



NSL Consolidated Limited

10 March 2014

MARKET UPDATE

NSL Consolidated Limited (**NSL** or the **Company**) provides the following update in regards to the ongoing Joint Venture (JV) discussions for its Indian iron ore business.

Since terminating the Vijay Group Joint Venture Agreement on 20th December 2013, the Company has continued to work closely with potential JV replacement parties as they progress through due diligence on NSL's Indian iron ore business.

These parties include but are not limited to, a major International steel producer, a major Australian company and a major Indian infrastructure and financing company.

These parties have all completed their in-depth due diligence processes. The due diligence focussed on:

- Multiple site visits, by all parties, including delegations from Japan.
- Geological due diligence to understand the size and nature of the deposits and pipeline of growth opportunities.
- Technical due diligence, focussing on the mineral processing capability of the Phase one and Phase two plants.
- Comprehensive financial modelling and analysis to understand the JV metrics and subsequent valuation.

Discussions with these parties have moved past the due diligence phase and are now well into the commercial phase. In addition the Company continues to progress joint venture discussions with various other parties.

The Board believes it is likely a transaction will be completed in the near term.

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