



NSL Consolidated

30 December 2016

NSL DEBT FREE

HIGHLIGHTS

- US\$2.5M Convertible Note converted at \$0.038 per share.
 - Conversion at a premium to agreement conversion mechanism.
 - Conversion terms renegotiated to more favourable position for the Company.
 - Company now debt free, with significantly strengthened balance sheet.
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NSL Consolidated Limited (ASX: **NSL, NSLO**) wishes to advise that in working closely with the Convertible Note holder, Resources First, and at their election, agreement has been reached to convert the principal amount of US\$2.5m to fully paid ordinary shares in the Company at \$0.038 per share for which the Company will issue 90,672,814 shares and a cash payment of A\$500,000.

Under the terms of the Convertible Note, Resources First had the ability to convert at a 10% discount to the 20 day VWAP, however, in a sign of confidence and belief in the Company's progress to date and strategy going forward the Company was able to negotiate more favourable terms than those contained in the note.

The notes were issued during September 2012 and originally had a three-year term and paid a 6% annual coupon rate, the notes were subsequently extended for 12 months.

As a result of the conversion, the Company now has eliminated all outstanding debt, and with the retention of US\$2.5M in cash has significantly strengthened the balance sheet moving forward.

Managing Director and CEO, Mr Cedric Goode, noted the conversion of the note was another important milestone in the transformation of NSL: "The agreement with the Noteholder to convert to equity is an endorsement of NSL's commitment to building enduring value for shareholders. The fact we were able to renegotiate the terms to a more favourable position is a great result for the Company. The Company thanks Resources First for its support and confidence in our progress and strategy."

The issue of the Shares will be included in the next issue/quotation of option conversions received.

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