



NSL Consolidated

22 July 2016

PLACEMENT SIGNIFICANTLY OVERSUBSCRIBED BY 70%, CONDUCTED AT A PREMIUM

HIGHLIGHTS

- Placement commitments received for \$3.4m equity raising to predominantly investment funds, as part of transitioning the share register to include institutional based investors.
- Demand significantly exceeds expectations by 70%, with Company targeting \$2m, closing book and accepting oversubscriptions of \$1.4m. The placement was conducted at a 21% premium to the 30 day VWAP.
- Raising completed to accelerate the purchase of an additional 200,000 tonnes per annum plant in Q4 2016 for rapid expansion and provide flexibility to repay debt.
- Magna to retire security over Company and its assets.
- Phase Two wet beneficiation plant program continues on schedule in line with project plan. Erection will commence prior to end July, commissioning to commence in September 2016, and 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, investment funds and high net worth investors for the placement of 170,000,000 fully paid shares at an issue price of \$0.02 cent per share, raising \$3,400,000 before costs of the offer.

The Placement was conducted at a 21% premium to the 30 day VWAP.

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

Managing Director, Mr Goode commented:

“The Company continues its progression by attracting institutional investors to the register in support of our business, as the only foreign company to own and operate iron ore mines in India, and one of the very few listed companies with exposure to the Indian growth opportunity.

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We now have completed this significantly oversubscribed capital raising at a premium, to rapidly accelerate an expansion of production by an additional 200,000 tonnes. It is anticipated ordering a mirror sized plant ahead of schedule in the last quarter of this year, provide flexibility to repay debt and complete the imminent commissioning and operation of our Phase Two wet beneficiation plant in India.

The continued ground swell of interest in the Company and its Indian iron ore business led to us again significantly exceeding our \$2m capital raising target and closing the book at \$3.4m. New institutional and high net worth investors are supporting the Company in addition to the existing top 20 shareholders. It really is an exciting time to be part of the Company's future."

The Placement will occur in one tranche, with up to 170,000,000 million shares being issued under the Company's 15% and additional 10% placement capacity.

The Company has agreed with Magna Equities, such that Magna are to retire security over the Company and its assets with a \$500,000 repayment of its outstanding secured loan.

The Placement is due to settle on 28 July 2016.

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

Phase Two Wet Beneficiation Plant Progress

The wet beneficiation plant project continues moving forward in line project schedule.

Bore well drilling progresses to provide the wet plant process water.



Bore well drilling

Indian procured electrical cabling and componentry has commenced arriving on site.



High voltage cabling arriving on site

Third stage delivery of the Chinese equipment has successfully moved through the customs process and been cleared. This equipment continues to arrive on site for unloading according to the Company's schedule.



Third Chinese equipment shipment arriving on site



Chinese equipment unloading



Chinese equipment unloading adjacent to wet plant feed stockpiles

With the majority of the civils works now complete, the project team will now commence erection of the wet beneficiation plant prior to the end of July 16, which will be overseen by Huate engineers on site throughout the process.

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 GPD	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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