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**NSL CONSOLIDATED LIMITED**

**ACN 057 140 922**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 9:30am (WST)

**DATE:** 19 November 2014

**PLACE:** FJH Solutions, 21 Teddington Road, Burswood WA

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 5562.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 9:30am WST on 19 November 2014 at:

FJH Solutions, 21 Teddington Road, Burswood WA

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (WST) on 17 November 2014.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER RICHARDS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Peter Richards, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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3. **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – COLLATERAL SHARES ISSUED TO EFECTIVO PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 55,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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4. **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED IN SATISFACTION OF DEED RECORDING AGREEMENT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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5. **RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED IN SATISFACTION OF FUNDING MANDATE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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6. **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED TO BIRMAINIE NOMINEES PTY LTD AND SUBIACO CAPITAL PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,800,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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7. **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED TO S3 CONSORTIUM PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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8. **RESOLUTION 8 – PLACEMENT – SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$2,500,000 on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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9. **RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 2 October 2014**

**By order of the Board**

**Mr Sean Henbury  
Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.nslconsolidated.com](http://www.nslconsolidated.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.



Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel <sup>1</sup>	Voted	Not voted <sup>3</sup>
Chair <sup>2</sup>	Voted	Voted at discretion of Proxy <sup>4</sup>
Other	Voted	Voted at discretion of Proxy

**Notes:**

1. Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
2. Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
3. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER RICHARDS

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;

- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) in determining the number of Directors to retire, no account is to be taken of:
  - (i) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
  - (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has three (3) Directors and accordingly one (1) must retire.

Peter Richards, being the Director longest in office since his last election, retires by rotation and seeks re-election. Mr Richards was first appointed as a Director on 13 August 2009.

Information on the skills and experience of Peter Richards is set out in the annual financial report of the Company for the financial year ended 30 June 2014.

The Board has considered Mr Richards's independence and considers that he is an independent Director.

The Directors, other than Peter Richards, support the re-election of Peter Richards and recommend that Shareholders vote in favour of Resolution 2.

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#### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED TO EFECTIVO PTY LTD

##### 4.1 General

As announced on 12 August 2014, the Company has entered into an agreement with Effective Pty Ltd (**Efectivo**) (**Finance Arrangement**) pursuant to which Efectivo has agreed to provide the Company with a standby finance facility of up to \$2,500,000 (**Facility**).

As security for Facility, the Company agreed to issue 25,000,000 Shares (**Initial Collateral Shares**) to Efectivo, which Shares will be held as security against future issues of Shares by the Company when the Facility is drawn down. The Company issued the Collateral Shares to Efectivo on 12 August 2014. On 4 September 2014, the Company issued a further 30,000,000 Shares (**Top-Up Collateral Shares**) to Efectivo. The Initial Collateral Shares and the Top-Up Collateral Shares are together referred to as the **Collateral Shares**.

As the Company draws down on the Facility, Efectivo has agreed to subscribe for Collateral Shares at a discount rate, not exceeding a 15% discount to the volume weighted average price (**VWAP**) (calculated in accordance with the Finance Arrangement).

On 17 September 2014, the Company announced that it had completed a draw down from the Facility totalling \$379,120 and Efectivo had subscribed for

29,672,512 of the Collateral Shares at an issue price of \$0.012727 per Share. The funds raised from the subscription for those Collateral Shares were applied in satisfaction of the amount drawn down from the Facility.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Collateral Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **4.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 55,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration as security against future issues of Shares by the Company when the Facility is drawn down;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Efectivo, who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued as security against future issues of Shares by the Company when the Facility is drawn down.

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## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED IN SATISFACTION OF DEED RECORDING AGREEMENT AND FUNDING MANDATE**

### **5.1 Background**

On 15 June 2011, the Company entered into a tenement acquisition agreement with Birmanie Nominees Pty Ltd (**Birmanie**), pursuant to which Birmanie agreed to sell, and the Company agreed to acquire, applications for exploration permits for coal 2198, 2336, 2337 and 2338 (**Tenements**) located in Queensland (**Tenement Acquisition Agreement**).

The consideration payable by the Company to Birmanie (or its nominee) under the Tenement Sale Agreement was as follows:

- (a) the payment of \$50,000 contemporaneously with the execution of the Tenement Acquisition Agreement;
- (b) the payment of \$150,000 on or before 5pm (Perth time) on 22 June 2011;
- (c) the payment of \$100,000 at settlement;
- (d) the payment of \$200,000 and the issue of:
  - (i) 6,000,000 Shares; and
  - (ii) 6,000,000 unlisted options to acquire Shares, with an exercise price of \$0.07 each and an expiry date of 30 June 2015 (together **Consideration Securities**),
 on the date that the last of the Tenements is granted;
- (e) the payment of \$1,250,000 on establishment of a JORC Inferred Resource of coal of at least 500 million tonnes across any of all of the four Tenements; and
- (f) the payment of \$1,250,000 on establishment of a JORC Indicated Resource of coal of at least 250 million tonnes across any or all of the four Tenements.

The Queensland Department of Natural Resources & Mines granted the final Tenement on 26 November 2013. The Company failed to immediately pay \$200,000 to Birmanie and Birmanie subsequently issued a Creditor's Statutory Demand for payment of that amount.

On 21 December 2013, the Company entered into a deed recording agreement with Birmanie, pursuant to which the parties agreed to amend certain milestone payments under the Tenement Acquisition Agreement (**Deed Recording Agreement**) and Birmanie agreed to withdraw the Creditor's Statutory Demand.

Under the terms of the Deed Recording Agreement, the parties agreed that the \$200,000 cash payment would be payable to Birmanie (or its nominee) as follows:

- (a) \$40,000 on or before 31 December 2013 (this amount has been paid);
- (b) \$40,000 on or before 31 March 2014 (this amount has been paid); and
- (c) \$120,000 on or before 30 June 2014.

In June 2014, the parties agreed that the Company would pay \$100,000 of the final cash payment of \$120,000 before 30 June 2014. The parties agreed that the balance of the final payment would be converted into Shares.

In June 2014, the Company and Birmanie agreed to convert the final cash payment into Shares. On 13 August 2014, the Company issued 2,000,000 Shares, at a deemed issue price of \$0.01 per Share, to Birmanie in satisfaction of the remaining \$20,000 of the final payment.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 2,000,000 Shares were issued;
- (b) the deemed issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Birmanie, who is not a related party of the Company;
- (e) no funds were raised from the issue as the Shares were issued in satisfaction the \$20,000 payable to Birmanie.

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED IN SATISFACTION OF FUNDING MANDATE

### 6.1 Background

On January 8 2014, the Company entered into a non-exclusive funding mandate with Subiaco Capital Pty Ltd (**Subiaco Capital**), pursuant to which Subiaco Capital and Birmanie agreed to market the Company and secure an offer of funding for the Company of not less than \$5 million by no later than 30 June 2014 (**Funding Mandate**).

Under the terms of the Funding Mandate, the consideration payable to Subiaco Capital and Birmanie (each being entitled to 50%) included an appointment fee of \$50,000 (regardless of success payable) on or before 30 June 2014.

In June 2014, the Company, Subiaco Capital and Birmanie agreed to convert the \$50,000 appointment fee into Shares. On 13 August 2014, the Company issued 5,000,000 Shares, at a deemed issue price of \$0.01 per Share, to Subiaco Capital and Birmanie in satisfaction of the \$50,000 appointment fee.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 5,000,000 Shares were issued;
- (b) the deemed issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Subiaco Capital and Birmanie (or their respective nominees), who are not related parties of the Company; and
- (e) no funds were raised from the issue as the Shares were issued in satisfaction the \$50,000 payable to Subiaco Capital and Birmanie.

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## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED TO BIRMAINIE NOMINEES PTY LTD AND SUBIACO CAPITAL PTY LTD**

### **7.1 General**

On 12 August 2014, the Company issued 1,800,000 Shares to Subiaco Capital and Birmanie (or their respective nominees) in consideration for Subiaco Capital and Birmanie agreeing to defer the \$20,000 and \$50,000 payments which are the subject of Resolutions 4 and 5 of this Notice of Meeting.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 1,800,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in consideration for Subiaco Capital and Birmanie agreeing to defer the \$20,000 and \$50,000 payments which are the subject of Resolutions 4 and 5 of this Notice of Meeting;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Subiaco Capital and Birmanie (or their respective nominees), who are not related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for Subiaco Capital and Birmanie agreeing to defer the \$20,000 and \$50,000 payments which are the subject of Resolutions 4 and 5 of this Notice of Meeting.

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## 8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES ISSUED TO S3 CONSORTIUM PTY LTD

### 8.1 General

On 2 September 2014, the Company issued 5,000,000 Shares to S3 Consortium Pty Ltd as performance based consideration for marketing services provided by S3 Consortium Pty Ltd.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 4.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) 5,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration as they were issued as performance based consideration for marketing services provided to the Company;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to S3 Consortium Pty Ltd, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued as performance based consideration for services provided to the Company.

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## 9. RESOLUTION 8 – PLACEMENT – SHARES

### 9.1 General

Resolution 8 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$2,500,000 (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in section 4.1 of this Explanatory Statement.

The effect of Resolution 8 will be to allow the Company to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% or 10% annual placement capacity.

## 9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$2,500,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be not less than 80% of the volume weighted average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards the development of the Company's Indian iron ore project(s) and for general working capital purposes.

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## 10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

### 10.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 9, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 10.2 below).

The effect of Resolution 9 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.



## 10.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$7,810,054.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two (2) classes of Equity Securities on issue, being the Shares (ASX Code: NSL) and quoted Options (ASX Code: NSLO).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 10.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 10.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.005 50% decrease in Issue Price	\$0.01 Issue Price	\$0.02 100% increase in Issue Price
1,000,263,832 (Current Variable A)	Shares issued - 10% voting dilution	100,026,383 Shares	100,026,383 Shares	100,026,383 Shares
	Funds raised	\$500,132	\$1,000,264	\$2,000,528
1,500,395,748 (50% increase in Variable A)	Shares issued - 10% voting dilution	150,039,574 Shares	150,039,574 Shares	150,039,574 Shares
	Funds raised	\$750,198	\$1,500,396	\$3,000,791
2,000,527,664 (100% increase in Variable A)	Shares issued - 10% voting dilution	200,052,766 Shares	200,052,766 Shares	200,052,766 Shares
	Funds raised	\$1,000,264	\$2,000,528	\$4,001,055

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 1,000,263,832 Shares on issue comprising:
  - 710,004,921 existing Shares as at the date of this Notice of Meeting; and
  - 290,258,911 Shares which will be issued Resolution 8 is passed at this Meeting and the maximum number of Shares are issued (assuming an issue price of \$0.008613, being 80% of the volume weighted average market price of Shares calculated over the last 5 days prior to 24 September 2014).
- The issue price set out above is the closing price of the Shares on the ASX on 24 September 2014.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration and development of the Company's existing Indian iron ore project(s) and for general working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments and exploration and development of the Company's Indian iron ore project(s), in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2013 (**Previous Approval**).

The Company has issued 45,633,212 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 19 November 2013, the Company also issued a further 240,273,847 Shares and 491,373,562 Options which represents approximately 92.02% of the total diluted number of Equity Securities on issue in the Company on 19 November 2013, which was 795,088,732 (assuming that the Convertible Note with a face value of US\$2,500,000 and a maturity date of 20 September 2015 was converted on 19 November 2013 into 301,847,658 Shares).

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

#### **10.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 10.1 of the Explanatory Statement.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means NSL Consolidated Limited (ACN 057 140 922).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the calculation in section 10.2 of the Explanatory Statement.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 19 NOVEMBER 2013

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 12 December 2013 Appendix 3B – 12 December 2013	10,000,000	Shares <sup>2</sup>	Issued to Directors as approved by Shareholders at the Company's AGM held on 29 November 2013	\$0.01 per Share (premium of 25%)	Cash Amount raised = \$100,000 Amount spent = \$100,000 Use of funds: The funds raised were used by the Company as it worked with the Vijay Group in relation to the fulfilment of Vijay's financial commitments under the Joint Venture and while the Company progressed discussions with various other parties to replace the Vijay Group in the Joint Venture.
Issue – 15 January 2014 Appendix 3B – 15 January 2014	6,000,000	Shares <sup>2</sup>	Issued to Birmanie Nominees Pty Ltd pursuant to Deed of Recording Agreement ratified by Shareholders at the Company's general meeting held on 11 August 2014	No issue price (non-cash consideration)	Non-cash Consideration: Part consideration for acquisition of exploration permits for coal 2198, 2336, 2337 and 2338. Current value <sup>7</sup> : \$66,000
Issue – 15 January 2014 Appendix 3B – 15 January 2014	6,000,000	Unquoted Options <sup>4</sup>	Issued to Birmanie Nominees Pty Ltd pursuant to Deed of Recording Agreement as ratified by Shareholders at the Company's general meeting held on 11 August 2014	No issue price (non-cash consideration)	Non-cash Consideration: Part consideration for acquisition of exploration permits for coal 2198, 2336, 2337 and 2338. Current value <sup>7</sup> : \$3,060
Issue – 15 January 2014 Appendix 3B – 15 January 2014	19,380,847	Shares <sup>2</sup>	Issued to a nominee of Resources First Pte Ltd as approved by Shareholders at the Company's AGM held on 29 November 2013	No issue price (non-cash consideration)	Non-cash Consideration: In satisfaction of interest and fees payable for marketing services up to 20 September 2013. Current value <sup>7</sup> : \$213,189
Issue – 7 February 2014 Appendix 3B – 30 January 2014	19,380,847	Quoted Options <sup>3</sup>	Issued to a nominee of Resources First Pte Ltd as approved by Shareholders at the Company's AGM held on 29 November 2013	No issue price (non-cash consideration)	Non-cash Consideration: In satisfaction of interest and fees payable for marketing services up to 20 September 2013. Current value <sup>7</sup> : \$96,904



Issue – 7 February 2014 Appendix 3B – 30 January 2014	92,946,215	Quoted Options <sup>3</sup>	Issued to existing major Shareholders and sophisticated and professional investors of the Company as approved by Shareholders at the Company's AGM held on 29 November 2013	Nil cash consideration (free attaching to Shares on a 1:1 basis)	Nil cash consideration Options issued free attaching to Shares on a 1:1 basis. Current value <sup>7</sup> : \$464,731
Issue – 7 February 2014 Appendix 3B – 30 January 2014	105,000,000	Quoted Options <sup>3</sup>	Issued to Fiori Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: An underwriting fee in relation to the placement completed on 7 February 2014 Current value <sup>7</sup> : \$525,000
Issue – 23 June 2014 Appendix 3B – 23 June 2014	108,500,000	Shares <sup>2</sup>	Issued to existing major Shareholders and sophisticated and professional investors of the Company, including to clients of Shaw Stockbroking Limited, Wilson HTM Ltd and BBY Ltd as ratified by Shareholders at the Company's general meeting held on 11 August 2014	\$0.01 per Share (premium of 25%)	Cash Amount raised = \$1,085,000 Amount spent = \$842,971 Use of funds: The funds raised were used by the Company for the recommencement of the Company's Indian iron ore operations and for working capital purposes. Amount remaining = \$242,029 Proposed use of remaining funds <sup>6</sup> : Towards the recommencement of the Company's Indian iron ore operations and for working capital purposes.
Issue – 12 August 2014 Appendix 3B – 12 August 2014	7,500,000	Shares <sup>2</sup>	Issued to Directors as approved by Shareholders at the Company's general meeting held on 11 August 2014	\$0.01 per Share (premium of 25%)	Cash Amount raised = \$75,000 Amount spent = \$Nil Use of funds: The funds raised were used by the Company for the recommencement of the Company's Indian iron ore operations and for working capital purposes. Amount remaining = \$75,000 Proposed use of remaining funds <sup>6</sup> : Towards the recommencement of the Company's Indian iron ore operations and for working capital purposes.
Issue – 12 August 2014 Appendix 3B – 12 August 2014	3,750,000	Quoted Options <sup>3</sup>	Issued to Directors as approved by Shareholders at the Company's general meeting held on 11 August 2014	Nil cash consideration (free attaching to Shares on a 1:2 basis)	Nil cash consideration Options issued free attaching to Shares on a 1:2 basis. Current value <sup>7</sup> : \$18,750

Issue – 12 August 2014 Appendix 3B – 12 August 2014	54,250,000	Quoted Options <sup>3</sup>	Issued to existing major Shareholders and sophisticated and professional investors of the Company, including to clients of Shaw Stockbroking Limited, Wilson HTM Ltd and BBY Ltd as approved by Shareholders at the Company's general meeting held on 11 August 2014	Nil cash consideration (free attaching to Shares on a 1:2 basis)	Nil cash consideration Options issued free attaching to Shares on a 1:2 basis. Current value <sup>7</sup> : \$271,250
Issue – 12 August 2014 Appendix 3B – 12 August 2014	95,000,000	Unquoted Options <sup>5</sup>	Issued to Directors as approved by Shareholders at the Company's general meeting held on 11 August 2014	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company. Current value <sup>7</sup> : \$405,258
Issue – 12 August 2014 Appendix 3B – 12 August 2014	25,000,000	Unquoted Options <sup>5</sup>	Issued to Mr Jock Muir and Mr Peter Wall (or their respective related parties) as approved by Shareholders at the Company's general meeting held on 11 August 2014	No issue price (non-cash consideration)	Non-cash Consideration: Historical services provided to the Company. Current value <sup>7</sup> : \$106,647
Issue – 12 August 2014 Appendix 3B – 12 August 2014	70,000,000	Unquoted Options <sup>5</sup>	Issued to Sean Henbury, Sean Freeman and Timothy Lee as approved by Shareholders at the Company's general meeting held on 11 August 2014	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company. Current value <sup>7</sup> : \$298,611
Issue – 12 August 2014 Appendix 3B – 12 August 2014	25,000,000	Shares <sup>2</sup>	Issued to Effective Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: Security against future issues of Shares by the Company Current value <sup>7</sup> : \$275,000
Issue – 12 August 2014 Appendix 3B – 12 August 2014	1,800,000	Shares <sup>2</sup>	Issued to Birmanie Nominees Pty Ltd and Subiaco Capital Pty Ltd (or their respective nominees)	No issue price (non-cash consideration)	Non-cash Consideration: For Birmanie and Subiaco Capital agreeing to defer the \$20,000 and \$50,000 payments which are the subject of Resolutions 5 and 6 of this Notice of Meeting. Current value <sup>7</sup> : \$19,800

Issue – 12 August 2014 Appendix 3B – 12 August 2014	10,000,000	Quoted Options <sup>3</sup>	Issued to Directors as approved by Shareholders at the Company's general meeting held on 11 August 2014	Nil cash consideration (free attaching to Shares on a 1:1 basis)	Nil cash consideration Options issued free attaching to Shares on a 1:1 basis. Current value <sup>6</sup> : \$50,000
Issue – 13 August 2014 Appendix 3B – 13 August 2014	2,000,000	Shares <sup>2</sup>	Issued to Birmanie Nominees Pty Ltd pursuant to Deed Recording Agreement	No issue price (non-cash consideration)	Non-cash Consideration: Part consideration for acquisition of exploration permits for coal 2198, 2336, 2337 and 2338. Current value <sup>7</sup> : \$22,000
Issue – 13 August 2014 Appendix 3B – 13 August 2014	5,000,000	Shares <sup>2</sup>	Issued to Birmanie Nominees Pty Ltd and Subiaco Capital Pty Ltd pursuant to Funding Mandate	No issue price (non-cash consideration)	Non-cash Consideration: Appointment fee. Current value <sup>7</sup> : \$55,000
Issue – 2 September 2014 Appendix 3B – 2 September 2014	5,000,000	Shares <sup>2</sup>	Issued to S3 Consortium Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: Performance based consideration for services provided to the Company. Current value <sup>7</sup> : \$55,000
Issue – 2 September 2014 Appendix 3B – 2 September 2014	20,093,000	Shares <sup>2</sup>	Issued to a nominee of Resources First Pte	No issue price (non-cash consideration)	Non-cash Consideration: In satisfaction of interest and marketing fees accrued. Current value <sup>7</sup> : \$221,023
Issue – 2 September 2014 Appendix 3B – 2 September 2014	10,046,500	Quoted Options <sup>3</sup>	Issued to a nominee of Resources First Pte	No issue price (non-cash consideration)	Non-cash Consideration: In satisfaction of interest and marketing fees accrued. Current value <sup>7</sup> : \$50,233
Issue – 4 September 2014 Appendix 3B – 8 September 2014	30,000,000	Shares <sup>2</sup>	Issued to Effective Pty Ltd	No issue price (non-cash consideration)	Non-cash Consideration: Security against future issues of Shares by the Company Current value <sup>7</sup> : \$330,000

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: NSL (terms are set out in the Constitution).
3. Quoted Options, exercisable at \$0.01 each, on or before 31 December 2016, ASX Code: NSLO.
4. Unquoted Options, exercisable at \$0.07 each, on or before 30 June 2015. The full terms and conditions were disclosed in the notice of meeting for the Shareholder meeting held on 11 August 2014.

5. Unquoted Options, exercisable at \$0.0096 each, on or before 31 December 2016. The full terms and conditions were disclosed in the notice of meeting for the Shareholder meeting held on 11 August 2014.
6. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
7. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.011) or Options (\$0.005) as the context requires on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

## PROXY FORM

NSL CONSOLIDATED LIMITED  
ACN 057 140 922

### ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 9:30am (WST), on 19 November 2014 at FJH Solutions, 21 Teddington Road, Burswood WA, and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolution. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Peter Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue – Collateral Shares Issued to Efectivo Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue – Shares Issued in Satisfaction of Deed Recording Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue – Shares Issued in Satisfaction of Funding Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue – Shares Issued to Birmainie Nominees Pty Ltd and Subiaco Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue – Shares Issued to S3 Consortium Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_ Contact ph (daytime): \_\_\_\_\_

E-mail address:

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Consent for contact by e-mail  
in relation to this Proxy Form:

YES  NO

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to NSL Consolidated Limited, PO Box 1755, West Perth, WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 9381 4056; or
  - (c) email to the Company at [tim.lee@nslconsolidated.com](mailto:tim.lee@nslconsolidated.com),

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**