



# NSL Consolidated

5 September 2014

## INDIAN DOMESTIC IRON ORE PRICES INDEPENDENT OF INTERNATIONAL PRICING TRENDS

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### HIGHLIGHTS

- Indian domestic iron ore prices surged in June and continue to remain at these levels as domestic markets in India continue to be insulated from international seaborne trade pricing falls.
  - At circa A\$56/t ex mine gate for 50% Fe, international seaborne trade pricing cannot compete with domestic Indian pricing.
  - Low cost mining and beneficiation expected to deliver robust commercial fundamentals for NSL as its delivery price is insulated from the international seaborne iron ore market.
  - Iron ore sales on track to commence prior to the end of this September quarter.
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**) is pleased to provide an update to investors in relation to Indian domestic iron ore pricing.

State-owned iron ore miner NMDC has decided to keep prices of lump ore and iron ore fines unchanged for September. While NMDC had taken a similar stance in the last two months - July and August, it had revised rates of lump ore and fines upwards by 7-9 per cent in June this year.

NSL remains confident in the strength of the Indian domestic iron ore demand which has been reflected by the national iron ore miner NMDC, increasing sales by 23% in August 2014 compared to August 2013.

Based on actual historic operational costings, test work, plant performance and adjacent operations, the Company anticipates producing a 50-55% Fe product with steady state costs of production expected to be approximately A\$28 per tonne. The current sales price for 50% Fe, ex mine gate is INR3100 (\$A56) per tonne.

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