

Northgate Generates Cash Flow from Operations of \$41 million in the Second Quarter

VANCOUVER, August 1, 2008 – (All figures in US dollars except where noted) – Northgate Minerals Corporation (TSX: NGX; AMEX: NXG) today reported cash flow from operations of \$40,859,000 or \$0.16 per diluted common share for the second quarter of 2008.

Second Quarter 2008 Highlights

- Total gold production of 83,561 ounces at Northgate's three operating mines at an average net cash cost of production of \$423 per ounce of gold.
- Gold production for the Kemess South mine was 46,124 ounces at a net cash cost of \$92 per ounce.
- Released exploration results at Young-Davidson, confirming the continuity of mineralization in the deposit and bringing the Project closer to its total resource goal of 3 million ounces of gold.
- Completed a NI 43-101 Preliminary Assessment Report for the Young-Davidson project outlining production of 1.75 million recoverable ounces of gold over a 12-year mine life at an average cash cost of \$405 per ounce.
- Achieved excellent, high-grade drill results at Stawell's Golden Gift 6 exploration area.
- Completed the conversion to owner mining from contractor mining at the Fosterville Gold mine.

Ken Stowe, President and CEO, stated, "The second quarter saw considerable progress made on a number of fronts. At Kemess, gold production easily exceeded the revised forecast due to the continued strong performance in both the mining and milling departments, and generated almost \$65 million in cash flow from operations. With strong production forecast in the fourth quarter of this year and high metal prices, we will continue to generate significant cash flow to fund our various growth initiatives. At Young-Davidson, we recently issued two important press releases. First, we released the results of the Preliminary Assessment Report, which outlines a 12-year mine life with average annual production of 158,000 ounces of gold per year at a cash cost of \$405 per ounce. Second, we released very positive drill results from our 2008 drill program, which we expect will significantly increase the resource base upon which the project feasibility study will be based. At Stawell, our aggressive \$7 million exploration program continued to follow up on the excellent initial drill results in the Golden Gift 6 zone and examined a number of other in-mine and near-mine targets. At the same time, a number of strategic capital investments are underway to improve the operation for the longer term. At Fosterville, the conversion to owner mining went very smoothly with completion ahead of schedule at the end of May. Underground development at the mine is now ramping up nicely with the ultimate objective of increasing mining rates and gold production in the last quarter of 2008. In addition, in order to speed up the evaluation and engineering of metallurgical improvements, a pilot plant was constructed and commissioned on site in late May. Testing to date has demonstrated the potential to improve gold recovery by approximately 10%. Engineering of the necessary process plant modifications is presently underway with a planned implementation date in the first quarter of 2009."

Executive Overview

Financial Performance

Northgate Minerals Corporation recorded consolidated revenue of \$138,880,000 in the second quarter of 2008, compared with consolidated revenue of \$80,878,000 in the same period last year. Net earnings for the quarter were \$1,085,000 or \$0.00 per diluted common share, compared with net earnings of \$8,647,000 or \$0.03 per diluted common share during the corresponding quarter of 2007. Net earnings in the most recent quarter were lower than they are expected to be in future quarters due to the low gold output from the recently acquired Australian operations. The low output was combined with temporarily higher costs as Northgate implemented various improvement projects in order to rectify a number of production challenges, which were inherited from the previous owner. These projects are being undertaken to set the operations up for long-term success, and are now possible due to Northgate's strong financial position relative to the previous owner. Cash flow from operations after changes in working capital was \$40,859,000 or \$0.16 per common share compared with \$43,685,000 or \$0.17 per diluted common share during the second quarter of 2007. Per share data is based on the weighted average diluted number of shares outstanding of 255,745,076 in the second quarter of 2008 and 255,317,140 in the corresponding period of 2007. As of July 31, 2008, the Corporation had 255,442,692 issued and outstanding common shares.

Health, Safety and Environment

Kemess recorded one lost time injury during the second quarter of 2008. The affected employee returned to full duties in mid-July.

In Australia, Northgate continues to promote a strong culture of safety and is striving to ensure that the highest level of health and safety standards are maintained at both sites. In the second quarter, Stawell and Fosterville each recorded one lost time injury. Northgate plans to conduct audits of the Safety Management systems at both sites in the third quarter and an environmental audit will be undertaken in the fourth quarter of 2008.

Human Resources

On April 8, 2008, a new three-year collective agreement was ratified by the International Union of Operating Engineers Local 115, which represents the 300 production and maintenance employees at the Kemess South mine. The agreement replaces the previous three-year deal that expired on December 31, 2007.

The current collective agreement at the Stawell Gold mine expires on September 28, 2008. Northgate has commenced negotiations with a committee of employees and a bargaining agent from the Construction, Forestry, Mining and Energy Union (CFMEU).

During the quarter, Northgate completed the conversion to owner mining at the Fosterville Gold mine. All underground activities had been previously carried out by a privately owned Australian mining contractor. The conversion included the transfer of approximately 110 mining personnel.

Summarized Consolidated Results

(Thousands of US dollars, except where noted)	Q2 2008	Q2 2007	H1 2008 ⁽¹⁾	H1 2007
Operating Data				
Gold production (ounces)	83,561	65,999	171,947 ⁽²⁾	134,109
Gold sales (ounces) ⁽³⁾	84,281	70,220	145,820	66,480
Average spot gold price – London Bullion Market (\$/oz)	896	667	911	659
Copper production (thousands pounds)	13,940	14,839	28,320	32,541
Copper sales (thousands pounds)	16,080	16,761	29,456	34,031
Average spot copper price – London Metal Exchange Cash (\$/lb)	3.83	3.47	3.68	3.08
Financial Data				
Revenue	\$ 138,880	\$ 80,878	\$ 224,973	\$ 155,191
Net earnings	1,085	8,647	21,512	18,053
Earnings per share				
Basic	0.00	0.03	0.08	0.07
Diluted	0.00	0.03	0.08	0.07
Cash flow from operations	40,859	43,685	56,309	62,926
Cash and cash equivalents	76,876	317,761	76,876	317,761
Total assets	\$ 730,630	\$ 574,417	\$ 730,630	\$ 574,417

⁽¹⁾ Half year financial data and gold sales (ounces) include the results of Northgate's Australian operations from February 19 to June 30, 2008. Other figures are for the six month period ending June 30, 2008.

⁽²⁾ Half year production for Fosterville excludes the change in gold-in-circuit inventory previously recorded in production for the first quarter.

⁽³⁾ Prior year comparatives reflect gold sales (ounces) for Kemess only.

KEMESS SOUTH MINE

(Thousands of US dollars, except where noted)	Q2 2008	Q2 2007	H1 2008	H1 2007
Operating Data				
Ore plus waste mined (tonnes)	6,399,810	10,618,547	14,936,448	22,701,404
Ore mined (tonnes)	2,675,933	3,494,752	7,442,305	9,055,785
Stripping ratio (waste/ore)	1.39	2.04	1.01	1.51
Ore stockpile rehandle (tonnes)	2,412,730	1,356,720	3,050,033	1,386,836
Ore milled (tonnes)	4,550,947	4,435,557	8,794,838	8,776,979
Ore milled per day (tonnes)	50,010	48,742	48,323	48,492
Gold				
Grade (g/t)	0.468	0.724	0.495	0.701
Recovery (%)	67	64	69	68
Production (ounces)	46,124	65,999	95,707	134,109
Sales (ounces)	50,127	70,220	94,851	136,700
Copper				
Grade (%)	0.167	0.199	0.175	0.207
Recovery (%)	83	76	84	81
Production (thousands pounds)	13,940	14,839	28,320	32,541
Sales (thousands pounds)	16,080	16,761	29,456	34,031
Net cash cost (\$/ounce)	92	35	98	32
Financial Data				
Revenue	\$ 112,310	\$ 109,788	\$ 216,326	\$ 203,553
Cost of sales	74,295	60,384	123,459	107,370
Earnings from operations before income taxes	31,076	38,187	78,115	70,868
Cash flow from operations	64,585	56,581	91,901	58,167
Capital expenditures	3,021	3,404	4,810	6,147

Operational Performance

The Kemess South mine posted gold and copper production of 46,124 ounces and 13.9 million pounds, respectively, in the second quarter of 2008. Gold production was significantly higher than forecast in the second quarter as some of the ore that had been scheduled for milling in the third quarter was milled in June. Gold and copper recoveries were better than forecast and mill throughput exceeded expectations due to high mill availability. In the third quarter of this year, gold production is now forecast to be 34,000 ounces as low grade stockpiled ore is milled and waste stripping continues in the western end of the Kemess open pit to expose high grade ore that will be milled in the fourth quarter. Gold and copper production in the fourth quarter of the year is expected to total 80,000 ounces and 20 million pounds, respectively.

During the second quarter of 2008, approximately 6.4 million tonnes of ore and waste were removed from the open pit compared to 10.6 million tonnes during the corresponding quarter of 2007. Total tonnes moved (mined tonnes plus stockpile ore rehandle) were 25% lower in the second quarter of 2008 than they were in the corresponding period last year due to challenging mining conditions encountered in the northwestern area of the open pit during this year's spring thaw. Delays in waste stripping have necessitated a change in the production plan for the third quarter to include the milling of more stockpiled ore while waste stripping catches up. Unit mining costs were Cdn\$2.07 per tonne moved compared with Cdn\$1.64 per tonne moved in the second quarter of 2007. The unit mining costs in the most recent quarter were higher than they were in the same period last year due to the lower volume of material moved, higher prices for diesel fuel and higher maintenance costs.

Mill availability and mill throughput during the second quarter of 2008 were 92% and 50,010 tonnes per day (tpd), respectively, compared with 89% availability and throughput of 48,742 tpd in the second quarter of 2007. The ore milled in the second quarter of 2008 had a grade of 0.468 grams per metric tonne (g/t) for gold and 0.167% for copper.

Gold and copper recoveries averaged 67% and 83%, respectively, compared with 64% and 76% in the second quarter of 2007. In the most recent quarter, Kemess exclusively milled hypogene ore while in the same quarter last year, significant quantities of supergene and leachcap ores, which have metallurgical characteristics that generate lower metal recoveries, were milled.

Metal concentrate inventory decreased by 3,500 wet metric tonnes (wmt) in the second quarter of 2008 to approximately 3,600 wmt, as railcar availability improved during the quarter with the onset of spring.

During the second quarter of 2008, the average unit cost of production per tonne milled was Cdn\$13.01, including Cdn\$3.55 for concentrate marketing costs, which consist of treatment and refining charges and transportation fees. The average unit cost in the same quarter in 2007 was Cdn\$13.31 per tonne milled, which included Cdn\$3.48 for marketing costs. Overall units costs have fallen due to a decline in 2008 Benchmark settlement terms for treatment and refining charges. Although total tonnes moved in the second quarter of 2008 were 25% lower than they were in the same period last year and mill throughput was approximately the same, site operating costs of Cdn\$43.4 million were only slightly below those recorded in the second quarter of 2007 of Cdn\$44.3 million. This result is a consequence of the generally inefficient mining conditions encountered in the second quarter of 2008, as well as substantial increases in prices for diesel fuel and mill steel, and increased labour costs associated with the new collective agreement at Kemess. The net cash cost of production at Kemess in the second quarter of 2008 was \$92 per ounce of gold compared to the \$35 per ounce cash cost reported in the second quarter of 2007. The net cash cost was higher than the figure in the comparable period due to the combined effects of lower gold and copper production and the stronger Canadian dollar, which were only partially offset by stronger copper prices .

Financial Performance

Revenue from the Kemess South mine in the second quarter of 2008 was \$112,310 compared with \$109,788 in the corresponding period of 2007 excluding the effects of mark-to-market adjustments on Northgate's copper hedge book. Metal sales in the second quarter of 2008 consisted of 50,127 ounces of gold and 16.1 million pounds of copper, compared with 70,220 ounces of gold and 16.8 million pounds of copper in the same period last year. During the second quarter of 2008, the price of gold on the London Bullion Market averaged \$896 per ounce and the price of copper on the London Metal Exchange (LME) averaged \$3.83. The net realized metal prices received on sales in the second quarter of 2008 were approximately \$876 per ounce of gold and \$4.10 per pound of copper, compared with \$564 per ounce and \$2.96 per pound in the same period of 2007. Realized prices for gold and copper were higher in the most recent quarter due to general increases in metal prices. In addition, all of the Corporation's gold and copper sales during the most recent quarter were sold at market prices compared to 2007, when a significant portion of the Corporation's sales were hedged at lower than prevailing prices.

The cost of sales in the second quarter of 2008, excluding depreciation and depletion, was \$74,295,000, which was higher than the corresponding period last year when the cost of sales was \$60,384,000. The increase in the most recent quarter reflects increases in concentrate transportation costs due to fuel price escalation and the stronger Canadian dollar.

Depreciation and depletion expense in the second quarter was \$6,278,000 compared to \$8,851,000 during the corresponding period of 2007. The lower depreciation and depletion expense for the most recent quarter reflects the reduction in tonnes mined and is slightly offset by an increase in the amortization rate for 2008 as a result of capital expenditures in the prior year.

Cash invested in capital expenditures during the second quarter of 2008 totalled \$3,021,000 compared to \$3,404,000 in the corresponding period of 2007. Capital expenditures in the most recent quarter were primarily devoted to the ongoing construction of the tailings dam and road infrastructure.

STAWELL GOLD MINE

(Thousands of US dollars, except where noted)	Q2 2008	Q2 2007	H1 2008 ⁽¹⁾	H1 2007
Operating Data				
Ore mined (tonnes)	143,692	162,725	293,909	327,562
Ore milled (tonnes)	170,765	180,338	337,600	369,198
Ore milled per day (tonnes)	1,877	1,982	1,855	2,040
Gold				
Grade (g/t)	4.87	4.90	5.42	5.50
Recovery (%)	85	90	87	90
Production (ounces)	22,807	25,570	51,170	59,013
Sales (ounces)	21,037	n/a	33,284	n/a
Net cash cost (\$/ounce)	627	n/a	596	n/a
Financial Data				
Revenue	\$ 18,984	n/a	\$ 30,723	n/a
Cost of sales	13,660	n/a	20,905	n/a
Loss from operations	(3,389)	n/a	(2,706)	n/a
Cash flow from operations	2,914	n/a	9,506	n/a
Capital expenditures	6,509	n/a	9,131	n/a

⁽¹⁾ Half year financial data and gold sales (ounces) include the results of Northgate's Australian operations from February 19 to June 30, 2008. Other figures are for the six month period ending June 30, 2008.

The Stawell Gold mine produced a total of 22,807 ounces of gold during the three months ended June 30, 2008. Production was 4,000 ounces lower than forecast, primarily due to lower tonnes mined from the underground as a result of delays in development caused by equipment availability and mine environment (heat load / ventilation). However, the phased ventilation upgrade project was advanced during the quarter and four new-design spot coolers were installed, bringing a pronounced improvement to the working environment. This will have a positive impact on gold production for the second half of 2008. Approximately 170,765 tonnes of ore at a grade of 4.87 g/t were milled in the second quarter of 2008. Gold recoveries in the mill were slightly below plan at 85% due to higher than normal carbon content in the ore milled, which reduces recovery. Total operating costs during the period were A\$15,139,000 equating to an overall unit operating cost of A\$89 per metric tonne (mt) of ore milled. Mining costs were A\$62/mt of ore mined and milling costs were A\$25/mt of ore milled.

The net cash cost of gold for the second quarter was \$627 per ounce, which was higher than plan of \$501 per ounce. The cash cost was negatively impacted primarily by gold production, which was lower than forecast and consumable costs, which were higher than plan. Cash costs in future quarters will inherently be lower as a result of higher forecasted gold production.

Underground mine development continued in the Golden Gift (GG) production zones, GG1, GG3 and GG5L, during the quarter and the development advance totalled 1,229 metres.

Financial Performance

Stawell's revenue in the second quarter was \$18,984,000 based on gold sales of 21,037 ounces. The cost of sales for this period was \$13,660,000 and the loss from operations recorded for the period was \$3,389,000. The mine generated \$2,914,000 in cash flow from operations during the quarter.

Cash invested in capital expenditures at Stawell during the quarter was \$6,509,000 of which \$4,756,000 was incurred for mine development and the balance for the acquisition of plant and equipment. Depreciation and depletion expense for the three-month period ending June 30, 2008 was \$6,556,000.

Exploration Update

Underground and surface based diamond drilling continued at Stawell in the second quarter of 2008 as part of the aggressive \$7 million exploration budget allocated to identify additional resources on the property and extend the mine life of the Stawell operation. Diamond drilling results completed during the first and second quarter of 2008 have outlined high grade gold mineralization in the Golden Gift 6 (GG6) zone and Northgate expects to release an updated reserve and resource estimate for the Stawell property in the next few months. To date, GG6 drilling indicates that the zone has similar geology and geometry to the other Golden Gift ore bodies at the Stawell mine. GG6 is situated 210 metres (m) beneath the Golden Gift 5 Lower (GG5L) zone and is interpreted to be the fault offset of this ore body, which is currently in production. The grade of the GG6 zone is similar to the previously mined Golden Gift ore blocks containing, on average, 100,000 ounces of gold.

In addition to the GG6 exploration campaign, Northgate has commenced drilling in other areas of the mine including the North Magdala target. Results of these activities will be released in the next few months.

FOSTERVILLE GOLD MINE

(Thousands of US dollars, except where noted)	Q2 2008	Q2 2007	H1 2008 ⁽¹⁾	H1 2007
Operating Data				
Ore mined (tonnes)	116,709	289,259	227,613	438,907
Ore milled (tonnes)	109,987	257,481	249,479	497,946
Ore milled per day (tonnes)	1,209	2,829	1,371	2,751
Gold				
Grade (g/t)	5.40	2.51	4.85	2.71
Recovery (%)	76	78	65	80
Production (ounces)	14,630	16,248	25,070 ⁽²⁾	34,199
Sales (ounces)	13,117	n/a	17,796	n/a
Net cash cost (\$/ounce)	1,150	n/a	1,160	n/a
Financial Data				
Revenue	\$ 11,666	n/a	\$ 16,064	n/a
Cost of sales	14,657	n/a	21,003	n/a
Loss from operations	(6,650)	n/a	(10,431)	n/a
Cash used in operations	(4,653)	n/a	(6,561)	n/a
Capital expenditures	13,619	n/a	16,215	n/a

⁽¹⁾ Half year financial data and gold sales (ounces) include the results of Northgate's Australian operations from February 19 to June 30, 2008. Other figures are for the six month period ending June 30, 2008.

⁽²⁾ Half year production for Fosterville excludes the change in gold-in-circuit inventory previously recorded in production for the first quarter.

The Fosterville mine produced 14,630 ounces of gold during the three months ended June 30, 2008, which was up significantly from the 10,440 ounces produced in the first quarter. Grades continued to improve and averaged 5.4 g/t during the second quarter. The key initiatives to ensuring the long term success of the mine progressed during the quarter. The conversion to owner mining from contractor mining was completed ahead of schedule in May. The implementation of the gold recovery enhancement program also progressed with the installation of a pilot plant to simulate plant conditions, allowing a number of gold recovery improvement tests to be conducted. The pilot plant has identified several sources of gold losses in the Carbon-in-Leach (CIL) circuit and demonstrated that substantial gold recovery improvements can be obtained by introducing a heated leach process to the process flow. Preliminary engineering to establish capital and operating costs for a heated leach circuit has commenced and commissioning of a full scale heated leach process is expected in the first quarter of 2009.

During the second quarter of 2008, 109,987 tonnes of ore at a grade of 5.4 g/t were milled. Gold recoveries in the milling circuit of 76.2% were significantly higher than the 54% achieved in the first quarter.

Total operating costs for the second quarter were A\$17,823,000, equating to an overall unit operating cost of A\$162/mt of ore milled. Mining costs were A\$94/mt of ore mined and milling costs were A\$46/mt of ore milled. Unit costs during the quarter were much higher than they will ultimately be at Fosterville due to low ore production from the mine as a consequence of a lack of accessible mining areas. Mine development rates dramatically improved during the second quarter of 2008 and 1,844m of advance was recorded. By the fourth quarter of 2008, development in the mine will have progressed to the point where ore production will no longer be constrained and unit operating costs are expected to drop dramatically due to higher ore production and cost reductions associated with the conversion to owner mining.

Net cash cost for the second quarter was \$1,150 per ounce of gold, which was negatively impacted by lower than forecast gold production and one-time charges related to the owner mining conversion and the gold recovery enhancement initiatives currently underway. In the second half of 2008, cash costs are expected to be significantly lower, as improvements to gold recoveries are made and gold production is dramatically higher. By the fourth quarter of 2008, quarterly gold production at Fosterville is expected to rise to over 25,000 ounces and remain well above this figure in 2009 and beyond.

Financial Performance

Fosterville's revenue for the three months ended June 30, 2008 was \$11,666,000 based on gold sales of 13,117 ounces. The cost of sales excluding depreciation and depletion for this period was \$14,657,000 and the loss from operations was \$6,650,000. The mine utilized \$4,653,000 in cash from operations during the second quarter of 2008.

Cash invested in capital expenditures at Fosterville was \$13,619,000 of which \$5,406,000 related to mine development and \$8,213,000 related to the acquisition of plant and equipment, which includes the procurement of mobile equipment. Depreciation and depletion expense for the three-month period ending June 30, 2008 was \$3,089,000.

Exploration Update

Northgate has allocated \$3 million in 2008 towards definition drilling of the Wirrawilla Zone, which is located 1.5 kilometres south of the Fosterville processing facility. The drilling program began in May 2008 with the objective of delineating a minimum of 150,000 high grade resource ounces at a grade of 5.0 g/t or better that could be accessed by a ramp. The program entails approximately 13,000 metres of diamond drilling with results expected by November.

Corporate Overview

Northgate had no forward gold contracts outstanding at June 30, 2008. 16,200 mt of copper forward contracts, representing approximately 100% of Kemess South's copper production for the 12-month period ending June 2010, remained outstanding at an average price of \$2.52 per pound.

Corporate administration costs in the second quarter of 2008 were \$3,066,000 compared with \$2,625,000 in the same quarter last year. The increase is due primarily to administrative expenditures in Australia of \$731,000. Canadian corporate expenditures of \$2,335,000 were lower than they were in the comparative quarter of 2007.

Exploration costs in the second quarter of 2008 were \$11,357,000 compared to \$7,842,000 in the corresponding quarter of 2007. In Canada, \$8,862,000 was incurred primarily at the Young-Davidson property where the advanced underground exploration program continues. A total of \$2,495,000 was expended in Australia during the second quarter with \$571,000 incurred at Fosterville and \$1,924,000 incurred at Stawell as both sites continue to identify zones to extend mine life.

Income tax expense in the second quarter of 2008 was \$5,889,000 compared to a recovery of \$495,000 in the corresponding quarter of 2007. The expense is due entirely to Northgate's Canadian operations and has increased dramatically from previous periods as the Corporation is now cash taxable in Canada. Cash paid during the period for income taxes was \$4,381,000 while no cash taxes were paid in the corresponding quarter of 2007.

Liquidity and Capital Resources

Working Capital: At June 30, 2008, Northgate had working capital of \$37,636,000 compared with working capital of \$235,739,000 at December 31, 2007. The decrease in working capital was driven primarily by the acquisition of Perseverance Corporation Limited (“Perseverance”), which was achieved through the purchase of all ordinary shares, warrants, options and convertible securities for cash consideration. Cash and cash equivalents at June 30, 2008 amounted to \$76,876,000 compared with \$266,045,000 at December 31, 2007. All cash and cash equivalents are held in cash with major financial institutions in Canada and Australia.

On June 6, 2008, Northgate filed a short form universal base shelf prospectus (the “Prospectus”) with the Securities Commissions in each of the provinces and territories of Canada and a corresponding registration statement has been filed with the United States Securities and Exchange Commission. The Prospectus will facilitate offerings of Northgate’s debt securities, common shares, warrants, share purchase contracts and share purchase or equity units or any combination thereof up to an aggregate offering size of Cdn\$250,000,000 over a 25 month period.

All costs associated with the Prospectus have been deferred as long-term assets and will be accounted for as either debt issue costs and amortized or charged directly to equity as applicable, if an offering under the Prospectus is completed.

Capital Lease Financing: The conversion to owner mining at the Fosterville Gold mine required an investment in mobile equipment fleet and other infrastructure. The estimated budget of approximately \$23,000,000 has been partially financed by capital leases totalling \$7,557,000. Additional lease financing of approximately \$7,450,000 has been secured and will be finalized during the second half of 2008.

Investments: Northgate continues to maintain a portion of its investments in auction rate securities (ARS), which are floating rate securities that are marketed by financial institutions with auction reset dates at 7, 28, or 35 day intervals to provide short-term liquidity. All ARS were rated AAA when purchased, pursuant to Northgate’s investment policy. Beginning in August 2007, a number of auctions began to fail and the Corporation is currently holding ARS with a par value of \$72,600,000, which currently lack liquidity. Northgate’s ARS investments were originally structured and marketed by Lehman Brothers, Inc. (“Lehman”), a major US investment bank.

The estimated fair value of the Corporation’s ARS holdings at June 30, 2008 was \$61,987,000, which reflects a \$7,410,000 adjustment to the December 31, 2007 estimated fair value of \$69,397,000. In estimating the fair value of ARS, the Corporation considered various variables, including trading levels of comparable securities markets, the Corporation’s rank within the capital structure of the individual ARS issuers, the credit circumstances of financial guarantors, and the investments and reserves held by the issuers. This adjustment was recorded into other comprehensive income as Northgate believes this decline in value to be temporary. All of the ARS investments have continued to make regular interest payments. If uncertainties in the credit and capital markets persist or Northgate experiences further downgrades on its ARS holdings, the Corporation may incur additional impairments, which may be judged to be other than temporary. Northgate believes that based on its cash and cash equivalents balance of \$76,876,000 at June 30, 2008 and expected operating cash flows, the current illiquidity of its ARS investments will not have a material impact on Northgate’s ability to carry on its business.

Further, approximately 57% of the ARS investments are insured by bond insurer institutions (monoline insurers). Rating agencies such as S&P, Moody’s and Fitch continue to monitor the credit rating of monoline insurers and ARS investments including those held by Northgate. During the quarter, a number of bond insurers were downgraded by certain rating agencies, which in some cases resulted in a downgrade of the AAA securities insured by those institutions. All of the Corporation’s uninsured ARS continue to be rated AAA and Aaa, as applicable.

The Corporation has no investments in asset backed commercial paper, mortgage backed securities or collateralized debt obligations.

The balance of Northgate’s long-term investments comprises of equity investments in publicly-listed junior mining companies. These investments are carried on the balance sheet at fair value based on quoted bid prices.

On July 3, 2008, Northgate filed a Statement of Claim with the Financial Industry Regulatory Authority (“FINRA”) in New York, US. FINRA is a self-regulatory organization with jurisdiction over various securities broker-dealers in the United States, and administers a dispute resolution service for customer-broker disputes. The Statement of Claim lists Lehman and various Lehman employees as respondents. Among other things, the Statement of Claim requests that the FINRA arbitration panel award relief to Northgate for Lehman’s wrongful purchase of ARS, which are currently illiquid. The Statement of Claim also asks the FINRA arbitration panel to relieve Northgate of any obligation to repay the loan outstanding from Lehman, as part of the compensation for the damages caused by Lehman’s actions. Lehman has not thus far demanded that Northgate repay the loan principal. The FINRA arbitration is pending.

Short-Term Loan: In December 2007, Northgate secured a loan from Lehman, which structured and marketed Northgate’s ARS investments. The proceeds of the loan have been invested in highly liquid investments and can be accessed as needed for working capital requirements. The loan bears interest at LIBOR plus 100 basis points and matured on June 6, 2008. At June 30, 2008, the balance of the loan including accrued interest was \$44,027,000. As noted in the Investments section above, Northgate filed a Statement of Claim with FINRA on July 3, 2008, which includes a request for the FINRA arbitration panel to relieve Northgate of any obligation to repay the loan outstanding from Lehman. To date, Lehman has not demanded repayment of the loan principal.

Acquisition of Perseverance: On February 18, 2008, Northgate completed its acquisition of Perseverance and a total of A\$230,552,000 (US\$210,516,000) was paid to Perseverance securityholders. The results of Perseverance have been included in the interim consolidated financial statements from February 19, 2008.

In connection with the acquisition of Perseverance, the Corporation was required to pledge a cash amount of A\$109,400,000 in a stand-by letter of credit (“SBLC”). A portion of the SBLC was released upon payment of the consideration for the debt instruments noted above. The funds remaining in the SBLC at December 31, 2007 were used to settle Perseverance’s gold forward contracts for A\$49,317,000 (US\$45,550,000) and to pledge certain performance guarantees in Australia for A\$8,020,000 (US\$7,434,000). In the second quarter, the SBLC was fully extinguished.

Project Update

Young-Davidson

On June 24, 2008, Northgate reported the completion of a NI 43-101 compliant Preliminary Assessment Report (“Preliminary Assessment”) for the Young-Davidson project. The Preliminary Assessment lays out the basis for the development of a combined underground and open pit mine, which will produce an average of 158,000 ounces of gold per year at \$405 per ounce over a 12 year mine life. The initial capital cost of the mine is projected to be \$306 million and can be brought into commercial production in 2011. The Preliminary Assessment was based on underground mineral resources contained in a Technical Report filed on SEDAR on March 26, 2008, which included diamond drilling results up to December 20, 2007.

The Preliminary Assessment outlines aspects of the project that will be enhanced and optimized in order to enhance the rate of return of the project. These include:

1. Adding additional resource ounces to the deposit.
2. Reducing backfill requirements and costs from the 100% paste fill assumption carried in the Preliminary Assessment.
3. Increasing mill throughput and annual gold production.
4. Increasing wall angles in the proposed open pit.

On July 17, 2008, assay results for an additional 34 surface and 59 underground diamond drill holes, representing 33,000 metres of drilling completed in the first six months of 2008, were released. These drill results, in addition to results of future drilling that will be completed in the third quarter of 2008, will be incorporated into the updated resource estimate, which will be used as a basis for the feasibility study. The updated resource estimate is expected to be completed in the fourth quarter of 2008 and the feasibility study will follow in the first quarter of 2009.

Underground ramp development at the Young-Davidson project continued during the second quarter with an additional 698 metres of linear advance completed. As part of this advance, a cross cut drift was completed through the Upper Boundary zone in order to extract a 40-tonne bulk sample for grinding circuit pilot plant testing and averaged 5.0 g/t gold over a true thickness of 41m. The testwork indicates that this material is amenable to low cost autogenous grinding. Dewatering of the existing shaft continued during the quarter and has progressed to a depth of 422 metres.

Engineering activities will continue through 2008 to support permitting activities and to complete the feasibility study in the first quarter of 2009. Orders for long lead equipment will also be placed in the second half of 2008 in order to keep the project on schedule for a start up in 2011.

Exploration Update

Australian Tenements

As part of the Perseverance acquisition, Northgate acquired an extensive land package in the state of Victoria, Australia. Northgate's strategy is to focus its exploration efforts on the land tenements immediately surrounding its two operating mines within a 50 km radius and is also looking to sell or form strategic partnerships with other companies on its non-core exploration tenements. Pursuant to this strategy, Northgate recently entered into an agreement to sell its 49% interest in the Nagambie Property to Panaegis Gold Mines Limited, the owner of the remaining 51% of the property.

Northgate has entered into an option/joint venture agreement with Rimfire Minerals ("Rimfire") on three tenements in the Stawell corridor. Under the agreement, Rimfire has agreed to conduct exploration on these tenements to maintain the licenses in good standing for the current year and can then elect to conduct further exploration on any or all three of the licenses, earning a 50% interest on each by spending \$500,000 per license over two years. Northgate then has the option on each license to: 1) carry out the next \$1,500,000 to earn back a 10% interest (total 60%) and another 10% by reaching a production decision; 2) not participate and allow Rimfire to earn a 100% interest in the property by spending, or causing to have spent, an additional \$2,000,000 over 4 years; or 3) participate in a 50/50 joint venture.

Non-GAAP Measures

Cash Cost

Northgate has included net cash costs of production per ounce of gold in the discussion of its results from operations, because it believes that these figures are a useful indicator to investors and management of a mine's performance as they provide: (i) a measure of the mine's cash margin per ounce, by comparison of the cash operating costs per ounce to the price of gold; (ii) the trend in costs as the mine matures; and, (iii) an internal benchmark of performance to allow for comparison against other mines. However, cash costs of production should not be considered as an alternative to net earnings or as an alternative to other Canadian GAAP measures and may not be comparable to other similarly titled measures of other companies.

A reconciliation of net cash costs per ounce of production to amounts reported in the Statement of Operations is shown in the following table.

Q2 2008				
(Expressed in thousands of US\$, except per ounce amounts)	Kemess	Stawell	Fosterville	Combined
Gold production (ounces)	46,124	22,807	14,630	83,561
Cost of sales	\$ 74,295	\$ 13,660	\$ 14,657	\$ 102,612
Change in inventories and other	(15,619)	637	2,174	(12,808)
Gross copper and silver revenue	(54,435)	—	—	(54,435)
Total cash cost	4,241	14,297	16,831	35,369
Cash cost (\$/ounce)	\$ 92	\$ 627	\$ 1,150	\$ 423

Q2 2007

(Expressed in thousands of US\$, except per ounce amounts)	Kemess	Stawell	Fosterville	Combined
Gold production (ounces)	65,999	n/a	n/a	65,999
Cost of sales	\$ 60,384	n/a	n/a	\$ 60,384
Change in inventories and other	(6,035)	n/a	n/a	(6,035)
Gross copper and silver revenue	(52,019)	n/a	n/a	(52,019)
Total cash cost	2,330	n/a	n/a	2,330
Cash cost (\$/ounce)	\$ 35	n/a	n/a	\$ 35

YTD 2008

(Expressed in thousands of US\$, except per ounce amounts)	Kemess	Stawell ⁽¹⁾	Fosterville ⁽¹⁾	Combined
Gold production (ounces)	95,707	34,315	19,412	149,434
Cost of sales	\$ 123,459	\$ 20,905	\$ 21,003	\$ 165,367
Change in inventories and other	(7,317)	(442)	1,519	(6,240)
Gross copper and silver revenue	(106,716)	—	—	(106,716)
Total cash cost	9,426	20,463	22,522	52,411
Cash cost (\$/ounce)	\$ 98	\$ 596	\$ 1,160	\$ 351

⁽¹⁾ Financial and operational data include the results of Perseverance from February 19 to June 30, 2008.

YTD 2007

(Expressed in thousands of US\$, except per ounce amounts)	Kemess	Stawell	Fosterville	Combined
Gold production (ounces)	134,109	n/a	n/a	134,109
Cost of sales	\$ 107,370	n/a	n/a	\$ 107,370
Change in inventories and other	(1,674)	n/a	n/a	(1,674)
Gross copper and silver revenue	(101,425)	n/a	n/a	(101,425)
Total cash cost	4,271	n/a	n/a	4,271
Cash cost (\$/ounce)	\$ 32	n/a	n/a	\$ 32

Selected Quarterly Financial Data

(Thousands of US dollars, except per share, per ounce and per pound amounts)	2008 Quarter Ended		2007 Quarter Ended				2006 Quarter Ended	
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Revenue	\$ 138,880	\$ 86,093	\$ 95,599	\$ 86,756	\$ 80,878	\$ 74,313	\$ 118,239	\$ 102,667
Earnings (loss) for the period	1,085	20,427	33,309	(11,937)	8,647	9,406	19,790	14,902
Earnings (loss) per share								
Basic	\$ 0.00	\$ 0.08	\$ 0.13	\$ (0.05)	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.07
Diluted	\$ 0.00	\$ 0.08	\$ 0.13	\$ (0.05)	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.07
Metal production								
Gold (ounces)	83,561	88,386 ⁽¹⁾	41,467	70,055	65,999	68,110	81,746	74,789
Copper (thousands pounds)	13,940	14,380	16,766	18,822	14,839	17,702	21,254	19,602
Metal Prices								
Gold (London Bullion Market – \$ per ounce)	896	927	788	681	667	650	614	622
Copper (LME Cash – \$ per pound)	3.83	3.54	3.26	3.50	3.47	2.69	3.21	3.48

⁽¹⁾ Gold production at Fosterville for the quarter ended March 31, 2008 excludes the change in gold-in-circuit inventory previously recorded in production.

This press release should be read in conjunction with the Corporation's second quarter MD&A report, which can be found on www.northgateminerals.com, in the "Investor Info" section, under "Financial Reports – Quarterly Reports".

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Notification of Q2 Financial Results

August 1, 2008, 11:00 AM Toronto time

You are invited to participate in the Northgate Minerals Corporation live conference call and webcast discussing our second quarter financial results on Friday, August 1, 2008, at 11:00 a.m. Toronto time.

Conference Call

Please call 416-644-3414 or toll free in North America at 1-800-733-7571. To ensure your participation, please call five minutes prior to the scheduled start of the call.

Webcast

The webcast package, including the webcast link and management presentation, will be available on the morning of August 1 and posted on Northgate's website at www.northgateminerals.com under the Calendar of Events section. You may also access the webcast at <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2321000>.

Replay

A replay of the conference call will be made available beginning on August 1 at 1:00 pm ET until August 15 at 11:59 pm ET.

Replay Access No. 416-640-1917 or 1-877-289-8525
Passcode: 212 758 47 #

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Interim Consolidated Balance Sheets

Thousands of US dollars	June 30 2008	December 31 2007
	(Unaudited)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 76,876	\$ 266,045
Trade and other receivables	24,323	14,014
Inventories (note 6)	40,400	35,234
Prepaid expenses	2,241	3,087
Future income tax asset	1,158	1,194
	144,998	319,574
Other assets	41,739	80,181
Long-term receivables	—	25,117
Deferred transaction costs (note 7)	374	1,799
Future income tax asset	16,588	16,507
Mineral property, plant and equipment	389,836	121,337
Investments (note 8)	62,933	70,074
Goodwill	74,162	—
	\$ 730,630	\$ 634,589
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 57,307	\$ 35,861
Short-term loan (note 9)	44,027	44,835
Current portion of capital lease obligations	4,724	2,267
Future income tax liability	1,304	872
	107,362	83,835
Capital lease obligations	5,184	282
Other long-term liabilities	36,983	12,089
Site closure and reclamation obligations (note 10)	47,909	49,120
Future income tax liability	13,123	2,487
	210,561	147,813
Shareholders' Equity		
Common shares	311,556	309,455
Contributed surplus	4,679	3,940
Accumulated other comprehensive income (loss)	5,278	(3,282)
Retained earnings	198,556	176,663
	520,069	486,776
	\$ 730,630	\$ 634,589

The accompanying notes form an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Operations and Comprehensive Income

Thousands of US dollars, except share and per share amounts, unaudited	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Revenue	\$ 138,880	\$ 80,878	\$ 224,973	\$ 155,191
Cost of sales	102,612	60,384	165,367	107,370
Administrative and general	3,066	2,625	6,227	4,753
Depreciation and depletion	15,982	8,933	28,833	19,959
Net interest income	(1,551)	(4,464)	(5,163)	(7,700)
Exploration	11,357	7,842	17,518	11,435
Currency translation loss (gain)	967	(3,972)	(6,907)	(5,164)
Accretion of site closure and reclamation obligations	213	467	954	905
Other expense (income) (note 15)	(740)	911	(10,576)	911
	131,906	72,726	196,253	132,469
Earnings before income taxes	6,974	8,152	28,720	22,722
Income tax recovery (expense)				
Current	(6,851)	(1,905)	(8,437)	(5,218)
Future	962	2,400	1,229	549
	(5,889)	495	(7,208)	(4,669)
Net earnings for the period	\$ 1,085	\$ 8,647	\$ 21,512	\$ 18,053
Other comprehensive income (loss)				
Reclassification of net realized gains on available for sale securities to net earnings	—	—	—	(315)
Unrealized gain (loss) on available for sale securities	(2,627)	332	(7,125)	466
Unrealized gain on translation of self-sustaining operations	15,691	—	15,685	—
Reclassification of deferred losses on gold forward contracts to net earnings, net of tax	—	4,842	—	9,148
	13,064	5,174	8,560	9,299
Comprehensive income	\$ 14,149	\$ 13,821	\$ 30,072	\$ 27,352
Net earnings per share				
Basic	\$ 0.00	\$ 0.03	\$ 0.08	\$ 0.07
Diluted	\$ 0.00	\$ 0.03	\$ 0.08	\$ 0.07
Weighted average shares outstanding				
Basic	255,325,154	254,159,902	255,001,371	254,061,971
Diluted	255,745,076	255,317,140	255,543,256	255,435,956

The accompanying notes form an integral part of these interim consolidated financial statements.

Interim Consolidated Statement of Changes in Shareholders' Equity

Thousands of US dollars, except common shares, unaudited	Number of Common Shares	Common Shares Amount	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Retained Earnings	Total
Balance at December 31, 2007	254,452,862	\$ 309,455	\$ 3,940	\$ (3,282)	\$ 176,663	\$ 486,776
Transitional adjustment on adoption of inventory standard (note 4)	—	—	—	—	381	381
Shares issued under employee share purchase plan	108,530	217	—	—	—	217
Shares issued on exercise of options	853,300	1,775	(465)	—	—	1,310
Stock-based compensation	—	109	1,204	—	—	1,313
Net earnings	—	—	—	—	21,512	21,512
Other comprehensive income	—	—	—	8,560	—	8,560
Balance at June 30, 2008	255,414,692	\$ 311,556	\$ 4,679	\$ 5,278	\$ 198,556	\$ 520,069

Thousands of US dollars, except common shares, unaudited	Number of Common Shares	Common Shares Amount	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Retained Earnings	Total
Balance at December 31, 2006	253,700,033	\$ 307,914	\$ 2,596	\$ —	\$ 137,238	\$ 447,748
Transitional adjustment on adoption of financial instruments	—	—	—	(18,676)	—	(18,676)
Shares issued under employee share purchase plan	74,667	186	—	—	—	186
Shares issued on exercise of share purchase warrants	—	—	—	—	—	—
Shares issued on exercise of options	419,020	534	(157)	—	—	377
Stock-based compensation	—	92	1,079	—	—	1,171
Net earnings	—	—	—	—	18,053	18,053
Other comprehensive income	—	—	—	9,299	—	9,299
Balance at June 30, 2007	254,193,720	\$ 308,726	\$ 3,518	\$ (9,377)	\$ 155,291	\$ 458,158

The accompanying notes form an integral part of these interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

Thousands of US dollars, unaudited	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Operating activities:				
Net earnings for the period	\$ 1,085	\$ 8,647	\$ 21,512	\$ 18,053
Non-cash items:				
Depreciation and depletion	15,982	8,933	28,833	19,959
Unrealized currency translation loss (gain)	3,100	711	(4,269)	676
Unrealized gain on derivatives	—	—	(9,836)	—
Accretion of site closure and reclamation obligations	213	467	954	905
Loss on disposal of assets	(44)	—	(44)	—
Amortization of hedging losses	—	7,350	—	13,887
Amortization of deferred charges	53	76	107	148
Stock-based compensation	408	373	1,313	1,171
Accrual of employee severance costs	307	—	307	—
Future income tax recovery	(962)	(2,400)	(1,229)	(549)
Change in fair value of forward contracts	7,601	16,905	38,521	37,004
Gain on sale of investments	—	—	(1)	(315)
Changes in operating working capital and other (note 17)	13,116	2,623	(19,859)	(28,013)
	40,859	43,685	56,309	62,926
Investing activities:				
Release of restricted cash	6,729	—	53,156	—
Increase in restricted cash	—	—	(23,912)	—
Purchase of mineral property, plant and equipment	(23,277)	(3,573)	(30,374)	(6,334)
Transaction costs paid	(308)	—	(2,233)	—
Acquisition of Perseverance, net of cash acquired	—	—	(196,590)	—
Repayment of Perseverance hedge portfolio	—	—	(45,550)	—
Proceeds from sale of equipment	3,221	—	3,221	—
Purchase of investments	—	(637)	—	(322)
Proceeds from sale of investments	—	—	1	—
	(13,635)	(4,210)	(242,281)	(6,656)
Financing activities:				
Repayment of capital lease obligations	(2,331)	(642)	(3,408)	(1,271)
Financing from credit facility	408	—	8,356	—
Repayment of credit facility	(1,418)	—	(9,164)	—
Repayment of other long-term liabilities	(442)	—	(746)	—
Issuance of common shares	291	118	1,527	563
	(3,492)	(524)	(3,435)	(708)
Effect of exchange rate changes on cash and cash equivalents	456	—	238	—
Increase / (decrease) in cash and cash equivalents	24,188	38,951	(189,169)	55,562
Cash and cash equivalents, beginning of period	52,688	278,810	266,045	262,199
Cash and cash equivalents, end of period	\$ 76,876	\$ 317,761	\$ 76,876	\$ 317,761
Supplementary information				
Cash paid during the period for:				
Interest	\$ 942	\$ 74	\$ 1,930	\$ 145
Income taxes	4,381	—	4,715	—
Purchase of mineral property, plant and equipment by assumption of capital lease obligations	7,557	—	7,557	—

The accompanying notes form an integral part of these interim consolidated financial statements.

Northgate Minerals Corporation is a mid-tier gold and copper producer with mining operations, development projects and exploration properties in Canada and Australia. The company is forecasting 400,000 ounces of unhedged gold production in 2008 and is targeting growth through further acquisitions in stable mining jurisdictions around the world. Northgate is listed on the Toronto Stock Exchange under the symbol NGX and on the American Stock Exchange under the symbol NXG.

* * * * *

Forward-Looking Statements:

This news release contains certain “forward-looking statements” and “forward-looking information” as defined under applicable Canadian and U.S. securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” or “continue” or the negative thereof or variations thereon or similar terminology. Forward-looking statements are necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. Certain of the statements made herein by Northgate Minerals Corporation (“Northgate”) including those related to future financial and operating performance and those related to Northgate’s future exploration and development activities, are forward-looking and subject to important risk factors and uncertainties, many of which are beyond the Corporation’s ability to control or predict. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, among others: gold price volatility; fluctuations in foreign exchange rates and interest rates; impact of any hedging activities; discrepancies between actual and estimated production, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; costs of production, capital expenditures, costs and timing of construction and the development of new deposits; and, success of exploration activities and permitting time lines. In addition, the factors described or referred to in the section entitled “Risk Factors” of Northgate’s Annual Information Form (AIF) for the year ended December 31, 2007 or under the heading “Risks and Uncertainties” of Northgate’s 2007 Annual Report, both of which are available on SEDAR at www.sedar.com, should be reviewed in conjunction with this document. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation does not undertake any obligation to update publicly or release any revisions to forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except in each case as required by law.

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