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**NSL CONSOLIDATED LIMITED**

**ACN 057 140 922**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 10:00am (WST)

**DATE:** 18 April 2016

**PLACE:** Athans & Taylor  
Suite 3, 17 Foley Street,  
Balcatta WA 6021

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6168 8000.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 10:00am (WST) on 18 April 2016 at:

Athans & Taylor  
Suite 3, 17 Foley Street,  
Balcatta WA 6021

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 15 April 2016.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES – LR7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 85,407,803 Placement Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES – LR7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 92,262,646 Placement Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – PLACEMENT – PLACEMENT SHARES AND PLACEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 227,634,987 Placement Shares and 232,652,718 Placement Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. **RESOLUTION 4 – PLACEMENT – CONSIDERATION SHARES AND CONSIDERATION OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,312,500 Consideration Shares and 32,156,250 Consideration Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. **RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY – MR PETER RICHARDS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 18,000,000 Placement Shares and 9,000,000 Placement Options to Peter Richards (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Peter Richards (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. **RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY – MR PETER LINFORD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 12,312,329 Placement Shares and 6,156,164 Placement Options to Peter Linford (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Peter Linford (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

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**7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – CONVERSION SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:*

- (a) 19,511,738 Conversion Shares issued on 13 November 2015;*
- (b) 11,837,121 Conversion Shares issued on 18 January 2016; and*
- (c) 21,637,308 Conversion Shares issued on 5 February 2016,*

*on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 11 March 2016**

**By order of the Board**

**Sean Henbury**  
**Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. RESOLUTIONS 1 & 2 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES

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#### 1.1 Background

As announced on 2 March 2016, the Company secured commitments predominately from existing top 20 shareholders, investment funds and sophisticated investors (**Placement Shareholders**) for a placement of 400,992,936 Shares (**Placement Shares**) at an issue price of \$0.008 to raise \$3,207,943 (before costs) (**Placement**).

The Placement will occur in two tranches as follows:

- (a) up to 177,670,449 Shares being issued under the Company's existing 15% and additional 10% placement capacities under ASX Listing Rules 7.1 and 7.1A (**Tranche 1 Placement**); and
- (b) the remaining Shares will be issued subject to shareholder approval to be obtained pursuant to Resolution 2 (**Tranche 2 Placement**).

With respect to the 177,670,449 Shares being issued under the Company's existing placement capacities 85,407,803 Placement Shares will be issued under the Company's 15% placement capacity and 92,262,646 Placement Shares will be issued under the Company's 10% placement capacity.

The Placement includes an offer of one free attaching listed Option for every two Shares allotted under the Placement with an exercise price of \$0.001 and an expiry date of 31 December 2016, which is expected to be issued subject to shareholder approval to be obtained pursuant to Resolution 3.

The funds raised pursuant to the Placement will be used to substitute the need for the Company to rely on drawing down the Subsequent Secured Loan to fund its ongoing operations and for the following purposes:

- (a) to fund the acquisition, construction and commissioning of the Wet Beneficiation Plant in India; and
- (b) for general working capital,

(together the **Use of Funds**).

The Company has engaged the services of Sanlam Private Wealth Pty Ltd (ACN 136 960 775) (**SPW**) (AFSL 337927), to manage the Placement. The Company will pay SPW a fee of 5% (exclusive of goods and services tax) on the amount raised by SPW under the Placement, a one off corporate administration fee and a monthly retainer for a period of 12 months.

In addition, Kooy and Fiori assisted the Company in the Placement and were each paid a fee of 5% (exclusive of goods and services tax) on the amount raised by each under the Placement to be paid in Shares and free-attaching Option on the same terms and conditions as under the Placement, as well as one-off marketing fee.

## 1.2 General

On 9 March 2016, the Company issued 177,670,449 Placement Shares at an issue price of \$0.008 per Placement Share pursuant to the Tranche 1 Placement.

92,262,646 Placement Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 26 November 2015 and 85,407,803 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**First Ratification**).

## 1.3 Resolution 1 – ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue the subject of Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 1.4 Resolution 2 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 2, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.



## 1.5 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the First Ratification:

- (a) 177,670,449 Placement Shares were issued;
- (b) the issue price was \$0.008 per Placement Share;
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued to the Placement Shareholders. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for the Use of Funds.

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## 2. RESOLUTION 3 – PLACEMENT – PLACEMENT SHARES & PLACEMENT OPTIONS

### 2.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 223,322,487 Placement Shares at an issue price of \$0.008 per Placement Share pursuant to the Tranche 2 Placement, together with 200,496,468 Options (**Placement Options**) on the basis of one (1) free attaching Placement Option for every two (2) Shares subscribed for and issued pursuant to the Placement.

A summary of ASX Listing Rule 7.1 is set out in section 1.3 above.

The effect of Resolution 3 will be to allow the Company to issue the Placement Shares and Placement Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Placement Shares to be issued is 223,322,487 and the maximum number of Placement Options to be issued is 200,496,468;
- (b) the Placement Shares and Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.008 per Placement Share and nil per Placement Option as the Placement Options will be issued free attaching with the Shares on a 1:2 basis;
- (d) the Placement Shares and Placement Options will be issued to the Placement Shareholders. None of these subscribers are related parties of the Company;

- (e) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Placement Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Placement towards the Use of Funds.

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### **3. RESOLUTION 4 – PLACEMENT – CONSIDERATION SHARES AND CONSIDERATION OPTIONS**

#### **3.1 General**

Resolution 4 seeks Shareholder approval for the issue of up to:

- (a) 4,312,500 Shares (**Consideration Shares**); and
- (b) 32,156,250 Options (**Consideration Options**),

(together the **Consideration Securities**).

The Consideration Shares were issued at deemed issue price of \$0.008 per Consideration Share and nil per Consideration Option in consideration for services provided in relation to the Placement (**Consideration Issue**). The Consideration Securities will be issued to SPW, Kooy and Fiori in their respective proportions.

A summary of ASX Listing Rule 7.1 is set out in section 1.3 above.

The effect of Resolution 4 will be to allow the Company to issue the Consideration Securities pursuant to the Consideration Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **3.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Consideration Issue:

- (a) the maximum number of Consideration Securities to be issued is:
  - (i) 4,312,500 Consideration Shares; and
  - (ii) 32,156,250 Consideration Options.
- (b) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;
- (c) the deemed issue price will be \$0.008 per Consideration Share and nil per Consideration Option;
- (d) the Consideration Securities will be issued to SPW, Kooy and Fiori. None of these parties are related parties of the Company;

- (e) the Consideration Shares will be issued on the same terms and conditions as the Company's existing Shares;
- (f) the Consideration Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) no funds will be raised from the Consideration Issue as the Consideration Securities are being issued in consideration for services provide to the Company in relation to the Placement.

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## **4. RESOLUTIONS 5 & 6 – ISSUE OF SHARES TO RELATED PARTIES**

### **4.1 General**

Pursuant to Resolutions 5 & 6 the Company is seeking Shareholder approval for the issue of up to:

- (a) 18,000,000 Placement Shares and 9,000,000 Placement Options to Mr Peter Richards; and
- (b) 12,312,329 Placement Shares and 6,156,164 Placement Options to Mr Peter Linford,

pursuant to the Placement.

Mr Peter Richards and Mr Peter Linford wishes to participate in the Placement.

Resolutions 5 & 6 seek Shareholder approval for the in the issue of up to 30,312,329 Placement Shares and 15,156,164 Placement Options to Messrs Peter Richards and Peter Linford (or their nominees) arising from the participation by Messrs Peter Richards and Peter Linford in the Placement in lieu of receiving outstanding directors fees owing to both Messrs Richards and Linford by the Company (**Participation**).

### **4.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Placement Shares and free attaching Placement Options which constitutes giving a financial benefit and Messrs Peter Richards and Peter Linford are related parties of the Company by virtue of being a Director's.

The Directors (other than Mr Peter Richards who has a material personal interest in Resolution 5 and Mr Peter Linford who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Messrs Peter Richards and Peter Linford on the same

terms as Placement Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

#### **4.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### **4.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Placement Shares and Placement Options will be issued to Messrs Peter Richards and Peter Linford (or their nominees);
- (b) the maximum number of Placement Shares to be issued is 30,312,329;
- (c) the maximum number of Placement Options to be issued is 15,156,164;
- (d) the Placement Shares and Placement Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the issue price will be \$0.008 per Placement Share, being the same as all other Shares issued under the Capital Raising;
- (f) the issue price per Placement Option will be nil per Placement Option as the Placement Options will be issued free attaching with the Shares on a 1:2 basis;
- (g) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (h) the Placement Options will be issued on the terms and conditions set out in Schedule 1;
- (i) no funds will be raised from the issue of the Placement Shares or Placement Options to Messrs Peter Richards or Peter Linford as they are being issued in lieu of accrued directors fees owing to Messrs Peter Richards and Peter Linford by the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Placement Shares and Placement Options to Messrs Peter Richards and Peter Linford (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – CONVERSION SHARES

### 5.1 Background

As announced on 15 January 2015, the Company and Magna Equities entered into the Initial Convertible Loan pursuant to which Magna Equities provided the Company with a loan of up to USD\$4,000,000 over 24 months.

The Company received the initial tranche of US\$125,000 upon the execution of the Initial Convertible Loan, and received an additional US\$125,000 within 30 trading days of closing.

Subsequent funding in tranches of up to US\$250,000 is available every 60 calendar days (to a maximum of US\$3,750,000) at the Company's election subject to customary conditions including no events of default or termination events having occurred.

The Initial Convertible Loan was convertible, at Magna Equities sole discretion, into that number of Shares (**Conversion Shares**) at an issue price equal to a 20% discount from the lowest volume weighted average price (**VWAP**) in the five (5) trading days prior to conversion.

Additionally, Magna Equities received a 5% commitment fee on all drawdown's, as and when they occurred, which were paid by the Company in Shares at an issue price of the average VWAP in the five Trading Days prior to each drawdown being advanced.

As at the date of the Company entered into the Subsequent Secured Loan the Company had drawn down USD\$750,000 under the Initial Convertible Loan and the entire amount of that drawn down balance has been converted into Shares. Now all convertible loans have been converted, the facility has now been extinguished.

The Initial Convertible Loan has now been replaced by the Subsequent Secured Loan.

### 5.2 General

On various dates, the Company issued a total of 52,986,167 Conversion Shares comprising of:

- (a) 19,511,738 Conversion Shares issued on 13 November 2015 at a deemed issue price of \$0.00896 per Conversion Share issued to Magna Equities;
- (b) 11,837,121 Conversion Shares issued on 18 January 2016 at a deemed issue price of \$0.0048 per Conversion Share issued to MG Partners; and
- (c) 21,637,308 Conversion Shares issued on 5 February 2016 at a deemed issue price of \$0.0056 per Conversion Share issued to MG Partners,

upon conversion of the Initial Convertible Loan.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Conversion Shares (**Second Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 1.3 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **5.3 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Second Ratification:

- (a) 52,986,167 Conversion Shares were issued;
- (b) the deemed issue prices were:
  - (i) \$0.00896 per Conversion Share for the 19,511,738 Conversion Shares issued on 13 November 2015;
  - (ii) \$0.0048 per Conversion Share for the 11,837,121 Conversion Shares issued on 18 January 2016; and
  - (iii) \$0.0056 per Conversion Share for the 21,637,308 Conversion Shares issued on 5 February 2016;
- (c) the Conversion Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Conversion Shares were issued to Magna Equities and its nominee MG Partners. Magna Equities and MG Partners are not a related party of the Company; and
- (e) no funds were raised from the issue of the Conversion Shares, however the funds received pursuant to the Initial Convertible Loan were used to enable the Company to continue its focus on its unique position of being the only foreign company to own and operate iron ore mines in India.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means NSL Consolidated Limited (ACN 057 140 922).

**Consideration Issue** has the meaning given in section 3.1 of the Explanatory Memorandum.

**Consideration Options** has the meaning given in section 3.1 of the Explanatory Memorandum.

**Considerations Securities** has the meaning given in section 3.1 of the Explanatory Memorandum.

**Consideration Shares** has the meaning given in section 3.1 of the Explanatory Memorandum.

**Constitution** means the Company's constitution.

**Conversion Shares** has the meaning given in section 5.1 of the Explanatory Statement.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Fiori** means Fiori Pty Ltd (ACN 007 208 335).

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Initial Convertible Loan** means the loan agreement entered into between the Company and Magna Equities on or around 15 January 2015.

**Issue Price** means the issue price for the Loan Commitment Shares being the VWAP on ASX of the Shares over the 5 Trading Days on which trades occur prior to the relevant Utilisation Date.

**Kooy** means Kooy Corporation Pty Ltd (ACN 603 218 622).

**Kurnool Site** means the site located in the State of Andhra Pradesh, India on which the Company (or a Subsidiary of the Company) operates the Wet Beneficiation Plant.

**Magna Equities** means Magna Equities II, LLC.

**MG Partners** means MG Partners II, Ltd (Company Number 111258).

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Participation** has the meaning given in section 4.1 of the Explanatory Statement.

**Placement Option** has the meaning given in section 1.1 of the Explanatory Memorandum.

**Placement** has the meaning given in section 1.1 of the Explanatory Memorandum.

**Placement Share** has the meaning given in section 1.1 of the Explanatory Memorandum.

**Placement Shareholders** has the meaning given in section 1.1 of the Explanatory Memorandum.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**SPW** has the meaning given in section 1.1 of the Explanatory Statement.

**Subsequent Secured Loan** means the loan agreement entered into between the Company and MG Partners on or around 13 August 2015 including, for the avoidance of doubt, the subscription deed entered into between the Company and MG Partners on or around 13 August 2015.

**Tranche 1 Placement** has the meaning given in section 1.1 of the Explanatory Statement.

**Tranche 2 Placement** has the meaning given in section 1.1 of the Explanatory Statement.

**US\$** means United States of America dollar.

**Use of Funds** has the meaning given in section 1.1 of the Explanatory Statement.

**Utilisation Date** means the date on which a either the Initial Convertible Loan or Subsequent Secured Loan becomes payable pursuant to the Utilisation Notice.

**Utilisation Notice** means a notice provided by the Company to MG Partners indicating the Company's intention to draw down an amount under the Subsequent Secured Loan.

**VWAP** has the meaning given in section 5.1 of the Explanatory Statement.

**Wet Beneficiation Plant** means the wet beneficiation facility currently being commissioned by the Company (or its Subsidiary) at its iron ore project(s) in the Kurnool Site.



**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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The terms and conditions of the Options are as follows:

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) The amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).
- (c) Each Option will expire at 5:00 pm (WST) on 31 December 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) Within 15 Business Days after the later of the following:
  - (i) the Exercise Date; and
  - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
  - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of

the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (i) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (j) If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (n) The Company will apply for quotation of the Options on ASX.
- (o) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## PROXY FORM

NSL CONSOLIDATED LIMITED  
ACN 057 140 922

### EXTRAORDINARY GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am (WST), on 18 April 2016 at Athans & Taylor, Suite 3, 17 Foley Street, Balcatta WA 6021, and at any adjournment thereof.

### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

**The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.**

#### Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Prior Issue – Placement Shares – LR7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue – Placement Shares – LR7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement – Placement Shares and Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Placement – Consideration Shares and Consideration Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares to Related Party – Mr Peter Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Related Party – Mr Peter Linford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue – Conversion Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

#### Signature of Shareholder(s):

##### Individual or Shareholder 1

Sole Director/Company Secretary

##### Shareholder 2

Director

##### Shareholder 3

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail  
in relation to this Proxy Form:

YES ☐ NO ☐

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to NSL Consolidated Limited, PO Box 1755, West Perth WA 6872; or
  - (b) facsimile to the Company on facsimile number +61 8 6168 8039; or
  - (c) email to the Company at [admin@nslconsolidated.com](mailto:admin@nslconsolidated.com),

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**