



30 May 2013

JOINT VENTURE UPDATE

The Directors of NSL Consolidated Ltd (**NSL** or **Company**) are pleased to advise that over the past two months, both NSL and Vijay have been finalising the relevant mining contracts with Vijay's subsidiary companies (for both Kuja and Mangal), equipment hire contracts for the NSL stockyard, enhanced NSL's operational structure by integrating Vijay personnel into key operational roles and run budget and planning workshops.

The contracts have progressed to a status whereby the Company has demobilised existing contractors, and Vijay has commenced mobilisation of its equipment, with two loaders and an excavator already on site.



Equipment arriving at the stockyard mine entrance

The Volvo equipment, as part of the rapid mobilisation fleet includes one excavator, two wheel loaders and seven trucks. To support the equipment/operations there are approximately 40 people, including operators, supervisors and full servicing/maintenance crews. Additional equipment/personnel will be mobilised to site during the coming months.

It is envisaged, Vijay as a mining contractor will be fully operational in June, and the arrival of quality mobile equipment and personnel will enable higher Run of Mine (**ROM**) production and transport rates from the mine(s) to the stockyard for processing.



NSL Consolidated Limited

Vijay's affiliate companies will be responsible entirely for the mining and transport of ROM material from the mine(s) to the stockyard on a per tonne received at the stockyard basis.

As part of the JV transitional process, the Company has been moving previously mined ROM stockpiles from the mine(s) to the stockyard to enable the processing plant to operate on a double shift basis for a majority of June as Vijay become fully operational.

During the month of May, the Company has seen demand for iron ore product start to regenerate, as the impact of the rolling power cuts within the State diminish and sponge iron manufacturing plants restock in preparation to recommence operations.

Also, during May the Company has sold approximately 1,500t of its iron ore stockpiles. In addition the Company has received Purchase Orders for the bulk of the remaining stockpiled iron ore and anticipates the balance to be sold in the near term. At the completion of the previous quarter the Company had approximately 2,500 tonnes of saleable material stockpiled and ready for sale.



Material dispatch to customers

The Company continues to work with Vijay in relation to the fulfilment of Vijay's financial commitments under the Joint Venture Agreement. Of the Tranche One and Two investments totalling INR 150,000,000 a small part payment has been received.

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