

Shareholder Update March 2016

Dear Fellow NSR Shareholders

It is with great pleasure that I bring you my first shareholder update.

Firstly, I would like to introduce myself and say how excited I am to be appointed NSR's CEO.

I provide the following brief biography:

I have a wonderful wife Marta and a two year old son Dash. I am an Exploration Geologist with experience on deposits through NSW, SA, Eastern Indonesia and the Kyrgyz Republic. I completed a Masters at the University of Tasmania on the genesis of BHP's giant Olympic Dam deposit during my 4 years working there. In the last two years my family and I lived in the Kyrgyz Republic in Asia, exploring for Kumtor-type Orogenic Gold deposits and our team completed a 12 month prefeasibility study on the 6.8M Oz Taldybulak Porphyry Cu-Au-Mo deposit. It gives me and my family great pleasure to be part of the NSR family, as CEO, as shareholders and as friends. In January we moved to Orange to be central to the leases.

As many of you will be aware, Arc Exploration Ltd, (ARX) has terminated its NSW joint venture with NSR ([link to announcement](#)). ARX did not reach the minimum expenditure requirement to enable it to earn any equity ownership in the tenements. We appreciate the contribution ARX made to the NSR tenements with thanks to their board and to their geologist, Brad Wake, for their efforts over the last 2 years.

Consequently, NSR now retains 100% ownership of the NSW tenements, which places our company in a very positive position, given the great potential of the tenements combined with the improved sentiment in the Australian gold and base metals sector.

The last few months have been very busy for NSR including:

- Three field trips to Oberon EL6525 resulting in renewed energy, targets and concepts.
- Full ownership of the tenements being delivered back to NSR.
- Data hand over from ARX to NSR in progress.
- Visit to NSW Londonderry Drill Core Library to review historic Dobroyde core.
- Annual reporting to the NSW Department of Primary Industries for the Oberon and Junee tenements.

Next quarter activities:

- Look at avenue's for further funding.
- Apply for drill funding from the NSW government for the Dobroyde Porphyry target. These applications are granted on geological merit and can reimburse drilling costs up to \$200,000.
- Continue low cost ground work on both the Oberon and Junee tenements, to prioritise areas for future exploration.
- Review of geology at Murphy's gold deposit, with emphasis on increasing the current known resources.
- Taking over the lease for the company's headquarters in Oberon.

With the NSR board, I will be working very hard to realise the potential of our assets and look forward to providing regular updates to shareholders on that progress.

Please feel free to call our board members or myself if you have any queries or suggestions.

Yours faithfully
Glen Diemar CEO
+61 434 827 965