



NSL Consolidated

14 October 2014

OPERATIONS UPDATE

HIGHLIGHTS

- Category four cyclone Hudhud crosses the coast of Andhra Pradesh, India.
 - Produced up to a 58% Fe finished product from a 28% Fe ROM feed grade.
 - Iron ore sale and purchase buyer negotiations nearing completion, with a purchase order for first 5,000 tonnes being finalised.
-

NSL Consolidated Limited (Company, ASX: **NSL, NSLO**) is pleased to provide an update to investors in relation to its Indian iron ore operations. As announced previously the Company has been operating its Phase one iron ore dry beneficiation plant located at its Stockyard in the Kurnool district of Andhra Pradesh, India.

Operations on site have been temporarily scaled back as category four cyclone Hudhud crossed the Andhra Pradesh (AP) coast, bringing (and expected to bring) significant rainfall to areas of AP. This rain will have an effect on plant dry separation and plant throughput performance.

Prior to Hudhud the Company's plant has been producing finished product grades ranging between 50% Fe and 58% Fe from a 28% Fe third party ROM feed grade for domestic sale.

The Company is highly encouraged by this result for the future. To the end of September, persistent intermittent rain continued to hamper plant dry separation and plant throughput performance. When the rain ceased, plant performance improved in line with the Company's expectations. The Company expects this to continue on the return to dry operating conditions post cyclone Hudhud.

The Company continues its final stage negotiations towards a purchase order for 5,000 tonnes of iron ore.

CONTACT:

Cedric Goode
NSL Consolidated
+61400 408 477

Kevin Skinner
Field Public Relations
+61 419 900 369