



NSL Consolidated

31 January 2017

PHASE TWO WET PLANT – PROCESS OPTIMISATION RESULTS EXCEED EXPECTATIONS

HIGHLIGHTS

- Process flow optimisation results exceed expectations, with full plant process beneficiating low grade iron ore waste from as low as 14% Fe feed up to as high as 65.3% Fe.
 - Optimisation results indicate potential upside to metallurgical test work and results conducted for wet beneficiation plant previously advised to the market, resulting in an exciting commercial outlook with respect to improved sales price.
 - Commencement to feed Run of Mine (**ROM**) material grading between 25-35% Fe into the plant in the coming week.
 - Iron ore sales from wet beneficiation plant expected to commence in February.
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**), is pleased to update the market regarding the progress of its Phase Two Wet Beneficiation Plant.

Further to previous wet plant commissioning updates, the complete plant process flow optimisation is generating exciting results. Utilising very low grade waste iron ore feed to test the process boundary limits the Company has been able to exceed expectations, with full plant process beneficiating low grade iron ore waste from as low as 14% Fe feed regularly to in excess of 62% Fe and up to 65.3% Fe.

The results of this testing further increase confidence in achieving our targeted 58–62% Fe and means there is potential upside to the expected plant production grades and as a result, sales prices. This potentially presents even further exciting commercial opportunities for the Company both in profitability and breadth of customer base.

The Company has ramped up operability of the crushing and screening plant and will commence to feed ROM material grading between 25-35% Fe into the plant in the coming week. Further to this, the Company expects sales of the wet beneficiation plant product produced to commence in February, with multiple customer discussions at the final stages.

Given the positive optimisation results and imminent sales, the Company has commenced the process of employing shift supervisors, plant operators, mobilising stockyard fleet with goal of ramping up of throughput and production to a 24-hour operation to meet expected production and financial targets in the coming months.

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Producing concentrate in excess of 65% Fe

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