



# NSL Consolidated

19 April, 2012

## SIGNIFICANT MILESTONE ACHIEVED - SALEABLE IRON ORE MATERIAL PRODUCED

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### HIGHLIGHTS

- First saleable beneficiated iron ore produced during Indian commissioning stage
  - Iron ore grade of 58% achieved on dry separation circuit
  - Staged commissioning continues
  - On target for first sales revenue by end 1st half 2012
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The Directors of NSL Consolidated Ltd (**NSL** or **Company**) are pleased to report that construction and commissioning of the Phase one Kurnool iron ore dry separation plant in India continues on time and budget and has achieved a significant milestone this week with the production of first saleable beneficiated iron ore.

Importantly, the beneficiated iron ore grade achieved was up to 58% with further process optimisation continuing. Currently, 58% Fe iron ore sells domestically at the mine gate for approximately 4500INR/t (approx US\$90/t).

The Company notes that this production occurred through the Phase 1 dry separation circuit whilst commissioning individual equipment components. The Company expects saleable grades of up to 58% Fe to continue, and small scale volumes to increase as NSL progressively ramps up the commissioning process over the remainder of 1H 2012.

Given the strength in both demand and pricing of the domestic iron ore market, it is likely NSL may prioritise domestic ex-gate sales ahead of export opportunities.

The Company views the production of first saleable beneficiated iron ore as a milestone and is aiming at a Phase 1 initial steady production rate of 200,000 beneficiated tonnes per year and remains on track for sales revenue from Kurnool in the 1H 2012.

The Phase 2 wet beneficiation plant process, which is capable of producing final product grades of between 58-62% Fe, with a capacity of an additional 200,000 tonnes per annum, will be brought into operation later in 2012 with completion and sales first half 2013.

Perth-based NSL is the only foreign company to own and operate iron ore mines in India.

### CONTACT:

Cedric Goode  
NSL Consolidated  
0400 408 477

Kevin Skinner  
Field Public Relations  
(08) 8234 9555 / 0414 822 631