



12th April 2016

HUATE ENGINEERS ON SITE IN INDIA

HIGHLIGHTS

- Engineers from China Huate conduct first visit to NSL's Indian operations.
 - Visits include stockyard and mines as part of Phase Two wet beneficiation project.
 - Huate has also inspected future NSL projects to better understand growth plans for both companies.
 - Equipment fabrication schedule on track, with Stage One due for completion in April 2016.
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NSL Consolidated Limited (**NSL** or the **Company**) is pleased to provide the following update relating to the construction of its wet beneficiation iron ore plant in India.

Over the past week, NSL have been hosting a team of engineers from equipment provider Shandong Huate Magnet Technology Co. Ltd or Huate Magnetism (**Huate**), one of China's premier global beneficiation plant suppliers (refer <http://www.chinahuate.com/>).

The team from Huate has inspected the plant location and been assisting with detailed engineering design enabling the generation of final construction plans.

The visit has also allowed planning of fabrication and shipping schedules for the plant from China. The Huate team will participate in a final risk assessment between Huate, Design Tribe and NSL prior to excavation and site civil works commencing.



Figure 1 – Huate Engineers visiting NSL plant



NSL Consolidated Limited

During the site inspection the Huate team were also able to inspect NSL's pipeline of future projects to better understand the growth profile for the Kurnool district and the potential to upscale the technology.



Figure 2 – Team inspecting mining projects

As announced previously, Huate is a specialised beneficiation plant supplier, and is unique in China in that it has capability in plant design, fabrication, construction, commissioning and supporting operations of entire large scale beneficiation plants. Huate also has global experience in iron ore beneficiation, including in Australia.

Phase Two is a wet beneficiation process, allowing NSL to produce a high grade premium price iron ore product grading between 58-62% Fe at around 200,000 tonnes p.a.

The Company has already successfully negotiated offtake agreements for Phase Two's high grade iron ore product with the US\$9 billion Indian global conglomerate, JSW Steel, also that country's leading private sector steel producer; and BMM Ispat, a leading pellet, power and steel producer.

NSL, the only Australian or foreign company to own and operate in India's massive iron ore market, has an established dry processing plant operation for iron ore product at Kurnool and is serviced by two of its local mines nearby, Kuja and Mangal. These mines will also provide the feedstock for the Phase Two wet beneficiation plant.

Site works have commenced on site for associated infrastructure and the Company looks forward to further updating the market accordingly on the status and progress of the Phase Two wet beneficiation plant.

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