



# NSL Consolidated

17 November 2015

## NSL'S PHASE TWO BENEFICIATION PLANT FUNDED AND MOVING AHEAD

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### HIGHLIGHTS

- New York investment firm, MG Partners II Limited ("Magna"), to provide a further A\$1.3 million under its Loan Agreement in continuation of funding NSL's high grade Phase Two Kurnool iron ore wet plant from China for establishment in India.
  - Kurnool's Phase Two wet beneficiation plant in Andhra Pradesh fully funded through construction & commissioning.
  - Offtake agreements already in place with India's JSW Steel and BMM Ispat for Phase Two high grade product.
  - Commissioning expected to commence in Q2 2016.
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Perth-based iron ore miner, NSL Consolidated Limited (Company, ASX: **NSL, NSLO**), is pleased to advise that the Company with the mutual agreement of Magna has drawn down a further A\$1.3 million of Tranche 1 under the A\$5 million Loan Agreement with Magna as announced on 13<sup>th</sup> August 2015.

Under the Loan Agreement NSL has access to Tranche 1 funds of A\$1.9 million. In order to keep debt exposure to a minimum, the Company has elected to draw down a reduced amount, leaving remaining funds to be drawn down as and when required.

The Company is moving ahead with the purchase, construction, commissioning and operation of its Phase Two wet beneficiation plant,

The drawdown of A\$1.3 million, subject to standard closing conditions, will allow for the final purchasing of the fabricated plant in China and associated requirements to enable shipping of the plant to India. A\$1.1 million will be held in escrow subject to the final satisfactory China plant inspection report as per ordinary industry practice.

Phase Two will be a wet beneficiation process, allowing NSL to produce a high grade premium price iron ore product grading between 58-62% Fe at around 200,000 tonnes p.a.

The Company has already successfully negotiated offtake agreements for Phase Two's high grade iron ore product with the US\$9 billion Indian global conglomerate, JSW Steel, also that country's leading private sector steel producer; and BMM Ispat, a leading pellet, power and steel producer.

The Company, the only Australian or foreign company to own and operate in India's massive iron ore market, has an established dry processing plant operation for iron ore product at Kurnool and which is serviced by two of its local mines nearby, Kuja and

Mangal. These mines will also provide the feedstock for the Phase Two wet beneficiation plant.

The Company looks forward to updating the market accordingly on the status and progress of the Phase Two wet beneficiation plant. The Company expects to commence commissioning the plant in Q2 2016.

**CONTACT:**

Cedric Goode  
NSL Consolidated  
+61 400 408 477

Kevin Skinner  
Field Public Relations  
+61 414 822 631