



NSL Consolidated

20 October 2014

NSL ACHIEVES SIGNIFICANT STEP WITH IRON ORE SALES IN INDIA

HIGHLIGHTS

- Iron ore sale agreement finalised.
 - First 5,000 tonne sales agreement for +45% Fe material.
 - Sales agreement value of A\$230,000, ex mine gate.
 - Longer term ongoing +45% Fe supply agreement in discussions.
 - Negotiations for +50% Fe sales agreements continuing.
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**) is pleased to provide an update to investors in relation to its Indian iron ore operations. In a significant step forward for the Company, it has executed its first sales agreement for 5000 tonnes of +45% Fe at an ex mine gate price of approximately A\$46/t totalling a value of A\$230,000, ex mine gate.

This significant step forward marks the beginning of the Company's production plans for Indian iron ore. NSL is the only foreign company to own and operate iron ore mines in India, a market of circa 150 million tonnes to supply the world's fourth largest steel industry. The Indian domestic steel industry is planning to triple in size over the next 10 years, NSL is ideally positioned to expand alongside this growth.

In a sign of the potential for the domestic market, a buyer has requested the Company provide 5,000 tonnes of +45% Fe. In line with normal domestic sales processes, the buyer will pay in advance and take ownership of the iron ore in tranches ex mine gate. The lifting of the iron ore will commence post this week's Diwali holiday.

Importantly if +45% sales are to continue there is an opportunity for the Company to increase plant yield and output above currently planned.

In addition the Company is currently continuing negotiations with several buyers for 50-55% Fe iron ore.

As announced previously, based on existing operating parameters and subsequent testing it is anticipated that at steady state the Company can expect 25,000 tonnes of ROM per month to produce approximately 7,000t per month of material suitable for domestic sale, then moving towards the standalone dry separation plant on site at AP23 to continue processing insitu material amenable to the dry separation process, producing 200,000 tonnes per annum (or 16,700 tonnes per month) of iron ore lumps for domestic sale.

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