NSL Consolidated

30th March 2015

LUMP OFFTAKE AGREEMENT SIGNED WITH SIGNIFICANT INDIAN STEEL PRODUCER

HIGHLIGHTS

- NSL executes a non-exclusive lump offtake agreement with BMM Ispat.
- Agreement potential for up to A$14,000,000 in sales.
- BMM Ispat is a significant and expanding producer of pellets, power and steel.
- BMM and NSL now have non exclusive offtake agreements in place for both existing Phase One lump offtake and future Phase Two plant offtake.
- Total combined offtake agreement potential of up to A$28,000,000 in sales.
- Critical milestone achieved for the existing Phase One dry beneficiation plant and our Kurnool operations.

NSL Consolidated Limited (Company, ASX: **NSL, NSLO**) is pleased to advise that it has entered into an offtake agreement for up to 200,000 tonnes of the existing Phase One dry beneficiation plant lump product with typical specifications up to 58% Fe.

Executed with BMM Ispat **(BMM)**, this agreement has the capability of absorbing all the expected output from our existing plant, but being non-exclusive, it allows the Company to also diversify its customer base going forward.

Commercial terms for the one year agreement are market based, enabling the Company to access the current robust market conditions in the domestic Indian iron ore sector. A current market of circa 150 million iron ore tonnes to supply the world's fourth largest steel industry, the Indian domestic steel industry is planning to triple in size over the next 10 years.

Importantly, this second offtake agreement with BMM was achieved as a result of the close working relationship the two companies have now developed and are continuing to develop. The offtake agreement, directly with the end user, avoids the need for traders and the uncertain credit worthiness inherent with this medium, and therefore reducing the sales transactional risk.

BMM's current and future expanding production of steel can easily absorb 100% of the Company's production. During detailed evaluations both parties confirmed the strong alignment in the Company's iron ore specifications produced and BMM's required iron ore raw material specification.

The BMM steel complex is approximately 240kms from NSL operations and located within the Hospet region of Karnataka, southern India's main steel producing belt.

Production facilities located at the BMM steel complex include:

- Beneficiation Plant of 2.60 Million Tonnes per annum **(MTpa)**
- Pellet Plant of 2.60MTpa
- Sponge Iron Plant of 0.73MTpa
- Induction Furnace of 0.10MTpa
- Rolling Mill of 0.09MTpa
- Power Plant of 95 MW

BMM has embarked upon expansion projects which will result in new capacities for:

- Integrated Steel Plant of 1.25MTpa
- Power Plant of 140 MW

For further information on BMM, please refer to www.bmm.in

The continued engagement by steel producers serves to further enhance the Company's profile and reputation as the only foreign company to own and operate its own iron ore mines in India.

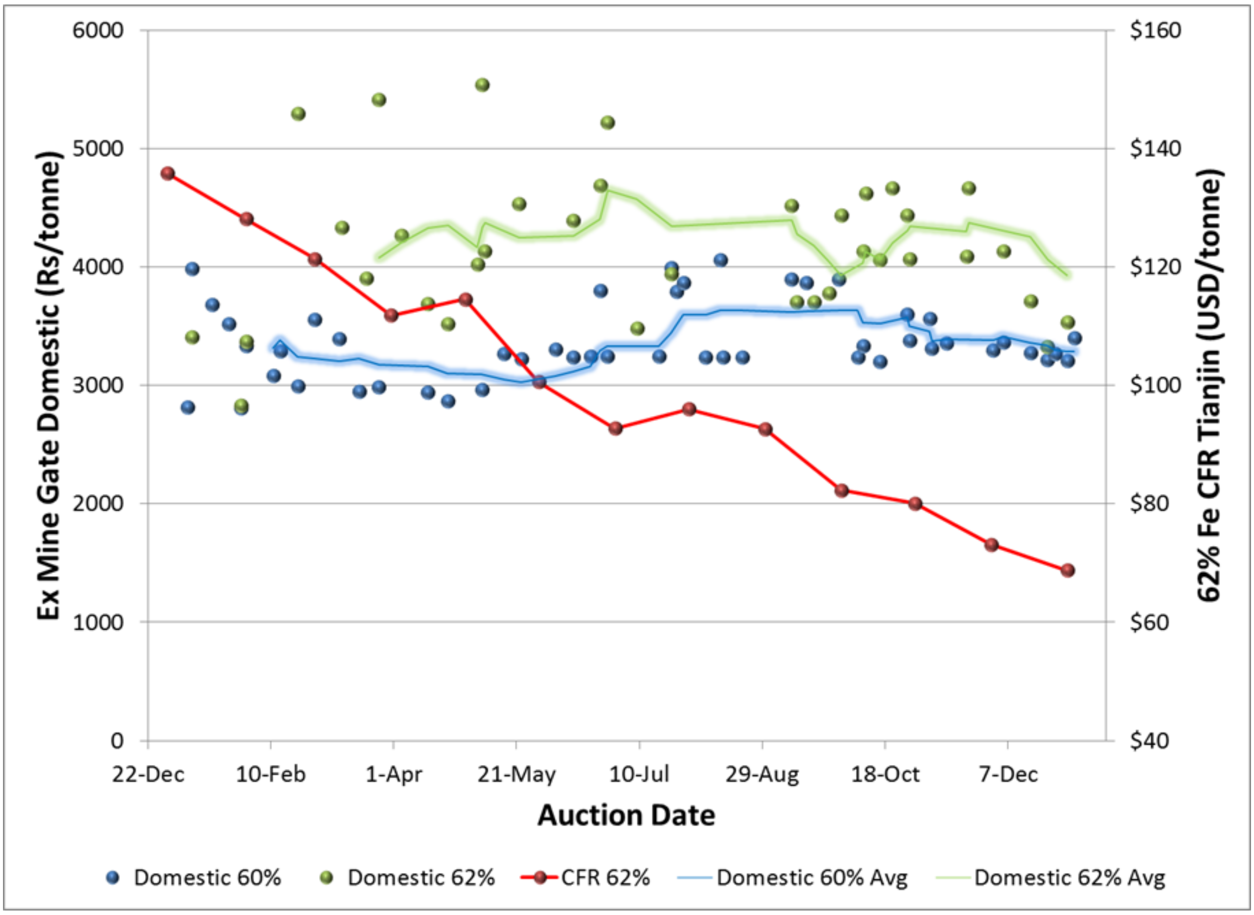
As the Company increases its levels of exposure to the steel industry, it positions the Company to become an important participant in the Indian and Australian bilateral trade process.

The Company continues to become more enthusiastic about the iron ore opportunity afforded to it in India and its strong demand for domestic supply, and in this regard further non exclusive offtake discussions are in progress with additional significant steel producers to enhance our customer base.

The Company and BMM are now working together to finalise adding the Company as a vendor on the BMM system, leading to the first purchase order and delivery of material, technical trials through the DRI kilns, including development of KPI's and product specifications for further long term supply. This will also include the finalisation of supply logistics and longer term pricing mechanisms.

As mentioned previously to the market, Indian ex mine gate domestic pricing continues to outperform the global seaborne pricing of iron ore. Transparent pricing in the Company's operating region is provided by the electronic auction (e-auction) in the neighbouring state of Karnataka.

The following chart shows the weighted average ex mine gate pricing data from all auctions in Karnataka for iron ore fines, charted against the monthly spot pricing CFR China.

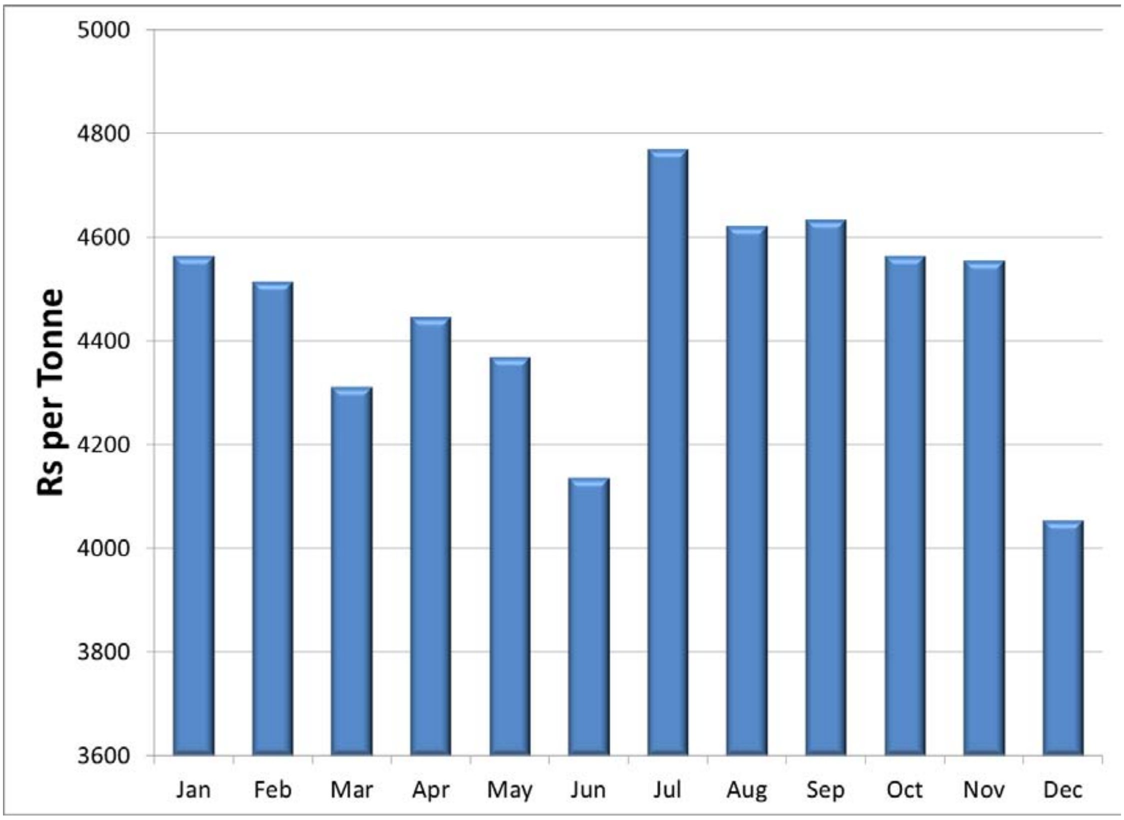


For the December 2014 quarter, at the current exchange rates the following table highlights the Indian domestic fines ex mine gate pricing.

Fines Grade	EXW Pricing (INR)	EXW Pricing (AUD)
62%	4,120	$83.89
60%	3,334	$67.88

During the same quarter the CFR prices delivered into China averaged US$74.00 per dry metric tonne.

The Company has conducted a similar analysis on the lumps pricing from the auction process, and the following chart shows the ex mine gate pricing for lumps for 2014. This data has taken each auction result and been converted to 55% Fe equivalent pricing.



The market has shown some softening in the current quarter, however India's largest iron ore miner, NMDC stated recently there is no further room for downward movement, reflected by import parity at current levels.

For the December 2014 quarter, at the current exchange rates the Indian domestic lumps ex mine gate pricing for 55% Fe averaged Rs 4390 per tonne, or $89.37 AUD.

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