
NSL CONSOLIDATED LIMITED

ACN 057 140 922

NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 10:00am (WST)

DATE: 5 October 2015

PLACE: Athans & Taylor
Suite 3, 17 Foley Street,
Balcatta WA 6021

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 6168 8000.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am (WST) on 5 October 2015 at:

Athans & Taylor
Suite 3, 17 Foley Street,
Balcatta WA 6021

Your vote is important

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

Voting eligibility

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 5:00pm (WST) on 1 October 2015.

Voting in person

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

Voting by proxy

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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS TO MIGHTY RIVER INTERNATIONAL 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:

(a) 6,000,000 Mighty River Shares; and

(b) 6,000,000 Mighty River Options,

to Mighty River, a nominee of Resources First, 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.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES TO MAGNA EQUITIES II, LLC

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:

(a) 7,211,383 Commitment Shares; and

(b) 71,115,570 Conversion Shares,

to Magna Equities pursuant to the Initial Convertible Loan Facility 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS TO MAGNA EQUITIES II, LLC

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:

(a) 2,727,273 MG Partners Shares; and

(b) 10,000,000 MG Partners Options,

to Magna Equities, a nominee of MG Partners, pursuant to the Subsequent Loan Agreement 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.

4. RESOLUTION 4 – PLACEMENT – SHARES AND OPTIONS TO MG PARTNERS II, 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 7.1 and for all other purposes, approval is given for the Company to issue:

(a) *up to that number of Loan Commitment Shares required pursuant to the Loan Receipt Fee; and*

(b) *73,333,333 Loan Commitment Options required pursuant to the Loan Receipt Fee,*

to MG Partners (and/or its nominee) pursuant to the Subsequent Loan Agreement 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.

Dated: 3 September 2015

By order of the Board

**Sean Henbury
Company Secretary**

EXPLANATORY STATEMENT

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.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS TO RESOURCES FIRST PTE LTD

1.1 Background

As announced on 8 August 2012, the Company and Resources First Pte Ltd (**Resources First**) entered into the Convertible Note Deed pursuant to which the Company issued a three year unsecured convertible note to Resources First for a total face value of USD\$2,500,000 at an interest rate of six percent (6%) (**Resources First Convertible Note**).

The terms of the Convertible Note Deed were announced on the ASX on 8 August 2012.

As announced on 4 September 2012 and 21 September 2012, the Company received the first USD\$1,250,000 and second USD\$1,250,000 respectively from Resources First to further underpin and expand its iron ore production in India.

On 18 August 2015, the Company and Resources First agreed to extend the maturity term of the Resources First Convertible Note for a further one (1) year with the Resources First Convertible Note now maturing on 21 September 2016 pursuant to the Extension Letter (**Extension**). In consideration for the Extension, the Company agreed to issue 6,000,000 Shares (**Mighty River Shares**) and 6,000,000 Options (**Mighty River Options**) to Mighty River, a nominee of Resources First.

1.2 General

On 19 August 2015, the Company issued 6,000,000 Mighty River Shares and 6,000,000 Mighty River Options as consideration for the Extension (**Mighty River Issue**).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Mighty River Issue (**Mighty River Ratification**).

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.

1.3 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 the Mighty River Ratification:

- (a) 6,000,000 Mighty River Shares and 6,000,000 Mighty River Options were issued;
- (b) the Mighty River Shares and Mighty River Options were issued for nil cash consideration;
- (c) the Mighty River 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 Mighty River Options will be issued on the terms and conditions set out in Schedule 3;
- (e) the Mighty River Shares and Mighty River Options were issued to Mighty River. Mighty River is not a related party of the Company; and
- (f) no funds were raised as the Mighty River Shares and Mighty River Options were issued for nil cash consideration.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES TO MAGNA EQUITIES II, LLC

2.1 Background

As announced on 15 January 2015, the Company and Magna Equities entered into the Initial Convertible Loan Facility pursuant to which Magna Equities provided the Company with a loan of up to USD\$4,000,000 over 24 months (**Convertible Loan**).

The Company received the initial tranche of US\$125,000 upon the execution of the Convertible Loan, and received an additional US\$125,000 within 30 trading days of closing (**Initial Investment**).

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 Convertible Loan was convertible, at Magna Equities sole discretion, into that number of Shares (**Conversion Shares**) at an issue price equal to a 20% discount from the lowest volume weighted average price (**VWAP**) in the five (5) trading days prior to conversion.

Additionally, Magna Equities received a 5% commitment fee on all drawdowns, as and when they occurred, which were paid by the Company in Shares (**Commitment Shares**) at an issue price of the average VWAP in the five Trading Days prior to each drawdown being advanced.

As at the date of this Notice the Company had drawn down USD\$750,000 under the Initial Convertible Loan Facility and USD\$225,000 of that drawn down balance has been converted into Shares.

The Initial Convertible Loan Facility has now been replaced by the Subsequent Loan Agreement (the subject of Resolutions 3 and 4).

2.2 General

On several dates throughout 2015, the Company issued a total of 78,326,953 Shares consisting of 7,211,383 Commitment Shares and 71,115,570 Conversion Shares at various issue prices to Magna Equities upon conversion of the Convertible Loan pursuant to the Initial Convertible Loan Facility (**Initial Conversion Shares**).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Initial Conversion Shares (**Magna Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.2 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.

2.3 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 the Magna Ratification:

- (a) a total of 78,326,953 Shares were issued, consisting of 7,211,383 Commitment Shares and 71,115,570 Conversion Shares, in the proportions and on the dates set out in Schedule 1;
- (b) the issue price of each issue of the Commitment Shares and Conversion Shares is set out in Schedule 1;
- (c) the Commitment Shares and Conversion 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 Commitment Shares and Conversion Shares were issued to Magna Equities. Magna Equities is not a related party of the Company; and
- (e) no funds were raised from the issue of the Commitment Shares and Conversion Shares, however the funds received pursuant to the Initial Convertible Loan Facility were used to 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES AND OPTIONS TO MAGNA EQUITIES II, LLC

3.1 Background

As announced on 13 August 2015, the Company and MG Partners entered into the Subsequent Loan Agreement to replace the Initial Convertible Loan Facility.

Pursuant to the Subsequent Loan Agreement MG Partners will provide the Company with a loan of \$5,000,000 payable in two tranches of \$2,500,000 each.

In relation to the first tranche of \$2,500,000 an initial amount of \$600,000 (**Initial Loan**) was provided by MG Partners to the Company upon execution of the

Subsequent Loan Agreement. The remaining \$1,900,000 owing under tranche 1 (**Tranche 1 Loan**) will be provided to the Company by MG Partners on the Utilisation Date specified in the relevant Utilisation Notice subject to satisfaction of the Iron Ore Sales Milestone (defined in section 4.1).

A final loan of \$2,500,000 (**Tranche 2 Loan**) will be provided to the Company by MG Partners on the date that MG Partners has received evidence satisfactory to it that the Additional Investment Event Milestone (defined in section 4.1) has occurred.

The Loans have an 18 month term (**Term**) from the date of each drawdown, are senior secured, bear no annual interest and can be repaid at any time by the Company with a 15% premium.

On receipt of each Loan, the Company must:

- (a) issue such number of Shares at the Issue Price equal to 5% of the Funded Amount of the relevant Loan advanced by MG Partners divided by the Issue Price (**Loan Commitment Shares**); and
- (b) issue the equivalent to 50% of Funded Amount in unlisted three year Options with an exercise price of \$0.03 (**Loan Commitment Options**)

(the **Loan Receipt Fee**).

The Loans (in USD equivalent) will have an \$5,500,000 (in USD equivalent) principal value, with repayment of each Loan commencing six months after the loan is drawn down, and being completed a further 12 months from that date. Upon repayment of the Loans in their entirety, MG Partners will be entitled to receive a 7.5% gross revenue royalty for the life of the Kurnool Site.

3.2 General

On 19 August 2015, the Company issued:

- (a) 2,727,273 Shares at a deemed issue price of \$0.011 per Share (**MG Partners Shares**); and
- (b) 10,000,000 Options at a deemed issue price of \$0.03 per Option (**MG Partners Options**),

to Magna Equities, a nominee of MG Partners to satisfy the Loan Receipt Fee required upon receipt of the Initial Loan provided pursuant to the Subsequent Loan Agreement (**MG Partners Issue**).

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the MG Partners Issue (**MG Partners Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.2 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.

3.3 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 the MG Partners Ratification:

- (a) 2,727,273 MG Partners Shares and 10,000,000 MG Partners Options were issued;
- (b) the deemed issue price was \$0.011 per MG Partners Share and the deemed issue price was \$0.03 per MG Partners Option;
- (c) the MG Partners 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 MG Partners Options were issued on the terms and conditions set out in Schedule 2;
- (e) the MG Partners Shares and MG Partners Options were issued to Magna Equities, a nominee of MG Partners. Magna Equities is not a related party of the Company; and
- (f) no funds were raised from MG Partners Issue, however the funds received from the Initial Loan were used for immediately recommencing the existing phase one dry beneficiation plant at its wholly-owned Kurnool Site.

4. RESOLUTION 4 – PLACEMENT – SHARES AND OPTIONS TO MG PARTNERS II, LTD

4.1 General

Resolution 4 seeks Shareholder approval for the issue of:

- (a) up to that number of Loan Commitment Shares; and
- (b) 73,333,333 Loan Commitment Options,

to MG Partners (and/or its nominee) required to satisfy the Loan Receipt Fee upon receipt of the Tranche 1 Loan and the Tranche 2 Loan pursuant to the Subsequent Loan Agreement (**MG Partners Placement**).

A summary of the Subsequent Loan Agreement is set out in section 3.1 above. Utilisation of the Tranche 1 Loan and Tranche 2 Loan will occur as follows:

- (a) The Tranche 1 Loan will be provided to the Company by MG Partners on the Utilisation date as specified in the relevant Utilisation Notice provided that:
 - (i) MG Partners being satisfied that the Company has received net proceeds from the sale of not less than 10,000 tonnes of iron ore from the dry separation circuit production facility at its iron ore project in the Kurnool Site within 90 days from the date of the Subsequent Loan Agreement at an average profit margin of 25% (**Iron Ore Sales Milestone**); and
 - (ii) The Company satisfying a number of conditions that are considered standard for an agreement of the nature of the Subsequent Loan Agreement; or

- (iii) MG Partners may (in its absolute discretion) waive the Iron Ore Sales Milestone.
- (b) The Tranche 2 Loan will be provided to the Company by MG Partners on the Utilisation date as specified in the relevant Utilisation Notice provided that:
- (i) the Company delivering to MG Partners, evidence satisfactory to it that the delivery of the Beneficiation Plant onto the Kurnool Site has occurred, and such delivery occurs no later than 120 days from the date of the Subsequent Loan Agreement (**Additional Investment Event Milestone**); and
 - (ii) the Company satisfying a number of conditions that are considered standard for an agreement of the nature of the Subsequent Loan Agreement; or

MG Partners may (in its absolute discretion) waive the Additional Investment Event Milestone.

A summary of ASX Listing Rule 7.1 is set out in section 1.2 above.

The effect of Resolution 4 will be to allow the Company to issue the Loan Commitment Shares and Loan Commitment Options pursuant to the MG Partners Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 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 MG Partners Placement:

- (a) the maximum number of Loan Commitment Shares to be issued is that number which is equal to 5% of the Funded Amount of the relevant Loan advanced by MG Partners divided by the Issue Price. A worked example of the number of Loan Commitment Shares to be issued at various prices is provided in section 4.3 of the Explanatory Statement;
- (b) the maximum number of Loan Commitment Options to be issued is 73,333,333 Options;
- (c) the Loan Commitment Shares and Loan Commitment Options 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 Commitment Shares and Commitment Options under the MG Partners Issue will occur on different dates on separate dates. The Company has submitted a waiver application with ASX seeking a waiver of ASX Listing Rule 7.3.2 to allow the Company to issue the Loan Commitment Shares and Loan Commitment Options within 12 months from the date of Meeting, representing an extension of 9 months. In the event that the waiver is not granted the Company will be required to seek further shareholder approval/s to issue any additional Loan Commitment Shares and Loan Commitment Shares when necessary outside 3 months from the date of the Meeting;
- (d) the Loan Commitment Shares will be issued at the Issue Price;

- (e) the Loan Commitment Options will be issued at a deemed issue price of \$0.03 per Option;
- (f) the Loan Commitment Shares and Loan Commitment Options will be issued to MG Partners (and/or its nominee). MG Partners (and/or its nominee) is not a related party of the Company;
- (g) the Loan Commitment 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;
- (h) the Loan Commitment Options will be issued on the terms and conditions set out in Schedule 2; and
- (i) no funds will be raised from the MG Partners Placement however the Company intends to use the funds received from the Subsequent Loan Agreement towards the construction, commissioning and operation of the Company's phase two wet beneficiation plant, while also availing the scaling up of the existing phase one dry beneficiation plant at the Kurnool Site.

4.3 Share Issue Calculations

The volume weighted average price for Shares on the 5 days on which sales in Shares were recorded before 28 August 2015 was \$0.0098.

Accordingly, set out below is a worked example of the number of Loan Commitment Shares that may be issued under Resolution 4 based on an assumed issue price of \$0.009, \$0.0098, \$0.012 and \$0.014.

Assumed issue price	Maximum number of Loan Commitment Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 4	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 4	Dilution effect on existing Shareholders
0.009	24,444,444	817,152,147	841,596,591	2.99%
0.0098	22,396,189	817,152,147	839,548,336	2.74%
0.012	18,333,333	817,152,147	835,485,480	2.24%
0.014	15,714,286	817,152,147	832,866,433	1.92%

Assuming no Options are exercised or other Shares issued and the maximum number of Loan Commitment Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 817,152,147 (being the number of Shares on issue as at the date of this Notice) to 839,548,336 and the shareholding of existing Shareholders would be diluted by 2.74%.

The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Loan Commitment Shares to be issued and the dilution percentage to also differ.

GLOSSARY

\$ means Australian dollars.

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

Additional Investment Event Milestone has the meaning given in section 4.1 of the Explanatory Statement.

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.

Beneficiation Plant means the dry separation circuit production facility and the wet beneficiation facility currently being commissioned by the Company (or its Subsidiary) at its iron ore project(s) in the Kurnool Site.

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.

Calender Days means any day of the year including, for the avoidance of doubt, weekdays, weekends, public holidays, and any other holiday.

Chair means the chair of the Meeting.

Commitment Shares has the meaning given in section 2.1 of the Explanatory Statement.

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

Constitution means the Company's constitution.

Conversion Shares has the meaning given in section 2.1 of the Explanatory Statement.

Convertible Loan has the meaning given in section 2.1 of the Explanatory Statement.

Convertible Note Deed means the Convertible Note Deed entered into between the Company and Resources First on 3 August 2012.

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

Deed means the subscription deed between the Company and MG Partners II, Ltd. dated on or around 13 August 2015.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Extension has the meaning given in section 1.1 of the Explanatory Statement.

Extension Letter means the Convertible Note: Extension to Maturity Date letter agreement between the Company and Resources First dated 18 August 2015.

Funded Amount means, with respect to a Loan, the \$ principle amount of that Loan converted into USD\$ at the Exchange Rate on the relevant Utilisation Date.

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

Initial Convertible Loan Facility means the loan agreement entered into between the Company and Magna Equities on or around 15 January 2015.

Initial Conversion Shares has the meaning provided in section 2.2 of the Explanatory Statement.

Initial Investment has the meaning given in section 2.1 of the Explanatory Statement.

Initial Loan has the meaning given in section 3.1 of the Explanatory Statement.

Iron Ore Sales Milestone has the meaning given in section 4.1 of the Explanatory Statement.

Issue Price means the issue price for the Loan Commitment Shares being the VWAP on ASX of the Shares over the 5 Trading Days on which trades occur prior to the relevant Utilisation Date.

Kurnool Site means the site located in the State of Andhra Pradesh, India on which the Company (or a Subsidiary of the Company) operates the Beneficiation Plant.

Loans or **Loan** means the Tranche 1 Loan and Tranche 2 Loan, together or individually as the context requires, provided under the Subsequent Loan Agreement.

Loan Commitment Options has the meaning given in section 3.1 of the Explanatory Statement.

Loan Commitment Shares has the meaning given in section 3.1 of the Explanatory Statement.

Loan Receipt Fee has the meaning given in section 3.1 of the Explanatory Statement.

Magna Equities means Magna Equities II, LLC.

Magna Partners Options has the meaning given in section 3.1 of the Explanatory Statement.

Magna Ratification has the meaning given in section 2.2 of the Explanatory Statement.

MG Partners means MG Partners II, Ltd (Company Number 111258).

MG Partners Issue has the meaning given in section 3.2 of the Explanatory Statement.

MG Partners Placement has the meaning given in section 4.1 of the Explanatory Statement.

MG Partners Ratification has the meaning given in section 3.2 of the Explanatory Statement.

MG Partners Shares has the meaning given in section 3.1 of the Explanatory Statement.

Mighty River means Mighty River International Ltd a company incorporated in Singapore.

Mighty River Issue has the meaning given in section 1.2 of the Explanatory Statement.

Mighty River Options has the meaning given in section 1.1 of the Explanatory Statement.

Mighty River Ratification has the meaning given in section 1.2 of the Explanatory Statement.

Mighty River Shares has the meaning given in section 1.1 of the Explanatory Statement.

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.

Proxy Form means the proxy form accompanying the Notice.

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

Resources First means Resources First Pte Ltd.

Resources First Convertible Notes has the meaning given in section 1.1 of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Stock Exchange means the ASX, and any other stock exchange the Company is presently, or in the future, becomes listed.

Subsequent Loan Agreement means the loan agreement entered into between the Company and MG Partners on or around 13 August 2015 including, for the avoidance of doubt, the subscription deed entered into between the Company and MG Partners on or around 13 August 2015.

Subsidiary means a subsidiary within the meaning of Part 1.2 Division 6 of the Corporations Act.

Term has the meaning given in section 3.1 of the Explanatory Statement.

Trading Day means a day on which the Stock Exchange is scheduled to be open for trading.

Tranche 1 Loan has the meaning given in section 3.1 of the Explanatory Statement.

Tranche 2 Loan has the meaning given in section 3.1 of the Explanatory Statement.

USD\$ or **USD** means the currency of the United States of America.

Utilisation Date means the date on which a Loan becomes payable pursuant to the Utilisation Notice.

Utilisation Notice means a notice provided by the Company to Magna indicating the Company's intention to draw down an amount under the Subsequent Loan Agreement.

VWAP has the meaning given in section 2.1 of the Explanatory Statement.

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

SCHEDULE 1 – SHARE ISSUES UNDER INITIAL CONVERTIBLE LOAN FACILITY

Nature of Issue	Issue Price	Issue Date	Commitment Shares	Conversion Shares
Commitment Shares	\$0.005	19/01/2015	1,538,972	-
Conversion Shares	\$0.0048	05/01/2015	-	5,333,333
Conversion Shares	\$0.0048	20/02/2015	-	13,356,458
Commitment Shares	\$0.007	20/02/2015	1,148,493	-
Commitment Shares	\$0.007	18/03/2015	2,338,853	-
Conversion Shares	\$0.0056	18/03/2015	-	8,186,072
Conversion Shares	\$0.0056	30/04/2015	-	4,591,706
Conversion Shares	\$0.0056	30/04/2015	-	4,591,706
Conversion Shares	\$0.0056	15/05/2015	-	8,794,456
Commitment Shares	\$0.007	18/05/2015	2,185,065	-
Conversion Shares	\$0.0048	19/06/2015	-	10,807,073
Conversion Shares	\$0.00648	16/07/2015	-	5,151,588
Conversion Shares	\$0.00648	16/07/2015	-	10,303,178

SCHEDULE 2 – TERMS AND CONDITIONS OF MAGNA/MG PARTNERS OPTIONS

The terms and conditions of the Magna/MG Partners Options are as follows:

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) The amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).
- (c) Each Option will expire at 5:00 pm (WST) on that date that is the third anniversary of the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options are exercisable at any time during the period commencing on (and including) 90 calendar days from the date of the Deed, and ending at 2:00 pm (Perth time) on the Expiry Date (**Exercise Period**).
- (e) All or a specified number of Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (i) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (j) If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) The Company will not apply for quotation of the Options on ASX.
- (n) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF MIGHTY RIVER OPTIONS

The terms and conditions of the Mighty River Options are as follows:

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) The amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).
- (c) Each Option will expire at 5:00 pm (WST) on 31 December 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of

the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (i) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (j) If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) The Company will apply for quotation of the Options on ASX.
- (o) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

PROXY FORM

NSL CONSOLIDATED LIMITED
ACN 057 140 922

EXTRAORDINARY 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 10:00am (WST), on 5 October 2015 at Suite 3, 17 Foley Street, Balcatta WA 6021, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. 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	Ratification of Prior Issue – Shares and Options to Mighty River International Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue – Shares to Magna Equities II, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue – Shares and Options to Magna Equities II, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Placement – Shares and Options to MG Partners II, Ltd	<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:

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 9345 3886; or
 - (c) email to the Company at admin@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.