



4 February 2016

Jill Hewitt
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

RESPONSE TO ASX PRICE VOLUME QUERY

We refer to the ASX Query dated 4 February, 2016 and respond to each of the questions as follows:

1. No.
2. Not Applicable.
3. The Company has recently made various announcements relating to progress of its business as the only foreign company to own and operate iron ore mines in India, which included:
 - Execution of a Memorandum of Understanding (**MoU**) directly with the Government of Andhra Pradesh (**GoAP**). Refer to announcement dated 14 January 2016:
 - The Company highlighted that the MoU is to unlock significant iron ore production potential for the Company in the state of Andhra Pradesh;
 - In addition, GoAP will facilitate the provision of necessary assistance to NSL which includes prompt land acquisition, adequate infrastructure development offer attractive operating incentives;
 - Huge 28,000 acre industrial park to be developed 30kms from NSL's operations;
 - Andhra Pradesh on track for +14% growth for next 15 years as a result of building a new state; and
 - The MoU reinforces the Company's strategy of value addition in the Indian iron ore industry.
 - Phase Two wet beneficiation plant update. Refer to announcement dated 22 January 2016:
 - Wet beneficiation plant fabrication inspection visit completed, major componentry at completion stage;
 - The Company highlighted the changed manufacturing environment in China has presented the Company with the ability to negotiate/re-negotiate and potentially significantly improve on the capital cost and payment terms associated with the wet plant;
 - Based on the negotiations/re-negotiations currently in progress, in order to keep costs to a minimum, the Company had only drawn down on A\$300,000 of the A\$1,100,000 as previously announced;
 - Wet plant commissioning expected to commence in Q2 2016; and



NSL Consolidated Ltd

- In addition, there are offtake agreements already in place for 100% of the Phase Two wet plant premium product with JSW Steel & BMM Ispat.

The recent trading volume may represent the growing awareness and understanding in the market place for the potential of the Company's Indian iron ore business; and

4. We confirm that the Company is in compliance with the Listing Rules and, in particular Listing Rule 3.1.

Yours faithfully,

Sean Henbury
Company Secretary



4 February 2016

Mr S Henbury
Company Secretary
NSL Consolidated Limited
Suite3, 17 Foley Street
BALCATTA WA 6021

By Email: seanh@fjhsolutions.com.au

Dear Mr Henbury

NSL Consolidated Limited ("the Entity")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Entity's securities from a close of 0.6 cents on 2 February 2016 to an intra-day high of 0.9 cents today. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a. Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b. Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.



When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **11.30 a.m. WST on Thursday, 4 February 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail on jill.hewitt@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.



We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Jill Hewitt

Senior Adviser, Listings Compliance (Perth)