



PRODUCTION EXPANSION UPDATE

HIGHLIGHTS

- Xinhai technical team mobilising to India for remainder of 2017 to finalise engineering, design and equipment details for additional 200,000 tonnes per annum expansion.
- Expansion expected to be operational in the second half of 2018 with requisite funding already secured through First Samuel strategic placement.
- Shandong Xinhai Mining Technology & Equipment Inc (Xinhai) is a large experienced Chinese global EPC provider, having completed over 500 mining EPC projects globally.
- The Company and Xinhai continue working closely to secure financing from China import and export banks for future beneficiation plants, up to a production target of 2.5 million tonnes per annum.
- Cooperation will enable the Company to pursue processing technology and equipment capable of producing iron ore concentrate to grades higher than the current 58-62% Fe.
- Company continues to work on steel and pellet plant goals, with commercial and technical discussions with multiple Chinese pellet plant EPC providers continuing.

NSL Consolidated Limited (Company, ASX: **NSL**), wishes to update the market regarding its iron ore production expansion.

The Company and Xinhai have mobilised a technical team to India to focus on finalising the engineering, design and equipment details for an additional 200,000 tonnes per annum of iron ore concentrates.

The team has been tasked with the expectation of the Phase Three construction occurring in the first half 2018 and operational in the second half of 2018. Funding has already been secured through the First Samuel strategic placement as announced on 27th September 2017.

The work with Xinhai is under the strategic cooperation agreement for the provision of wet beneficiation plant Engineering, Procurement and Construction (**EPC**) services. This involves testing and initial designs of the Phase Three wet plant which is expected to double plant capacity to 400,000 tonnes per annum of iron ore concentrate.

Founded in 1997, Xinhai, is a Beijing listed technology enterprise providing "Turnkey Solutions" for mineral processing plants; including design and research, machine manufacturing, equipment procurement, management services, mine operation, mine materials procurement & management, as well as industry resources integration.

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With 500 mining EPC projects encompassing 70 kinds of mineral ore technologies and 20 patents, Xinhai has established overseas offices in Sudan, Zimbabwe, Tanzania, Peru and Indonesia, and has exported to more than 20 countries, including India.

Xinhai is now looking to further its exposure in the growing Indian economy through the provision of EPC services, seeing an Australian company operating in India as an ideal opportunity. The Company and Xinhai continue working closely to secure financing from China import and export banks for future beneficiation plants, up to a production target of 2.5 million tonnes per annum.

For further information on Xinhai, please visit: <http://www.xinhaimining.com/>

Further to this positive progress on iron ore concentrate production expansion, the Company continues to work on its Indian steel plant and pellet plant goals. Commercial and technical discussions with multiple Chinese pellet plant EPC providers on submitted proposals continue, with the initial focus being on a 600,000 tonne per annum pellet plant. The company looks forward to providing more information in due course on both the pellet plant and steel plant progress.

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