the Constitution of the Company and the Act the shares will be freely transferable.

9.6.10 FUTURE INCREASES IN CAPITAL

The allotment and issue of shares is under the control of the Directors of the Company. Subject to restrictions on the allotment of shares to Directors or their Associates contained in the Constitution of the Company and the Act, the Directors may allot or otherwise dispose of shares on such terms and conditions as they see fit.

9.6.11 VARIATION OF RIGHTS

The rights, privileges and restrictions attaching to ordinary shares can be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three-quarters majority of those holders who, being entitled to do so, vote at that meeting or with the written consent of the holders of at least three-quarters of the ordinary shares on issue, within two months of that general meeting.

9.6.12 DIRECTORS

The Constitution of the Company contains provisions relating to the rotation of Directors (other than managing directors and alternate directors).

9.6.13 APPLICATION OF LISTING RULES

If the Company is admitted to the Official List, then despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing

Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require a constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not contain that provision to the extent of that inconsistency.

9.7 EXISTING OPTIONS: TERMS AND CONDITIONS

The Company has granted 5,000,000 options to Biscay Resources Pty Ltd the terms and conditions of which are set out below; namely;

a) Each option entitles the holder to subscribe for a fully paid ordinary share in the Company at 20 cents ($0.20) per share.

b) The options expire at 5pm Western Standard Time on the day five years after the day on which the Company is admitted to the Official List of Australian Stock Exchange Limited ("Expiry Date"). Any options not exercised on or before the Expiry Date will automatically lapse.

c) The options may be exercised at any time prior to the Expiry Date wholly or in part by delivering a duly completed form of notice of exercise together with payment of the exercise price of 20 cents ($0.20) per option to the Company.

d) All shares allotted on the exercise of options will rank equally in all respects with the Company's then existing fully paid ordinary shares.

e) The options are freely transferable but no application will be made to Australian Stock Exchange Ltd (ASX) for quotation of the options. If the Company's ordinary shares are quoted by the ASX, the Company must apply for quotation of all shares allotted pursuant to the exercise of options not later than 10 business days after the date of allotment.

f) Holders may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give to holders at least 7 business days notice of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules of the ASX.

g) There will be no change to the exercise price of the option or the number of shares over which the option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).

h) If there is a bonus issue ("Bonus Issue") to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue as at the date of issue of the Bonus Shares.

i) If prior to the expiry date, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of the ASX.

The Company expects that these options will be subject to escrow restrictions to be imposed by the ASX on admission of the Company to the Official List. Applicants should note that each of Ian Chalmers and Terrence Ransted (Directors of the Company) have a relevant interest in these options by virtue of each of them being the beneficial owners of 25% of the issued shares in the capital of Biscay .

In addition, the Company granted a total of 13,375,000 options to acquire ordinary shares to persons subscribing for shares in a placement to excluded offerees in accordance with the provisions of Section 708 of the Corporations Act which shares and options were placed on 15 and 16 October 2003.

The terms and conditions attaching to the options granted to those subscribers are the same as the terms of the options held by Biscay save that the Exercise Price is $0.25 (25 cents) and the Expiry Date is 5pm Western Standard Time on the day three years after the day on which the Company is admitted to the Official List.

The Company expects that these options will be subject to escrow in accordance with the seed capital provisions of the Listing Rules in the same proportions as the shares issued to the holders thereof are subject to escrow. Essentially the allottees of the Seed Capital Shares are expected to be entitled to have free from escrow restrictions that number of those shares (and a like number of options) which the subscription monies for all of the Seed Capital Shares would be able to purchase if applied by way of subscription for Shares pursuant to the Issue. Any determination as to escrow will however be made by the ASX and details thereof released to the market prior to commencement of trading in the Shares.

9.8 DIVIDEND POLICY

The Company is not presently profitable and is unlikely to be so in the foreseeable future and, accordingly, will not pay dividends in the foreseeable future.

9.9 COSTS OF THE ISSUE

Total estimated expenses to the Company in relation to this Issue are:

	Full Subscription ($)	Minimum Subscription ($)
Independent Accountant's Report	5,000	5,000
Independent Solicitor's Report	6,000	6,000
Independent Geologist's Report	35,000	35,000
Legal Expenses	50,000	50,000
Broker and Advisor Fees and Commissions#	265,000	165,000
ASX Listing Fees	30,000	30,000
Printing, Postage, Share Registry and Other Costs	59,000	59,000
Total	450,000	350,000

 # Assumes 4% Brokerage Fee and 1% Management Fee payable on $5,000,000 ($3,000,000 if only Minimum Subscription is met).

9.10 CONSENTS

RSG Global Pty Ltd ("RSG") has given and not withdrawn its written consent to be named herein as a Consulting Geologist to the Company in the form and context in which it is so named. In addition, it has given and not withdrawn its written consent to the despatch of this document with its independent report as contained herein being included herein and to references thereto being included either expressly or by inference herein in the form and context in which they are included.

RSG Global has had no involvement in the preparation of this document other than the inclusion of its report and has not given any professional or other advice in respect of any other part of this document. RSG Global does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any other part of this document.

Rothsay Consulting Services Pty Ltd has given and not withdrawn its written consent to be named herein as Independent Accountant in the form and context in which it so named. In addition, it has given and not withdrawn its written consent to the despatch of this Prospectus with its Independent Accountant's Report all as contained herein, all being included herein in the form and context in which they are so included.

Rothsay Consulting Services Pty Ltd has had no involvement in the preparation of this Prospectus other than the inclusion of such independent accountant's report and references thereto and such references to its audit report as contained herein and has not given any professional or other advice in respect of any other part of this Prospectus. Rothsay Consulting Services Pty Ltd does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any other part of this document.

Rothsay Chartered Accountants has given and not withdrawn its written consent to be named herein as Auditor in the form and context in which they are so named. In addition, it has given and not withdrawn its written consent to the despatch of this Prospectus with references to its Independent Audit Report for the financial year ended 30 June 2003.

Rothsay Chartered Accountants has had no involvement in the preparation of this Prospectus other than the inclusion of such and such references to its audit report as contained herein and has not given any professional or other advice in respect of any other part of this Prospectus. Rothsay Chartered Accountants does not accept any liability to any person in respect of any false or misleading statement in, or omission from. any other part of this document.

McAuliffe Williams & Partners ("McAuliffe"), Lawyers, have given and not withdrawn their written consent to be named herein as Solicitor to the Company in the form and context in which they are so named. In addition, they have given and not withdrawn their written consent to the despatch of this Prospectus with their Solicitor's Report on Mining Interests, as contained herein being included herein and to references thereto being included either expressly or by inference herein all in the form and context in which they are included.

McAuliffe have had no involvement in the preparation of this Prospectus other than the inclusion of their report and such references and have not given any professional or other advice in respect of any other part of this Prospectus. McAuliffe does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any other part of this Prospectus.

Advanced Share Registry Services (Advanced), has given and not withdrawn its written consent to be named herein as the share registry to the Company in the form and context in which it is so named. In addition, it has given and not withdrawn its written consent to the despatch of this Prospectus. Advanced has had no involvement in the preparation of this Prospectus and has not given any professional or other advice in respect of any part of this Prospectus. Advanced does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

DJ Carmichael Pty Limited (DJC) has given and not withdrawn its written consent to be named in the Prospectus as the Broker to the Issue in relation to the Company's application for listing on the ASX in the form and context in which it is so named. In addition, DJC has given and not withdrawn its written consent to the despatch of the Prospectus with all references to it in such capacity being included in the Prospectus in the form and context in which they are so included.

DJC has had no involvement in the preparation of the Prospectus and has not authorised or caused the issue of any part of the Prospectus, other than the inclusion of its name as the Broker to the Issue and such references thereto, in the form and context in which they are included in the Prospectus. DJC does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any other part of the Prospectus.

Carmichael Capital Markets Pty Limited (CCM) has given and not withdrawn its written consent to be named in the Prospectus as an Advisor to the Company in the form and context in which it is so named. In addition, CCM has given and not withdrawn its written consent to the despatch of the Prospectus with all references to it in such capacity being included in the Prospectus in the form and context in which they are so included.

CCM has had no involvement in the preparation of the Prospectus and has not authorised or caused the issue of any part of the Prospectus, other than the inclusion of its name as an Advisor in the form and context in which they are included in the Prospectus. CCM does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any other part of the Prospectus.

Menzies and Partners (Menzies) Solicitors, has given and not withdrawn its written consent to be named in the Prospectus as Legal Advisor to the Issue in the form and context in which it is so named. In addition, Menzies has given and not withdrawn its written consent to the despatch of the Prospectus with all references to it in such capacity being included in the Prospectus in the form and context in which they are so included.

9.11 INTERESTS OF DIRECTORS AND INTERESTED PARTIES

Except as otherwise set out herein, no Director, expert or professional advisor named herein now has or during the last two years has had any interest in the promotion of the Company, or any property proposed to be acquired by the Company in connection with its formation or promotion or the Offer. Further, no sums have been paid or agreed to be paid to a Director, expert or professional advisor in cash or shares or otherwise by any person (in the case of a Director) either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the promotion or formation of the Company or the Offer or (in the case of an expert or

professional advisor) for services rendered by the expert or professional advisor in connection with the promotion or formation of the Company or the Offer save and except that:

9.11.1 INTERESTS OF ADVISORS AND NAMED PERSONS

In accordance with the terms of their engagement, Rothsay Consulting Services Pty Ltd has prepared its independent report contained herein and which forms part of this Prospectus. In aggregate, Rothsay Consulting Services Pty Ltd will be paid $5,000 by the Company in relation to the preparation of its Independent Accountant's Report. In addition Rothsay Chartered Accountants has been paid a total of $1,500 for services during the 2 years prior to the date of this Prospectus.

In accordance with the terms of its engagement, RSG has prepared its Independent Consulting Geologist's Report that forms part of this Prospectus. In aggregate, RSG Global has been or will be paid $35,000 in respect thereof.

In accordance with the terms of its engagement, McAuliffe have prepared their Solicitor's Report on Mining Interests that forms part of this document. In aggregate, McAuliffe will be paid professional fees of $6,000 in respect thereof (inclusive of disbursements).

In accordance with the terms of the Broker to the Issue Agreement, DJC and CCM will be paid the fees and/or commission set out in Section 9.5.7. Directors of CCM hold shares in the Company and CCM and DJC were paid fees totalling $35,000 and $7,500, respectively, in relation to recent placements made under Section 708 of the Act.

In accordance with the terms of its engagement, Menzies have acted as Legal Advisor to the Issue and has performed work in relation to the legal due diligence enquiries on legal matters and legal advice to the Company in relation to the Offer. In aggregate, Menzies will be paid professional fees of $50,000 in respect thereof (inclusive of disbursements). In addition, Menzies were paid $5,000 for the preparation of documents in relation to recent placements made under Section 708 of the Act.

At the date hereof no such payments have been made, save as set out herein. All such payments made in the previous period of two years have been paid or are payable in cash.

9.11.2 INTERESTS OF DIRECTORS AND OFFICERS

The Directors and Officers:

(a) hold shares and interests, as set out herein;

(b) are entitled to subscribe for Shares pursuant to this Prospectus,

(c) are entitled to be remunerated or receive benefits from the Company as follows;

(i) Directors' Remuneration

Under the Company's Constitution, the Directors are entitled to be paid such remuneration not exceeding an amount that is authorised by an ordinary resolution of the Company in general meeting (other than in relation to remuneration of managing or executive directors). The Directors are currently entitled to receive up to $150,000 pa to be divided between them as directors' fees. It is intended that each non-executive Director appointed to the Board will be paid an amount of $25,000 plus statutory superannuation contributions with the Chairman being paid $30,000 plus statutory superannuation contributions.

At present no non-executive Director has received any remuneration from the Company on account of directors fees or other services provided to the Company from the date of incorporation to the date of this Prospectus. It is proposed that fees referred to above will be accrued from the date on which the Company is admitted to the Official List. Directors will thereafter be paid monthly in arrears or as otherwise resolved by the Board.

If a Director undertakes any work additional to that usually required of Directors of a company similar to this Company, the Directors may award such special remuneration and fix the amount hereof at any time during or after the rendering of such special service or the undertaking of such additional work. Directors are also entitled to travelling expenses for or in connection with any journeys undertaken by them on the Company's business.

Charles Wilkinson, the Managing Director of the Company has been remunerated at the rate of $135,000 per annum plus provision of statutory superannuation contributions since his appointment. With effect from the date on which the Company is admitted to the Official List it is proposed that a 2 year contract of employment will be entered into between the Company and Mr Wilkinson. Whilst this agreement is not yet finalised, in principal terms have been agreed and include salary and superannuation conditions as stated above, the provision of a motor vehicle to the value of $80,000 and an annual review.

The remuneration of the Managing Director or any executive Director shall be determined by the Directors acting as a remuneration committee (excluding any interested director).

(ii) Directors' and Officers' Relevant Interests in Securities

The relevant interests of the Directors, and their related parties as defined in Accounting Standard AASB 1017, in securities of the Company, as at the date of this Prospectus are as follows:

Director/Officer	Share holding	Option holding
Christopher KG Rowe (Chairman)	1,325,000#	325,000#
D Ian Chalmers (Non -Executive Director)	2,000,001	5,000,000*
Terrence W Ransted (Non -Executive Director)	2,000,001	5,000,000*
Charles S Wilkinson (Managing Director)	2,000,000	nil
Karen Brown (Company Secretary)	500,000	nil

 # In addition Mr Rowe is registered as the holder of a further 1,325,000 ordinary shares and 325,000 options which he holds as a bare trustee for an unrelated third party and neither Mr Rowe, nor any of his associates holds a relevant or beneficial interest therein.

** Each of Ian Chalmers and Terrance Ransted have a deemed relevant interest in these options which are held by Biscay as referred to herein.*

9.12 AGREEMENTS WITH DIRECTORS

Save in relation to the loan agreement referred to in Section 9.5.5 and the agreement between Biscay and the Company referred to in Section 9.5.2 there are no other agreements between the Company and its Directors other than those referred to herein.

Under the loan agreement referred to, Multi Metal Consultants Pty Ltd, a company associated with each of Ian Chalmers and Terrence Ransted, has provided an interest free loan to the Company on terms set out therein.

In so far as the entitlement of Biscay to the 1% NSR applicants are advised that each of Ian Chalmers and Terrence Ransted have a relevant interest in 25% of the capital of Biscay and will thus benefit from the NSR when and if it is paid.

9.13 OTHER INTERESTS IN PROMOTION OF [illegible]

Other than as set out herein, no Director, and no firm in which a Director is a partner, has an interest in the promotion of, or in any property proposed to be acquired by the Company and no amounts, whether in cash or shares or otherwise, have been paid or agreed to be paid to any Director or to any firm in which a Director is a partner, either to induce him to become, or to qualify him as a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

9.14 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company report that for the purposes of Section 731 of the Act, they state that they have made all enquiries that were reasonable in the circumstances and have reasonable grounds to believe that any statements by them in this Prospectus are true and not misleading or deceptive, and that with respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given the consent required by Section 716(2) of the Act and have not withdrawn that consent before lodgment of this Prospectus with ASIC.

Each Director of the Company consents to the lodgment of this Prospectus with ASIC, and has not withdrawn that consent prior to this Prospectus being lodged.

This Prospectus is prepared on the basis that:

- certain matters may be reasonably expected to be known to professional advisors of the kind with whom applicants may reasonably be expected to consult; and
- information is known to Applicants or their professional advisors by virtue of any Acts or laws of any State or Territory of Australia or the Commonwealth of Australia.

This Prospectus is dated the 6th day of November 2003.

Signed on behalf of Northern Star Resources Ltd

Christopher KG Rowe

Chairman

10.0 Definitions

In this Prospectus, the following terms and abbreviations have the following meanings, unless otherwise stated:

"$" or "A$"	means Australian dollars, unless otherwise stated.
"the Act" or "Corporations Act"	means the Corporations Act 2001 as in force within Australia.
"Applicant(s)"	means a person who submits an Application.
"Application"	means a valid application to subscribe for Shares.
"Application Form"	means the application form attached to and forming part of this Prospectus.
"Application Monies"	means twenty cents ($0.20) being the amount payable in respect of each Share under this Issue.
"Associates"	has the meaning given to that term in the Corporations Act 2001.
"ASIC"	means Australian Securities and Investments Commission.
"ASTC"	means The ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).
"ASX"	means Australian Stock Exchange Limited (ACN 008 624 691).
"Business Day"	means a business day as ascribed in the Listing Rules.
Chemical Symbols	Ag silver Au gold Cu copper Co cobalt Ni nickel Pb lead Pd palladium Pt platinum Ta_2O_5 tantalum pentoxide
"CHESS"	means ASX Clearing House Electronic Subregistry System.
"Closing Date"	means 5:00pm (WST) on 5 December 2003 (subject to the right of the Directors to vary this without prior notice).
"the Company" or "Northern Star"	each mean Northern Star Resources Ltd (ACN 092 832 892).
"Constitution"	means the Constitution of Northern Star.
"Directors" or "Board"	means the Directors of the Company.
"Electronic Prospectus"	means the electronic version of this Prospectus.

"Exposure Period"	means the period 7 days after the date of lodgement of this Prospectus with the ASIC, unless the period is extended by the ASIC, in which event it means the extended period.
"Group"	means the Company and any future related bodies corporate.
"Issue"	means the issue of Shares pursuant to this Prospectus.
"Jubilee"	means Jubilee Mines NL (ACN 009 219 809) or any related bodies corporate.
"Listing Rules"	means the Official Listing Rules of ASX.
"Minimum Subscription"	means the minimum number of 15,000,000 Shares required to be subscribed before the Issue will proceed.
"Offer"	means the invitation to apply for Shares pursuant to this Prospectus.
"Official List"	means the Official List of ASX.
"Official Quotation"	means official quotation of Shares on the ASX.
"PGE"	means platinum group elements.
"Plan"	means the Northern Star Employee Option Plan.
"Prospectus"	means this disclosure document and includes the Electronic Prospectus.
"Share(s)"	means ordinary shares to be issued and allotted pursuant to this Prospectus.
"Shareholder(s)"	means the holders of Shares in Northern Star.
Units of Measurement	km kilometre m metres Mt million tonnes oz troy ounce ppb parts per billion ppm parts per million t tonne
"WST"	means Western Standard Time.

NORTHERN STAR RESOURCES LTD

ABN 43 092 832 892

Share Registrars use only	
Broker reference – stamp only	
Broker code	Advisor code

Application Form

Please read all instructions on reverse of this form.

A NUMBER OF SHARES APPLIED FOR

(minimum 10,000 and then multiples of 1,000 Shares)

[ ] at $0.20 per Share = A$ [ ]

B TOTAL AMOUNT PAYABLE

cheque(s) to equal this amount

you may be allocated all of the Shares above or a lesser number.

C FULL NAME DETAILS

title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D TAX FILE NUMBER(S)

Or exemption category

Applicant 1/company

Joint applicant 2/trust

Joint applicant 3/exemption

E FULL POSTAL ADDRESS

Number/street

Suburb/town State Postcode

F CONTACT DETAILS

Contact name

Contact daytime telephone number

Contact email address

G CHESS HIN (if applicable)

H CHEQUE PAYMENT DETAILS *please fill out your cheque details and make your cheque payable to "Northern Star Resources Ltd - Issue Account"*

Drawer	Cheque number	BSB number	Account number	Total cheque amount

I RETURN OF THE APPLICATION FORM with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 6th November 2003 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

GUIDE TO THE NORTHERN STAR RESOURCES LTD APPLICATION FORM

This Application Form relates to the Offer of 25,000,000 Shares in Northern Star Resources Ltd at $0.20 per Share pursuant to the Prospectus dated 6 November 2003. The expiry date of this Prospectus is the date which is 13 months after the date of this Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further, particulars and the correct forms of registrable titles to use on the Application Form are contained below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

B Insert the relevant amount of Application Money. To calculate your Application Money, multiply the number of Shares applied for by the sum of $0.20.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as they are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. On admission to CHESS, the Company will operate an electronic CHESS subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS subregister, complete Section G or forward your Public Application Form to your sponsoring participant for completion of this section prior to lodgment. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relative section of the Prospectus.

H Please complete cheque details as requested:

Make your cheque payable to "Northern Star Resources Ltd - Issue Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

LODGEMENT OF APPLICATIONS

Return your completed Application Form with cheque(s) attached to:

By Mail:
Advanced Share Registry Services
PO Box 6283
EAST PERTH WA 6892

Or:
DJ Carmichael Pty Limited
PO Box Z5186
PERTH WA 6831

OR By hand delivery:
Advanced Share Registry Services
Level 7, 200 Adelaide Terrace,
PERTH WA

APPLICATION FORMS MUST BE RECEIVED NO LATER THAN 5.00PM WST ON 5 DECEMBER 2003.

NORTHERN STAR RESOURCES LTD

ABN 43 092 832 892

Share Registrars use only	
Broker reference – stamp only	
Broker code	Advisor code

Application Form

Please read all instructions on reverse of this form.

A NUMBER OF SHARES APPLIED FOR

(minimum 10,000 and then multiples of 1,000 Shares)

at $0.20 per Share = A$

B TOTAL AMOUNT PAYABLE

cheque(s) to equal this amount

you may be allocated all of the Shares above or a lesser number.

C FULL NAME DETAILS

title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D TAX FILE NUMBER(S)

Or exemption category

Applicant 1/company

Joint applicant 2/trust

Joint applicant 3/exemption

E FULL POSTAL ADDRESS

Number/street

Suburb/town

State

Postcode

F CONTACT DETAILS

Contact name

Contact daytime telephone number

Contact email address

G CHESS HIN (if applicable)

H CHEQUE PAYMENT DETAILS *please fill out your cheque details and make your cheque payable to "Northern Star Resources Ltd - Issue Account"*

Drawer	Cheque number	BSB number	Account number	Total cheque amount

I RETURN OF THE APPLICATION FORM with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 6th November 2003 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

GUIDE TO THE NORTHERN STAR RESOURCES LTD APPLICATION FORM

This Application Form relates to the Offer of 25,000,000 Shares in Northern Star Resources Ltd at $0.20 per Share pursuant to the Prospectus dated 6 November 2003. The expiry date of this Prospectus is the date which is 13 months after the date of this Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further, particulars and the correct forms of registrable titles to use on the Application Form are contained below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

B Insert the relevant amount of Application Money. To calculate your Application Money, multiply the number of Shares applied for by the sum of $0.20.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as they are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. On admission to CHESS, the Company will operate an electronic CHESS subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS subregister, complete Section G or forward your Public Application Form to your sponsoring participant for completion of this section prior to lodgment. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relative section of the Prospectus.

H Please complete cheque details as requested:

Make your cheque payable to "Northern Star Resources Ltd - Issue Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

LODGEMENT OF APPLICATION

Return your completed Application Form with cheque(s) attached to:

By Mail:
Advanced Share Registry Services
PO Box 6283
EAST PERTH WA 6892

Or:
DJ Carmichael Pty Limited
PO Box Z5186
PERTH WA 6831

OR By hand delivery:
Advanced Share Registry Services
Level 7, 200 Adelaide Terrace,
PERTH WA

APPLICATION FORMS MUST BE RECEIVED NO LATER THAN 5.00PM WST ON 5 DECEMBER 2003.

NORTHERN STAR RESOURCES LTD

ABN 43 092 832 892

Share Registrars use only	
Broker reference – stamp only	
Broker code	Advisor code

Application Form

Please read all instructions on reverse of this form.

A NUMBER OF SHARES APPLIED FOR

(minimum 10,000 and then multiples of 1,000 Shares)

[ ] at $0.20 per Share = A$

B TOTAL AMOUNT PAYABLE

cheque(s) to equal this amount

[ ]

you may be allocated all of the Shares above or a lesser number.

C FULL NAME DETAILS

title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D TAX FILE NUMBER(S)

Or exemption category

Applicant 1/company

Joint applicant 2/trust

Joint applicant 3/exemption

E FULL POSTAL ADDRESS

Number/street

Suburb/town State Postcode

F CONTACT DETAILS

Contact name

Contact daytime telephone number

Contact email address

G CHESS HIN (if applicable)

H CHEQUE PAYMENT DETAILS *please fill out your cheque details and make your cheque payable to "Northern Star Resources Ltd - Issue Account"*

Drawer	Cheque number	BSB number	Account number	Total cheque amount

I RETURN OF THE APPLICATION FORM with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 6th November 2003 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

GUIDE TO THE NORTHERN STAR RESOURCES LTD APPLICATION FORM

This Application Form relates to the Offer of 25,000,000 Shares in Northern Star Resources Ltd at $0.20 per Share pursuant to the Prospectus dated 6 November 2003. The expiry date of this Prospectus is the date which is 13 months after the date of this Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

B Insert the relevant amount of Application Money. To calculate your Application Money, multiply the number of Shares applied for by the sum of $0.20

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as they are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. On admission to CHESS, the Company will operate an electronic CHESS subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS subregister, complete Section G or forward your Public Application Form to your sponsoring participant for completion of this section prior to lodgment. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the relative section of the Prospectus.

H Please complete cheque details as requested:

Make your cheque payable to "Northern Star Resources Ltd - Issue Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

LODGEMENT OF APPLICATIONS

Return your completed Application Form with cheque(s) attached to:

By Mail:
Advanced Share Registry Services
PO Box 6283
EAST PERTH WA 6892

Or:
DJ Carmichael Pty Limited
PO Box Z5186
PERTH WA 6831

OR By hand delivery:
Advanced Share Registry Services
Level 7, 200 Adelaide Terrace,
PERTH WA

APPLICATION FORMS MUST BE RECEIVED NO LATER THAN 5.00PM WST ON 5 DECEMBER 2003.

NORTHERN STAR RESOURCES LTD

ABN 43 092 832 892

96 Parry Street, Perth, Western Australia 6000

Telephone: (08) 9328 9292 Facsimile: (08) 9227 6011

E-mail:info@nsrltd.com Web:www.nsrltd.com