



NSL Consolidated

6 October 2016

BMM ISPAT DELEGATION VISIT SITE

HIGHLIGHTS

- Offtake partner BMM Ispat Ltd (**BMM**) delegation visit site to review plant progress.
 - Representatives confirm BMM able to consume all 200,000 tonnes per annum (**tpa**) of material produced by the plant and in addition will also consume proposed expansion production of additional 200,000 tpa.
 - Phase Two wet beneficiation plant on schedule for Q4 2016 positive cash flow.
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**), is pleased to provide an update on the progress of its Phase Two wet beneficiation plant program.

The Company recently hosted a delegation visit by BMM. The purpose of the BMM visit was to review plant progress, prepare both companies for the first wet plant product transaction and further discuss BMM's iron ore needs.

During discussions BMM confirmed they require, and will consume all 200,000tpa of material produced by the Phase Two wet plant. In addition, the BMM representatives were briefed on the next phase of expansion and have confirmed the desire to purchase the Company's proposed 200,000 tpa production volumes when they become available.

As part of these discussions, BMM reiterated strongly their desire for a single user/supply arrangement with the Company, whereby the Company would exclusively supply all material to BMM.

Phase Two is a wet beneficiation process, allowing NSL to produce a high grade premium price iron ore product grading between 58-62% Fe at around 200,000 tpa.

The Company is continuing to progress purchase and offtake agreements with multiple parties, aligned with the expected first production and sales during Q4 2016.

The Company has already successfully negotiated offtake agreements for Phase Two's high grade iron ore product with the US\$9 billion Indian global conglomerate, JSW Steel, also that country's leading private sector steel producer; and BMM Ispat, a leading pellet, power and steel producer.

NSL, the only Australian or foreign company to own and operate in India's massive iron ore market, has an established dry processing plant operation for iron ore product at Kurnool and is serviced by two of its local mines nearby, Kuja and Mangal. These mines will also provide the feedstock for the Phase Two wet beneficiation plant.

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