

15 December 2016

SECOND LARGEST MINING LEASE IN KURNOOL REGION SECURED, FURTHER INCREASING MINING PROJECTS

HIGHLIGHTS

- NSL secures access to additional large scale mining lease, designated AP3, located only 10kms from to its wet beneficiation plant and stockyard.
 - Definitive documentation executed for the life of the mining lease, and any extension thereto for the 106 acre project.
 - NSL to take full control of all aspects of the mining lease in exchange for a beneficiated Run of Mine royalty payment of circa \$1/tonne.
 - AP3 is the second largest mine in the region, containing a significant quantity of iron ore material amenable to NSL's beneficiation processes.
 - AP3, when combined with AP 26 and 27 acres of land area, represent an 800% increase in total mining lease area compared to existing leases, Kuja and Mangal.
 - All approvals in place over 77 acres, ready to operate in support of iron ore production and expansion plans.
 - AP3 further supports and potentially enhances regional production plan.
-

NSL Consolidated Limited (**NSL** or the **Company**) is pleased to provide the following update relating to securing important wet beneficiation production expansion mining lease, designated AP3, through a Run of Mine (**ROM**) royalty based agreement.

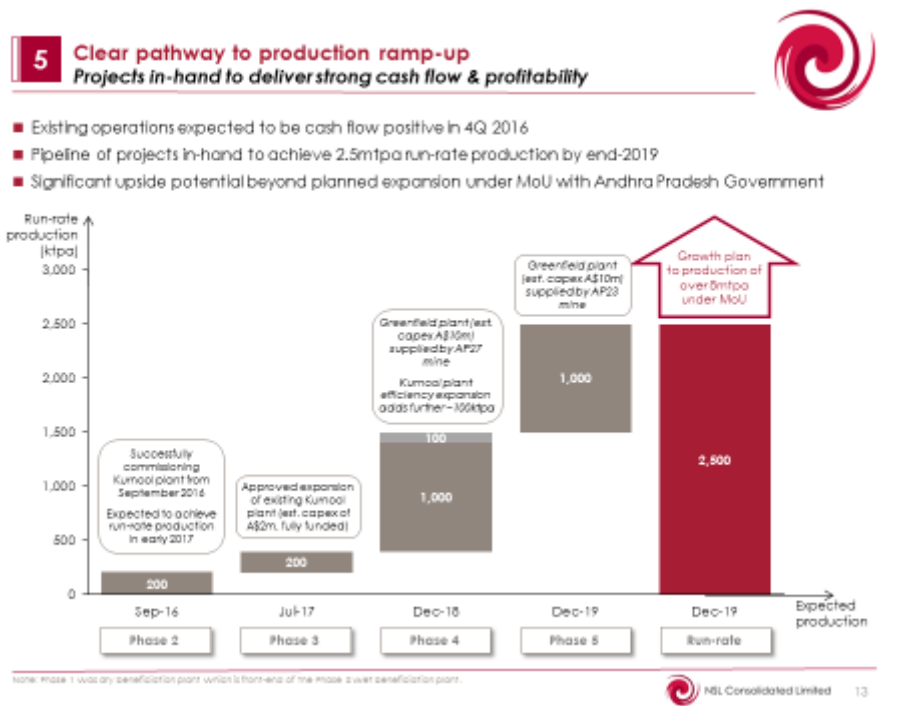
Under the agreement, the lessee agrees to grant the Company exclusive operation and management rights over the subject mining assets for a period equal to the length of the Mining Lease (**ML**) and any extensions thereto.

Importantly, the AP3 mine is the second largest ML in the area, hence a significant milestone for the Company as it further consolidates the region and feed for production expansion. Combined with AP26 and 27 land area, these ML's represent an 800% increase on existing ML's, Kuja and Mangal. The securing of AP3, 26 and 27 in addition to AP23 provides significant upside to the Company, and again moves NSL another step closer to achieving our strategy.

The material, is hosted as both Banded Hematite Quartzite (**BHQ**), and in-situ ore which is located within the mining lease of 31.16 hectares (77 acres). In addition, there is a further 11.9 hectares (29 acres) mining lease which lies adjacent to the existing mine lease and is held by the same lessee. This second lease is still being processed through the required environmental and forest clearances.

The AP3 project is ready to operate with all clearances obtained from concerned departments. The ML was issued on 3 August 1974 for a 30 year period, with the first renewal taking place during 2010 for a period of 20 years, with effect from 3 August 2004. All government clearances pertaining to the mine lease have been completed and mining operations are at initial stages.

The AP3 project further supports and potentially enhances the regional production plan.



Location and accessibility:

AP3 ML approximately 10 km north west of AP2 mine and the stockyard and can be approached by well metalled road which is running adjacent to the lease area.

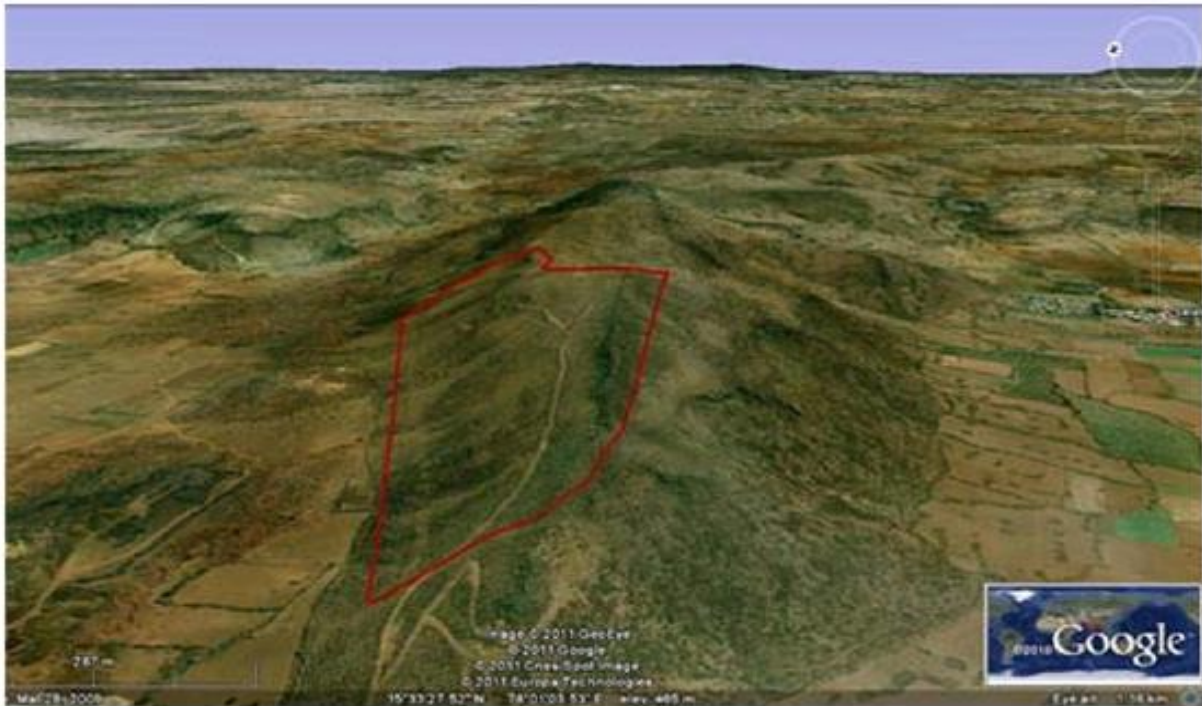
Google Map showing aerial view of the study area and connectivity





Topography of the ML area

The mining lease area covers the plateau and Northern slope of hillock. The highest and lowest elevations are 500m and 375m above mean sea level. There is no river or major nallahs within or near the lease hold area. There are few seasonal nallahs which drains the rain water during the monsoon period and there are two small earthen dams towards southern side of the lease.



Topography of the area

Area showing the Stock Yard, Haulage Road in the Mine Lease





NSL Consolidated

CONTACT:

Cedric Goode
NSL Consolidated
0400 408 477