NUSTAR
MINING CORPORATION LIMITED

ASX SHAREHOLDERS REPORT

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Dollar values in this report are Australian dollars unless otherwise stated.

Paulsens - debt finance secured

The Company has accepted an offer from Westpac Banking Corporation to provide a Finance Facility for the Paulsens Gold Project.

The facility has a total available limit of $30.3 million, and will be allocated to fund construction of an on-site treatment plant, purchase the 5 percent gross royalty (from St Barbara Mines Limited) and redeem the convertible note. Included is substantial working capital ($8.0 million) and a contingency for cost overruns or production delays ($3.0 million).

Associated with the finance facility is a requirement to hedge approximately 25 percent of planned production. Hedge positions are likely to be flat forwards or uncommitted puts.

The funding package has been approved by the Westpac internal credit committee, but remains conditional on completion of formal documentation.

A letter of intent has been signed with Roche Mining (JR) Pty Ltd for construction of treatment plant facilities under a fixed price EPC contract. Detailed engineering and procurement will commence immediately.

The project financier and plant construction contractor appointments complete the remaining major commitments required to bring the Paulsens gold mine into production.

Colin G Jackson
Non-executive Chairman

29 September 2004