



QUARTERLY REPORT

PERIOD ENDED 30 SEPTEMBER 2009



CORPORATE SUMMARY

ASX CODE
NST

ISSUED CAPITAL
Shares
169.8 million

Options
112 million

Current Share Price
\$0.05

Market Capitalisation
A\$8.5 million

DIRECTORS

Chris Rowe (Chairman)
Bill Beament (Managing Director)
Michael Fotios (Non Exec.)
Peter Farris (Non Exec.)

Karen Brown (Company Secretary)

PROJECTS

Golden Crown
Range
Emull

COMMODITIES

gold
gold, silver
zinc, copper, gold

WEBSITE

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SUMMARY

CORPORATE

- ▶ All resolutions passed at the EGM
- ▶ Xstrata divests complete holding
- ▶ Investmet Limited holds 26.3% of NST
- ▶ Michael Fotios joined the Board
- ▶ 2 for 5 rights issue completed raising \$606,303
- ▶ Placement completed raising \$187,500
- ▶ Options funding platform setup

PROJECTS/EXPLORATION

- ▶ Reviewing project acquisitions
- ▶ U308 Uranium JV restructured

CORPORATE OVERVIEW

The Company is in now a much stronger position at the end of the quarter but had to by necessity significantly reduce exploration activity during the quarter whilst preserving the most advanced assets. Key tenements have been retained to cover the resource at Golden Crown, mineralisation at Range and Emull. The Company has completed the disposal of its realisable assets in the Kimberley including fixed and mobile plant. The debts owed to Directors have now been converted into shares which has assisted in the preservation of the Company's working capital.

During and subsequent to the end of the quarter the Company successfully managed to restructure, finalise the involvement of its new major shareholder Investmet Limited and completed a two stage capital raising \$793,800. Stage 1 involved a two tranche placement raising \$187,500 by issuing 15 million fully paid ordinary shares at \$0.0125 per share. Stage 2 of the capital raising was a 2 for 5 pro rata non-renounceable rights issue to shareholders fully underwritten by Investmet Limited at \$0.0125 per share. The offer raised approximately \$606,300 (less costs for legal and ASX) and for both raisings Investmet did not receive any fees which saved the Company \$47,628.

Investmet completed the acquisition of Xstrata Nickel's share holding and now has 26.3% of the Company's issued capital. As a result of the restructure and injection of funds by Investmet the Company welcomed Michael Fotios to the board as a non-executive director which has brought valuable corporate, technical and financial capability to the organisation. Mr Fotios is a geologist specialising in economic and structural geology with extensive experience working with gold, base metals, tantalum, tin and nickel from exploration to feasibility over the last 25 years. He previously held positions with Homestake Australia Limited, Sons of Gwalia Limited, Managing Director with Tantalum Australia NL (now ABM Resources Ltd) and was Managing Director of Galaxy Resources Limited.

An Extradinary General Meeting was held on the 4th September 2009 with all 14 resolutions being passed. This meeting ratified and approved the placements to Investmet, approved the acquisition by Investmet of the remaining NST shares held by Xstrata, approved the conversion of debts to equity, elected Michael Fotios as a director, approved the issue of a series of options and provided the ability to exercise options early enabling the Company to fund its activities from existing shareholders.

The Company is now debt free, has a tightly held capital structure and a dynamic funding platform which satisfies the Company's working capital requirements for the next 2-3 years and enables a quick response from existing shareholders when opportunities arise. The Company's issued capital stands at 169,764,906 shares.

PROJECT UPDATE

► PROJECT ACQUISITIONS

The Company was extremely active in reviewing projects that were up for public divestment from various mining and exploration companies as well as approaching other organisations holding projects, that NST believes has the ability to realise value from for both parties. The Company will only review and lodge proposals on projects that meet acceptable commercial criteria, are corporately achievable and suitable to the organisation's skill set.

Proposals have been lodged with a number of company's for particular projects and these are currently being reviewed and evaluated. Building up the Company's portfolio of projects through strategic acquisitions will be the main focus of NST, especially now that new investors have joined the register and a funding platform for the future activities has been laid.

► **U3O8 URANIUM JOINT VENTURE**

During the quarter the Company restructured the U3O8 Limited East Kimberley Uranium Joint Venture Agreement to more favourable commercial terms to both parties. Under the new terms of the agreement NST will reduce it's free carried interest from 25% to 10%, but still has the exclusive rights to explore for gold on these tenements. The remaining tenements of interest for uranium have now been transferred to U3O8 Limited.

In return for the reduction in the free carried interest all the associated holding costs of the tenements including minimum expenditure commitments, rents, rates and reporting requirements are now the sole responsibility of U3O8 Limited. This is an estimated cost saving to the Company in the order of \$100k from last year.

Bill Beament



Managing Director