



NSL Consolidated

11 April 2011

INDIAN OPERATIONS UPDATE - MODIFIED MINING PLAN APPROVAL

HIGHLIGHTS

- Indian Bureau of Mines approvals granted for Kuja Mining Plan
 - Average annual planned capacity increased from 8,830 tpa to 331,297 tpa*
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NSL Consolidated Limited (**NSL**) is pleased to advise that the Modified Mining Plan (**MMP**) submitted for the Kuja Project has been approved by the Indian Bureau of Mines (**IBM**).

As previously reported, the Company commenced mining at Kuja in February 2010, and focussed on the excavation of trial pits and small scale productivity assessments. The Company was not able to commence bulk mining and material processing as the initial terms of the approved IBM Mining Plan allowed only for very small scale operations.

During previous quarters, the Company announced that it had completed the process of submitting a modified mining plan to local authorities seeking to increase the mining rate at the Kuja Project. This resulted in a number of additional requests and follow up engagements through the various departments of the IBM.

The submissions process has now been completed, and the Modified Mining Plan has been approved by the IBM.

The modification of the Mining Plan was completed to change two critical operational constraints, namely:

1. Move from 100% manual mining methods to allow mechanised mine operations.
2. Increase in the average approved annual production from the mine from 8,830 tonnes to 331,297 tonnes per annum* over the 5 year period of validity for the Mining Plan.

This approval has a number of significant operational benefits to NSL's Kurnool operations, with the overriding success being, when combined with the existing Mangal 500,000 tonnes per annum* approval, the ability to underpin the feed stocks to the proposed Kurnool beneficiation plant.

"This is an important step in the ramp up of our Kurnool business" said NSL Managing Director Cedric Goode. "The ability to clear this critical approval for our operations at Kuja

gives added flexibility and security to the low grade beneficiation plant proposed for this region."

"This process has taken more than 12 months to work through to completion, but with the establishment of strategic relationships and development of in house capability we expect this process to be significantly streamlined in the future." added Mr Goode.

** It must be highlighted that the existence of a mining plan approval for any mining rate from the Kuja and Mangal Projects should not be taken as a forecast of production by NSL. The ability of the Company to be able to continue to mine iron ore from the Kuja and Mangal Projects will be determined by many factors, including delineation of sufficient tonnes and quality of iron ore to feed into the Kurnool beneficiation plant.*

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