



NSL Consolidated

15 May 2015

DRAWDOWN NOTICE ISSUED FOR TRANCHE FOUR OF MAGNA EQUITIES CONVERTIBLE LOAN

HIGHLIGHTS

- Tranche 4 draw down notice issued for US\$250,000.
 - Balance of funds subsequently available for drawdown over 2 years in US\$250,000 increments every 60 calendar days at the Company election (subject to customary conditions including no events of default or termination events having occurred).
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**) is pleased to advise that it has now issued the tranche four draw down notice to Magna for US\$250,000.

The funds received will 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. Importantly, it is at a time of strong domestic pricing, strong domestic iron ore demand, economic growth and robust steel production growth.

The Company also advises that it has today issued a total of 10,979,521 Fully Paid Ordinary Shares in the Capital of the Company. 2,185,065 Shares were issued as Commitment Shares to tranche 4 with the balance of 8,794,456 Shares being issued in accordance with a conversion notice received to convert US\$40,000 (A\$49,284.95) of the total funds received under the Magna Equities US\$4M funding agreement.

S.708A(5)(e) NOTICE

This notice is issued pursuant to section 708A(5)(e) of the Act and the Company advises that to the best of its knowledge, information and belief as at the date of this certificate the following statements are true and not misleading:

1. The relevant securities are in a class of securities that were quoted securities at all times in the 12 months before the day on which the relevant securities were issued.
2. The Company issued the relevant securities without disclosure to investors under Part 6D.2 of the Act, in reliance on section 708.
3. As at the date of this Notice, the Company has complied with:
 - a. The provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. Section 674 of the Act (as it applies to the Company).

4. As at the date of this Notice, there is no excluded information (as that expression is defined in sections 708A(7) and 708A(8) of the Act) in relation to the Company.

The relevant Appendix 3B for the issue & quotation of these Shares is also attached to the announcement.

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

NSL CONSOLIDATED LTD

ABN

32 057 140 922

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Fully Paid Ordinary Shares
2. Fully Paid Ordinary Shares

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 2,185,065
2. 8,794,456

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

1. Fully Paid Ordinary Shares
2. Fully Paid Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | |
|---|--|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>1. Yes 2. Yes</p> |
| <p>5 Issue price or consideration</p> | <p>1. 0.007c per share 2. 0.0056c per share</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>1. Commitment Shares; 2. Conversion Notice Shares;</p> <p>in accordance with the Magna Equities funding agreement as announced on 15 January 2015.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>Yes</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>19 November 2014</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>10,979,521</p> |

+ See chapter 19 for defined terms.

| | | |
|----|---|---------------------------------------|
| 6d | Number of +securities issued with security holder approval under rule 7.1A | Nil |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Nil |
| 6f | Number of +securities issued under an exception in rule 7.2 | Nil |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | N/A |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | 7.1 – 63,582,907 7.1A – 73,543,125 |
| 7 | +Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B. | 15 May 2015 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | Number | +Class |
|---|-------------|--|
| 8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | 782,163,035 | NSL - Fully Paid Ordinary Shares |
| | 305,420,062 | NSLO - Listed Options exercisable at 1 cent and expiring on 31 December 2016 |

| | Number | +Class |
|---|-------------|---|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 23,510,000 | Unlisted Options - 30/06/2015, 0.04 cent exercise price |
| | 6,000,000 | Unlisted Options - 30/06/2015, 0.07 cents exercise price |
| | 190,000,000 | Unlisted Options - 31/12/2016, 0.0096 cents exercise price |
| | 1 | Convertible Note - face value of US\$2,500,000. Maturity date of 20/09/2015 |

| | |
|---|--|
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | The Company does not currently have a dividend policy. |
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Part 2 - Pro rata issue

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| 11 Is security holder approval required? | |
|--|--|

+ See chapter 19 for defined terms.

- | | | |
|----|--|--|
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

| | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | | |

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 621,111,921 |
| Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period | 26,800,000 7,000,000 25,093,000 30,000,000 20,093,000 5,333,333 |
| Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | - |
| “A” | 735,431,254 |

+ See chapter 19 for defined terms.

| | |
|--|--|
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 110,314,688 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: | 1,538,972 |
| | 1,148,493 |
| • Under an exception in rule 7.2 | 13,356,458 |
| • Under rule 7.1A | 2,338,853 |
| • With security holder approval under rule 7.1 or rule 7.4 | 8,186,072 |
| | 9,183,412 |
| <i>Note:</i> | 2,185,065 |
| • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> | 8,794,456 |
| • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> | |
| • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| “C” | 46,731,781 |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| “A” x 0.15 <i>Note: number must be same as shown in Step 2</i> | 110,314,688 |
| Subtract “C” <i>Note: number must be same as shown in Step 3</i> | 46,731,781 |
| Total [“A” x 0.15] – “C” | 63,582,907 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 735,431,254 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 73,543,125 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | - |
| “E” | - |

+ See chapter 19 for defined terms.

| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A | |
|--|--|
| <p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p> | 73,543,125 |
| <p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p> | - |
| <p>Total ["A" x 0.10] – "E"</p> | <p style="text-align: center;">73,543,125</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p> |

+ See chapter 19 for defined terms.