



28 April 2014

NSL SECURES STRATEGIC, SCALE PROVIDING MINING LEASE

HIGHLIGHTS

- NSL secures access to important strategic, scale providing mining lease, AP23
 - AP23 is located only 13kms from existing plant at NSL's stockyard
 - AP23 is a significantly larger mining lease (compared to NSL's existing leases – Kuja and Mangal), being 180 acres
 - AP23 contains a significant quantity of iron ore material amenable to both NSL's Phase One dry beneficiation plant and Phase Two wet beneficiation plant
 - Approximately 200,000 tonnes of Phase One feedstock already stockpiled on site
 - Planning and risk assessment completed to restart the existing NSL Phase One dry beneficiation plant and commence processing stockpiles
 - Full Geological report being reviewed by JORC Competent Person
 - Expect Exploration Target to be defined and communicated to the market in the coming week
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NSL Consolidated Limited (**NSL** or the **Company**) is pleased to provide the following update relating to securing the important scale providing mining lease, designated AP23, through a Run of Mine (ROM) royalty based agreement.

The Company has entered into a Heads of Agreement, binding on the Lessee, whereby the Lessee agrees to grant the Company exclusive operation and management rights over the subject mining assets for a period equal to the length of the Mining Lease (currently in place until 2028) and any extensions thereto.

AP23 is a Mining lease of 180 acres in size. It is located in the district of Kurnool, 13kms from NSL's existing stockyard and 5km from national highway and 13km from rail, with significant supporting infrastructure in place.



NSL Indian Iron Ore Project Locations

AP23 is located in the same geological basin as the NSL owned Kuja and Mangal mining leases. As a result, the geology is similar in nature. AP23 contains a significant quantity of iron ore material amenable to both NSL's Phase One dry beneficiation plant and Phase Two wet beneficiation plant.



Iron Ore Exposures in Trial Pits



Iron Ore and Ferruginous Chert Exposures in Trial Pits



Trial Pits Showing Continuity of Bedding and Depth Persistence



Trial Pits Showing Continuity of Bedding and Depth Persistence

During a previous trial mining process, the mining lease holders excavated multiple pits and have stockpiled the material on site. NSL has estimated that there is approximately 300,000 tonnes of ROM material stockpiled. Of this 300,000 tonnes, NSL estimates that approximately 200,000 tonnes of ROM material is feedstock amenable to the existing NSL Phase One beneficiation plant, which should enable immediate start-up of production.

The six main dumps identified on site have been sampled extensively by the Company to estimate grades, and also to confirm amenability of the material to the existing dry separation process at the NSL stockyard. Test work has suggested the material will be able to successfully be processed and produce a saleable lump material for supply into the domestic sponge iron industry.

In addition to the NSL test work, the neighbouring mine is also operating a similar technology to that deployed by NSL and is daily producing material for ex mine gate sales.



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Subsequent to the testing program, the Company has completed a detailed risk assessment, and is now in the final stages of completing the work plans for start-up of operations in Kurnool.



Existing ROM Stockpiles available for immediate feedstock



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NSL Consolidated Limited

A detailed geological report has been prepared for the AP23 project and is currently under review by NSL's Competent Person. It is expected that, from this report, the Company will be in a position to communicate to the market in the coming week an exploration target and forward work program for the project.

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