



# NSL Consolidated

20<sup>th</sup> August 2015

## OPERATIONS SCALE UP – PHASE ONE DRY PLANT

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### HIGHLIGHTS

- First tranche funds received under A\$5m conventional loan.
  - Phase One dry plant operations to scale up within the week.
  - BMM Ispat production scale testing process successfully completed, bulk scale purchase orders to follow.
  - Additional customers in discussions for bulk supply of specialised lump product.
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**) is pleased to advise that the first tranche of A\$600,000 has been received in accordance with the Magna Loan Agreement as announced on 13<sup>th</sup> August 2015, with Company operations at the Phase One dry plant to scale up within the week.

The conventional secured funding loan agreement totalling A\$5 million fully funds and allows the construction, commissioning and operation of its Phase Two wet beneficiation plant, while also availing the scaling up of the existing Phase One dry beneficiation plant at its wholly-owned Kurnool iron ore processing stockyard in the Indian state of Andhra Pradesh. Phase Two will be a wet beneficiation process, allowing NSL to produce a high grade premium price iron ore product between 58-62% Fe at around 200,000 tonnes p.a.

The Company has successfully enhanced and delivered iron ore meeting BMM Ispat's requirement for +56%Fe for direct feed into BMM's DRI kiln process in production scale testing. This testing has been successfully completed and bulk scale purchase orders are to follow.

In addition, as announced earlier the Company has received a Purchase Order (PO) for a specialised product that is relatively unique to NSL as a result of the ore geology and beneficiation process at the Company's operations. The specialised blend of iron, silica and alumina is critical to the performance of the furnace and quality of the finished cast iron. The Company expects to close out commercial discussions with existing and additional customers in the near future for bulk scale purchase orders of this specialised product.

Required equipment for the Phase One dry plant scale up will be mobilised to site over the coming days and it is expected iron ore production will commence within the week.

### CONTACT:

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