



NSL Consolidated Limited

15 April 2013

JOINT VENTURE UPDATE

The Directors of NSL Consolidated Ltd (**NSL** or **Company**) announce a status update pursuant to the Joint Venture Agreement (**JV**) with prominent Andhra Pradesh-based, Vijay Group (**Vijay**) as announced on 13 March 2013.

The main objective of the JV agreement and strategic alliance is for both partners to focus on expanding NSL's current iron ore operations and pursuing additional avenues for growth, including future mine acquisitions - primarily throughout Andhra Pradesh.

Over the course of the past month, in preparation for the JV, NSL have completed a successful maintenance shutdown, commissioned four additional dry separators to the existing Phase one plant located at the stockyard, continued work on the Phase two wet beneficiation plant project and conducted business planning sessions with Vijay.

Vijay are strongly committed to the JV as the Companies work closely together in moving towards transitioning NSL's existing Indian subsidiary to the operational and ownership structure as contemplated in the JV.

Vijay have informed the Company that due to unanticipated delays associated with the Indian Financial Year (April to March) close, they have been slightly delayed in making the first tranche JV payment, however committed investments of INR 150,000,000 by April 29th (total/timing of Tranche 1 and 2) from Vijay are forecast to start flowing into the JV, in a staggered manner. The payments will fit within the overall schedule agreed in the recently signed JV Agreement. This delay has not impacted on the detailed planning with Vijay as to their involvement in the future mining and transport of iron ore from the mine(s) to the NSL stockyards for processing.

Vijay Group's extensive iron ore and coal mining contracting business in India has been operating at a 70 million tonne per annum rate. Their existing equipment and operating/management expertise will be integrated into the JV as quickly as possible which has significant strategic benefit to both parties.

A review of current operations is being undertaken to integrate Vijay plant, equipment and personnel into the existing NSL business and transition the JV to a business capable of operating at an estimated 1.5 million tonnes per annum of saleable iron ore within two years.

CONTACT:

Cedric Goode
NSL Consolidated
0400 408 477

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