



NSL Consolidated

2 March 2016

SIGNIFICANTLY OVERSUBSCRIBED PLACEMENT, TARGET \$2M, COMMITMENTS OF \$3.2M

HIGHLIGHTS

- Placement commitments received for \$3.2m equity raising to top 20 shareholders, funds, high net worth investors and Board and management.
- Placement demand significantly exceeds expectations, with Company targeting \$2m, closing book and accepting oversubscriptions of \$1.2.
- Raising completed to augment the Magna senior secured loan, accelerate the Phase Two wet beneficiation plant and improve future profitability.
- Board and management commit \$407,000 as part of Placement.
- Phase Two wet beneficiation plant program continues with commissioning expect to commence in Q3 2016.
- Phase Two wet beneficiation plant expected to be cash flow positive by end Q4 2016.
- Offtake agreements already in place with India's JSW Steel and BMM Ispat for Phase Two product.
- India, world's fastest growing major economy at 7.6% GDP growth.
- Andhra Pradesh state on track for +14% growth for next 15 years as a result of building a new state.

NSL Consolidated Limited (Company, ASX: NSL, NSLO) is pleased to announce that the Company has secured commitments predominately from existing top 20 shareholders, investment funds and high net worth investors for the placement of 400,992,936 fully paid shares at an issue price of 0.008 cent per share, raising \$3,207,943 before costs of the offer.

Board and management commit a further \$407,000 as participation in the placement, in satisfaction of existing accrued fees and salaries. Thereby further strengthening the balance sheet and reinforcing the Board and management's belief in the Company and its strategic direction.

The Company has engaged Sanlam Private Wealth as lead manager to the Placement.

Managing Director, Mr Goode commented:

"The company is at a very exciting juncture. We now have completed this significantly oversubscribed capital raising to augment the existing \$5m secured

debt facility and accelerate the construction, commissioning and operations of our Phase Two wet beneficiation plant in India.

The ground swell of interest in the Company and its Indian iron ore business led to us significantly exceeding our \$2m capital raising target and closing the book at \$3.2m. New institutional and high net worth investors are supporting the Company in addition to the existing top 20 shareholders with further contributions from Board and management."

The Placement will occur in two tranches, with up to 177,500,000 million shares being issued under the Company's 15% and additional 10% placement capacity, with the balance of the Shares (including related parties) subject to shareholder approval at a General Meeting of Shareholders expected to be held mid-April 2016.

One free attaching listed option (NSLO) will be granted for every two shares allotted under the Placement with a 1 cent exercise price and an expiry date of 31 December 2016, which will also be subject to the receipt of shareholder approval.

The funds raised pursuant to the Placement will be used to augment the existing Magna senior secured loan for the following purposes:

- To fund the acquisition, construction and commissioning of the Phase Two wet beneficiation plant in India; and
- For general working capital.

The Placement is due to settle on 9 March 2016.

The Company confirms this announcement lifts the trading halt currently in place over NSL's securities.

Phase Two Wet Beneficiation Plant Progress

Due to the changed manufacturing environment in China, this has allowed the Company to negotiate and significantly improve on the cost and payment terms associated with the wet plant. These negotiations are at the final stage and expected to complete in the coming weeks.

Subsequent to recent discussions with Chinese equipment fabricators it is anticipated the plant will be shipped from China to India in the month of April.

Current planning indicates commissioning of the Phase Two wet beneficiation plant commencing in June 2016, with positive cash flow in India expected by the end of Q3.

Phase Two will be a wet beneficiation process, allowing NSL to produce a high grade premium price iron ore product grading between 58-62% Fe at around 200,000 tonnes p.a.

The Company has already successfully negotiated offtake agreements for Phase Two's high grade iron ore product with the US\$9 billion Indian global conglomerate, JSW Steel, also that country's leading private sector steel producer; and BMM Ispat, a leading pellet, power and steel producer. For further information on JSW and BMM, please refer to www.jsw.in and www.bmm.in.

The Company, is the only Australian or foreign company to own and operate in India's massive iron ore market, has an established dry processing plant operation for iron ore product at Kurnool and which is serviced by two of its local mines nearby, Kuja and

Mangal. These mines will also provide the feedstock for the Phase Two wet beneficiation plant.

The Company looks forward to further updating the market accordingly on the status and progress of the Phase Two wet beneficiation plant.

Andhra Pradesh Key Facts

During a World Bank survey in 2015 Andhra Pradesh was rated as #2 state in India for ease of doing business.

The 15-year business plan sees an expected **14%** growth rate projected out to 2029 for the State, based on an aggressive infrastructure program for the new State including airports, ports, highways and a new greenfield Capital City located at Amaravati.

Two major initiatives that will impact on the State are the Vizag – Chennai and Bangalore – Chennai infrastructure corridors. The Asian Development Bank is supporting the AP Govt in the development of the Vizag - Chennai corridor. The \$900m project will have \$700m funded by the ADB and \$200m to be provided by the State Govt. This linkage is part of the much larger Pan Asia land bridge connecting India to China and South East Asia.

State GDP	US\$86 Billion
Per Capita Income	\$1,500
Capital City	Amaravati
Largest City	Visakhapatnam
Cities with more than 1m people	27

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