



# NSL Consolidated

15 January 2015

## NSL SECURES US\$4,000,000 FINANCING

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### HIGHLIGHTS

- US\$4,000,000 Convertible Loan Facility obtained from US based investment firm, Magna.
  - Initial US\$125,000 available immediately.
  - Further US\$125,000 available within 30 trading days (or earlier if certain conditions are met).
  - Balance of funds subsequently available for drawdown over 2 years in US\$250,000 increments every 60 calendar days at the Company election (subject to customary conditions including no events of default or termination events having occurred).
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NSL Consolidated Limited (Company, ASX: **NSL**, **NSLO**) is pleased to advise that it has entered into a 24 month funding agreement with Magna Equities, LLC ("Magna"), a New York based investment firm.

This funding agreement will enable the Company to continue its focus on its unique position of being the only foreign company to own and operate iron ore mines in India. Importantly, it is at a time of strong domestic pricing, strong domestic iron ore demand, economic growth and robust steel production growth. On the back of this environment, we expect to announce more information regarding off-take from our operations in the coming weeks.

Under the Magna Facility, the Company receives US\$125,000 on the date of closing (subject to satisfactory fulfilment of standard closing conditions) and an additional US\$125,000 within 30 trading days of closing (or earlier if certain conditions are met).

Subsequent funding in tranches of up to US\$250,000 is available every 60 calendar days (to a maximum of US\$3,750,000) at the Company's election subject to customary conditions including no events of default or termination events having occurred).

The Magna Facility has a 24 month term from the date of each drawdown, is unsecured, bears no interest costs, can be repaid at any time by the Company with a 15% premium and can be converted into NSL shares at any time by Magna during the term at a 20% discount to the 5-day volume weighted average price (VWAP) of NSL's ordinary shares. Magna will receive a 5% commitment fee on all drawdowns, as and when they occur, to be paid in NSL ordinary shares. The commitment shares will be issued within the

Company's placement capacity. The Company will seek shareholder approval for the issue of subsequent securities as and when required.

NSL Managing Director, Cedric Goode commented: "This competitively priced funding facility replaces the Efectivo facility and provides the financial capacity to allow the Company to pursue its Indian iron ore production strategy that will add significant shareholder value. The funding will be put towards finalising off-take arrangements and production. We believe that this funding facility has the ability to deliver significant benefits to the Company and its shareholders by providing funding stability in concert with a sophisticated, supportive funding partner that is focussed on longer term partnerships."

Magna is a New York based investment firm that directly invests in small cap and lower middle market public companies across all sectors and geographies. The company is recognised for its individualised approach to each relationship, and its commitment to the best interests of the portfolio company in every investment. Providing strategic support in addition to equity capital, Magna continues to be among the most active investors in its market segment.

"Magna is thrilled to help NSL pursue its Indian iron ore production strategy," stated Magna founder and CEO Joshua Sason. "This investment marks our continued effort to build lasting and mutually beneficial relationships with exciting companies in the Australian market."

**CONTACT:**

Cedric Goode  
NSL Consolidated  
+61400 408 477

Kevin Skinner  
Field Public Relations  
+61 414 822 631