



14 December 2015

PHASE TWO WET BENEFICIATION PLANT PROGRESS

HIGHLIGHTS

- Wet beneficiation plant fabrication inspection visit completed, major componentry at completion stage.
 - Offtake agreements already in place with India's JSW Steel and BMM Ispat for Phase Two 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 progress on the wet beneficiation plant continues, with NSL's Managing Director, Mr Cedric Goode, recently in China conducting a plant inspection of the fabricated wet beneficiation plant.

The Company can confirm that all major components are at a completion stage, with only minor components yet to be completed.



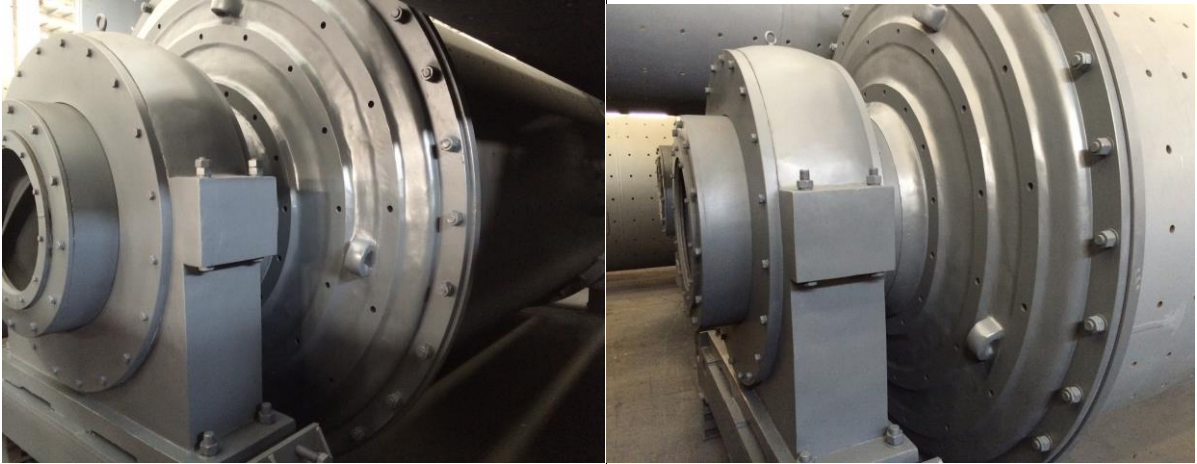


FIGURE 1: Ball Mills



FIGURE 2: Low Intensity Magnets



FIGURE 3: Vacuum Disc filters for water extraction

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 further updating the market accordingly on the status and progress of the Phase Two wet beneficiation plant.

The Company also advises that it has received notification from BMM Ispat (**BMM**) of the closure of its sponge iron kilns for the remainder of December. As a result of BMM's decision, it is anticipated that NSL will commence delivery into the 5,000 tonne purchase order (as announced on 24 November 2015) when BMM restart its sponge iron kilns.

During this period the Company will focus on the wet plant program.

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