



NSL Consolidated

25 November 2014

NSL GAINS MOMENTUM AT THE GLOBAL STEEL 2014 CONFERENCE IN MUMBAI INDIA

HIGHLIGHTS

- NSL presents at the 2014 Global Steel Conference, Mumbai India
 - Main theme of conference focussed on the lack of domestic iron ore supply
 - Steel company attendees excited by NSL achievements and business
 - Significant Interest in NSL received from Steel Company representatives on an offtake and investment basis
 - Discussions and site visits commencing this week
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NSL Consolidated Limited (Company, ASX: **NSL**, **NSLO**) is pleased to advise that the Company recently participated in the 2014 Global Steel Conference in India, with Chief Executive Officer and Managing Director, Mr Cedric Goode presenting the Company and its views on global steel to at the conference.

The Global Steel Conference is an annual event that is now in its ninth year, at which delegates of market participants/players come together to debate upon the issues, challenges and bottlenecks confronting the Indian steel industry today. India is currently the 3rd largest economy in the world in Purchasing Power Parity (PPP), with domestic steel growth expected to grow up to 140 million tonnes by 2016 and up to 300 million tonnes by 2025.

The overarching strong theme of the conference focussed on the extreme shortage or domestic iron ore available to the country's steel producers.

Leveraging off of India's current and projected economic growth, demand for steel and NSL's participation in Global Steel 2014, the Company is highly encouraged by the significant interest that has been received, with discussions with various steel company's commencing and gaining momentum, including the commencement of site visits this week.

Global Steel delegates were amazed and excited by the significant progress NSL, as the only foreign owned company to own and operate iron ore mines in India, has been able to achieve.

A copy of the Company Global Steel 2014 presentation is attached to this release.

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Global Steel 2014

Indian Iron Ore Production

Vision

- ✓ Building towards becoming a dual bulk commodity company, with Indian iron ore production and Australian Coal.



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India – the opportunity... steel and iron ore



- The global mining industry continued to be impacted by the subdued outlook for the Chinese economy, conflicts in the Middle East, and supply side factors for bulk commodities.
- This has squeezed the mining and mining service industries, where share prices have fallen and access to capital remains extremely challenging.
- The changed political outlook in India where economic growth is a priority for the new government, provides the opportunity for the mining and steel industries to lead the country through a growth period.
- Specific to the iron ore mining industry, adoption of world's best practice in Government policies, approvals processes, mining technology and processing technology allow significant opportunities for value addition of low grade iron ores.
- This is in line with the national mineral policies of India, supports the domestic steel industry, provides avenues to export into global markets and provides all round increasing levels of revenue for the Government.



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Indian Iron Ore Production

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- **Investments all support National Mineral Policy**
 - All projects will be beneficiation of low grade ores, adding potential for billions of tonnes of low grade iron ores in Telangana and Andhra Pradesh.
 - All sites proposed to have significant value addition through beneficiation and pellet plants.

- **NSL have operating experience in India**
 - NSL have over 4 years of operating experience in Kurnool, with strong relations through IBM, ADMG and DGMS to ensure regulatory compliances

- **NSL have a strong capability and track record of delivering projects**
 - Strong management team from Australia
 - Team in place in India
 - Experience in Indian construction and mining projects, from engineering design through to construction and commissioning
 - Experienced in all levels of Government approvals

What NSL have achieved in India



Beneficiation

- Phase 1 (dry) to test and optimise technical and operational capability
- Phase 2 (wet) testing and approvals completed
- Phase 2 (wet) beneficiation plant fabricated



Kurnool plant

- Kurnool dry beneficiation plant commissioned and ready to operate
- Domestic iron ore sales completed



Mining assets

- Kuja and Mangal operational
- Phase 1 dry plant operational
- AP14 project under development



Experience

- Mining and beneficiation plant operation complete
- Mine, transport and plant start-ups from non operating to fully operational
- Successful approvals track record



Infrastructure and supporting assets

- Phase 1 plant – 3 stage crushing, screening and dry beneficiation.
- Stockyard with laboratory, weighbridge and water supply in place
- Proximity to steel industry for domestic supply, Port, access available for export



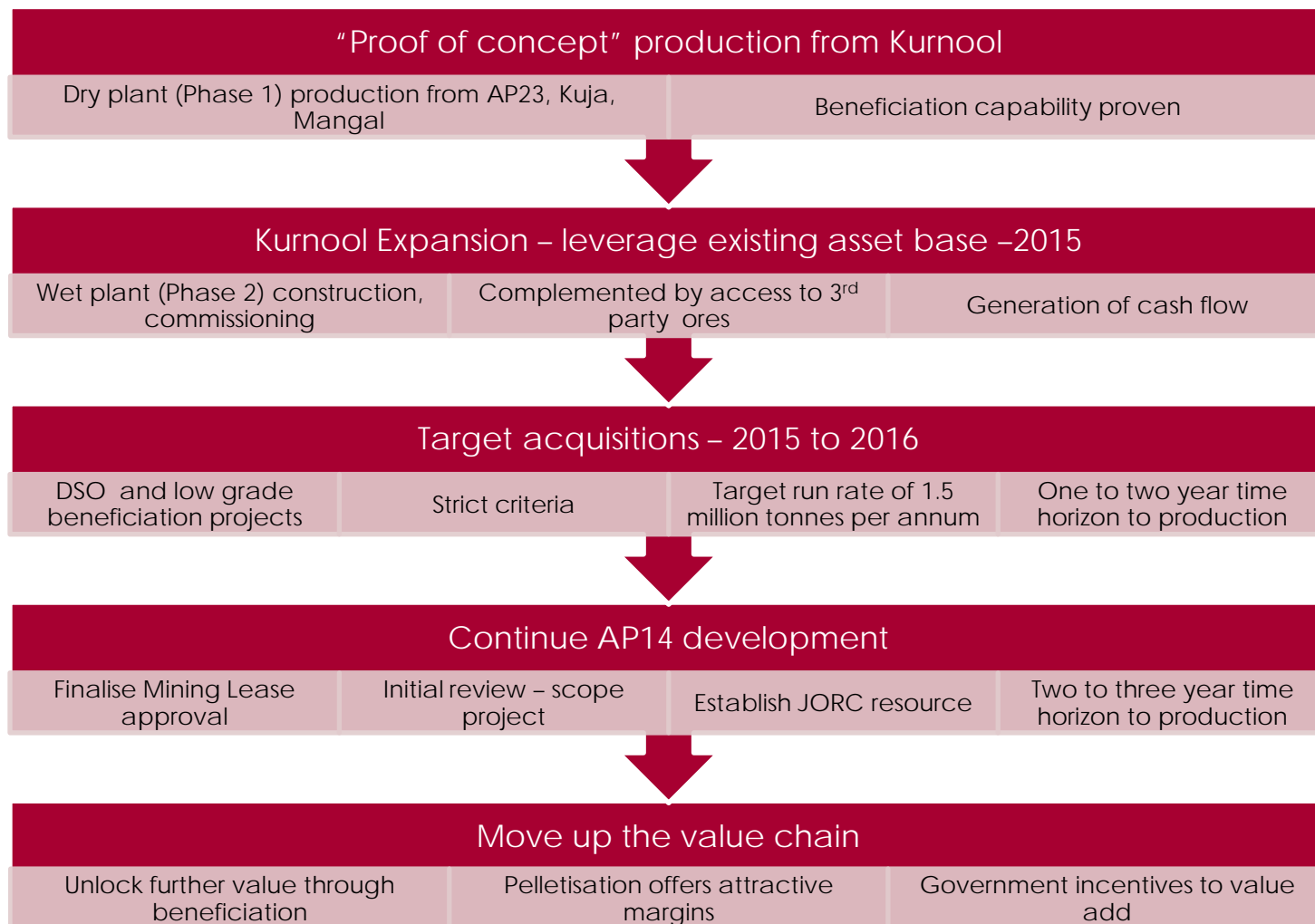
NSL operations - Stockyard



- Phase 1 dry separation plant
 - 5-20mm material
 - 50-55% Fe grades
- Domestic sales completed
- Phase 2 wet beneficiation plant
 - Fully approved
 - Fabricated
 - fines material
 - 60-62% Fe grades



NSL -looking to deliver strong growth potential



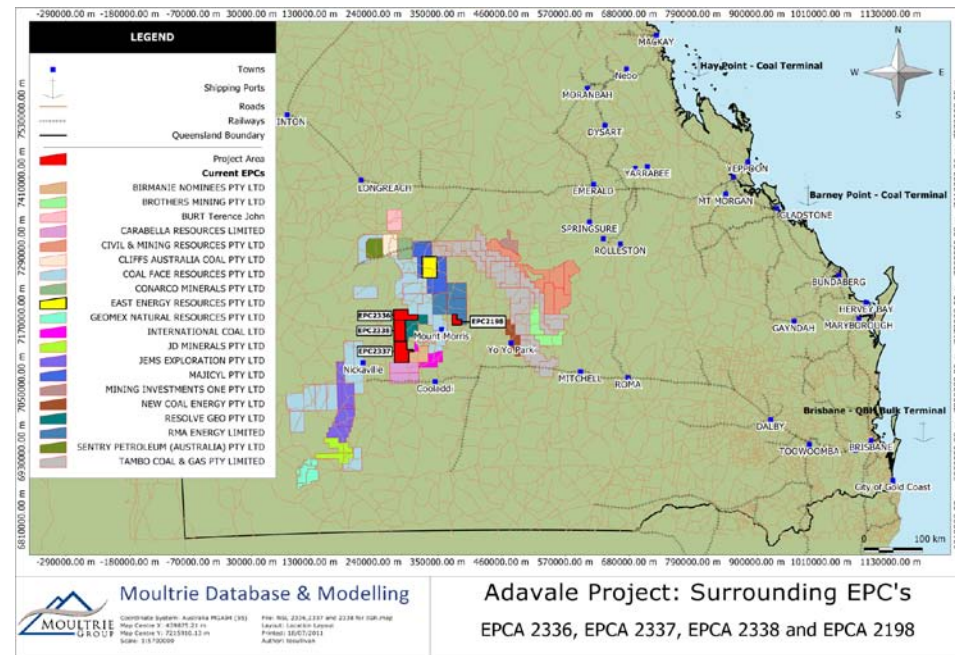
Queensland
thermal
coal
evaluation
continues



NSL – Queensland thermal coal



- Queensland exploration permits for coal (EPC) 2198, 2336, 2337 & 2338 covering 2585km²
- Analysis of **historical drilling** derives attractive exploration targets of 6.6 billion tonne to 18.7 billion tonne in thermal coal¹ exist at the projects
- Advanced permitting
 - Environmental approvals for all EPC's complete
 - Native title and cultural heritage completed
 - **EPC 2198, 2336, 2337, 2338 granted**



It should be noted that the tonnages quoted above are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.



At NSL we expect all our employees to behave appropriately to generate the culture in the company that we can all be proud of

- **Safety focus** – every employee has the right to go home safe every day and we must be aware of all hazards around us
- **Results Orientation** – find a solution to a problem and own it
- **Teamwork** – share information, communicate openly and strive towards the company goals
- **Holding People Accountable** – if someone commits to complete a task then it is expected this will be done, on time
- **Conceptual Thinking** – think outside the box, find novel and new ways to do things
- **Initiative** – don't sit back and wait to be told.
- **Interpersonal Awareness** – understand how your actions can impact others, look out for your mates

The safety journey in India



Mining Industry Incidents (reported)

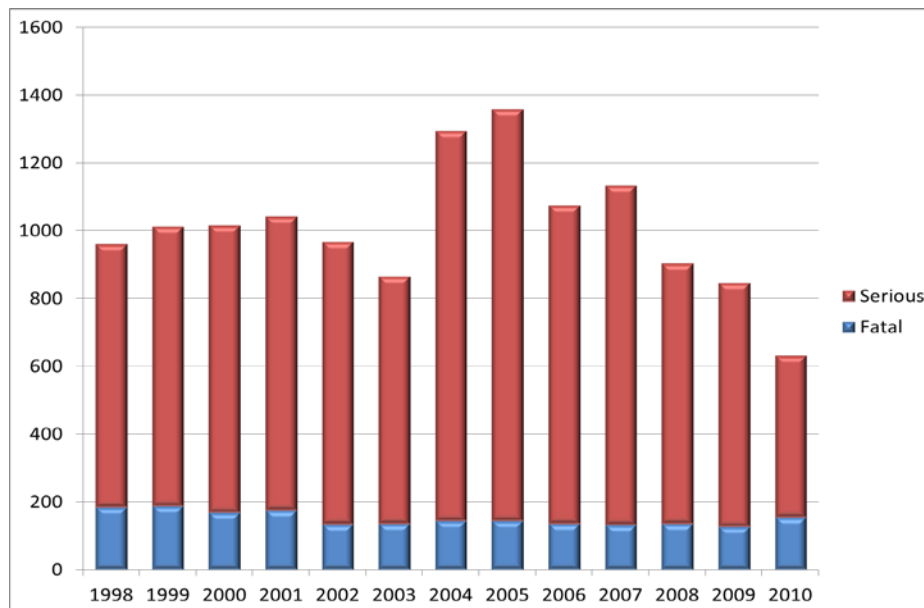


- **India**

- Fatality rate of 30 deaths per 100,000 workers employed

- **Australia**

- Pre 2104 Fatality rate hit 0 deaths per 100,000 workers employed
- Decade of decline from 14 to 0 deaths per 100,000 workers employed





India – the opportunity

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■ Size of India

- India's GDP is currently US\$1.9 trillion, making it the 8th largest economy in the world.
- However, in Purchasing Power Parity terms, which recognises India's low cost base, the GDP notionally rises to US\$5 trillion which places it on a similar size to Japan
- By end 2013, it became the third largest economy in the world (after the USA and China) in PPP terms.

■ Economic growth

- India's economy is currently growing by 4.7% per annum (in 2013). GDP is expected to grow five times in the next 20 years, and GDP per capita expected to almost quadruple.

■ Demographics

- India is one of the youngest countries in the world, with an average age of 25. India's working-age population will increase by 240 million over the next 20 years.
- India's wealthiest consumers (those earning US\$1m or more in PPP terms) will increase by 40 million in the next 10 years.

■ High Savings

- With a savings rate of 37% of GDP, India's domestic savings fuels most of its investment requirements, only 20% of India's total public debt is sourced from foreign borrowing.
- With significant investment to be made in upgrading India's infrastructure in the next 10 years (estimated to be US\$1.7 trillion) India's Government is taking various steps to further encourage private and foreign investments.

India the opportunity... Its steel industry!



- Strong local steel demand, forecast to increase substantially
- Per capita estimated steel consumption
 - World – 206kg
 - China – 427kg
 - **India – 55kg**
- India's domestic steel growth profile:
 - 2006 – 52 million tonnes
 - 2010 – 66 million tonnes
 - **2016 – 140 million tonnes**
 - **2020 – 200 million tonnes**
 - **2025 – 300 million tonnes recently announced by Steel Ministry**

What are the mining industry challenges to supporting the steel industry growth?



- **Safety Record**
 - No widespread application of even the most basic safety standards, shown up in the very high mining fatality rate
- **Corruption**
 - Endemic at all levels
- **Bureaucracy**
 - So much red tape, so many approvals, so many individuals involved with approvals
- **Protectionism**
 - Vested interest groups wanting business conducted a certain way
- **Supporting domestic steel and balancing the opportunity for exports**
 - Very low levels of exploration and development
- **CSR**
 - The government legislated minimum financial commitment of 2% of profits to be allocated to CSR needs to be embraced by all through meaningful and targeted initiatives
 - CSR in India is seen as an obligation and not an opportunity. It is in fact a **critical component of a licence to operate**

Some steps to overcome the challenges and support the steel industry.....



- **Review in detail the mining industries and its impact on the socio economic fabrics of Australia, Chile, Canada**
 - Safety, CSR, Investment, Jobs....economic growth
- **Review in detail the transition being made in parts of Africa whereby the mining industry is a vehicle to drive economic growth, prosperity and well being**
- **Promote the ability for all size companies to explore and discover resources, e.g. Australia**
 - Don't push down the auctioning route where only the large companies will be able to explore and develop projects. Few projects derives less overall investment, jobs
 - Overall country's mineral exploration and development will improve
 - This can be done to the benefit of local steel industry, export industry and the country as a whole.
- **Drive a concerted effort to abolish corruption, the Whistleblower Act of 2013 is a first step**
- **Reduce bureaucracy and duplication, there is simply too much red tape**
 - Costs time and money, limits investment and provides countless corruption opportunities
- **Embrace technology to unlock significant low grade to high grade iron ore potential**



Thank you

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