

4 April 2018

NSL Operations Update

HIGHLIGHTS

- Mining contractor newly purchased fleet currently being deployed ahead of commencement of full-scale mining.
- The wet beneficiation plant finished the month strongly, with robust operating continuity, consistency and output.
- NSL has approximately 7,000 tonnes of 59% Fe stockpiled for sale and dispatch into existing customer orders, with the majority produced in latter March.
- Plant now on-track to produce in excess of 10,000 tonnes of iron ore concentrate in April.

NSL Consolidated Limited (“**the Company**” or “**NSL**”) (**ASX: NSL**) is pleased to provide shareholders with a progress report on the Company's Indian iron ore operations.

Arrival of mining contractor newly purchased fleet

The Company is pleased to advise that pursuant to a contractor agreement executed in February, a new mining fleet has been purchased by the contractor and this fleet is currently in the process of being progressively deployed to site. More than 50% of the equipment has arrived on site and operating at AP26 and Mangal mines, with full-scale operations expected to be achieved in the near future.

Importantly, the arrival of this brand-new equipment will provide significant ongoing benefits to NSL's operations, in particular the provision of a reliable ROM feed to the beneficiation plant in comparison to the use of small scale local contractors. This is expected to result in positive operational improvements for the business as the reliance on low grade stockpiles and third-party ores is reduced.



Part of new fleet on site and operating

Kurnool Iron Ore Beneficiation Plant Update

The Phase 2 wet beneficiation plant has performed strongly following the completion of a number of key technical improvements in February and early March. The plant finished the



NSL Consolidated

month of March strongly, with robust operating continuity, consistency and output. The plant is consistently producing a 58-60% Fe concentrate from a 30-33% Fe feed grade at between 30-38% yields.

Furthermore, as a result of the strong operating finish to March, NSL now has approximately 7,000 tonne of 59% Fe stockpiled for sale and dispatch into existing customer orders, which together with the anticipated ramping-up of production during April has NSL well-positioned to increase sales this quarter.



Plant overview and part stockpiles

NSL's Managing Director and CEO, Cedric Goode, commented, "Management is pleased with the recent strong performance of our beneficiation plant. We now expect that the performance resulting from these improvements will deliver a notable boost to our ongoing monthly production figures, hence April expectation of a minimum of 10,000 tonnes of production.

Further bolstering our production ramp-up will be the arrival of our new mining fleet with many pieces of equipment already on site and operating.

This is a particularly exciting development as the start-up of full scale mining in April will provide us with the required foundation to drive plant and cost efficiencies towards achieving nameplate production.

With the required foundations now in place, we expect to unlock a number of key catalysts involving production expansions in the near-term, and we look forward to providing further updates in due course."

For further information please contact:

Cedric Goode
Managing Director / Chief Executive Officer
NSL Consolidated
+61 400 408 477

Released through Sam Burns, Six Degrees Investor Relations, +61(0) 400164067