



14 February 2017

## COMMERCIAL PURCHASE ORDER RECEIVED

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### HIGHLIGHTS

- 4,000 tonne Commercial Purchase Order received for premium 63% Fe with A\$65 sales price, representing higher grade and prices than indicated previously to the market.
  - Company confident of further improving sales price for equivalent product.
  - Processing of Run of Mine material into the plant has commenced, with iron ore deliveries expected to commence in this month.
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NSL Consolidated Limited (Company, ASX: **NSL, NSLO**), wishes to update the market regarding the progress of its Phase Two Wet Beneficiation Plant.

The Company is pleased to advise that it has now received its first commercial Purchase Order (**PO**) for the premium product produced by the Phase Two wet beneficiation plant. The initial PO issued by BMM Ispat (**BMM**) is for the supply of 4,000 tonnes of 63% Fe filter cake (wet plant product). The negotiated sales price for the initial PO is A\$65 (equivalent) with payment terms within 10 days on 1,000 tonne lots.

A 4,000 tonne PO represents the normal steel mill purchasing parcel size in India. Other discussions with multiple customers are also currently in play and ongoing, with the Company confident of being able to further improve the equivalent sales price for future PO's of varying grades with BMM, other Indian steel mills and the prospect of exporting into the improving seaborne iron ore market.

Mr Goode commented, "The NSL team is very pleased to have now received an initial order from BMM and has immediately commenced production to sell into the order, with deliveries expected this month. Importantly, this again reaffirms the positive relationship we have with our end user BMM and our bona-fides in the region"

Further to the positive optimisation process resulting in beneficiating low grade iron ore waste as low as 14% Fe feed regularly to in excess of 62% Fe and up to 65.3% Fe and imminent sales, the Company continues 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 over the coming months.

The Company, the only Australian or foreign company to own and operate in India's massive iron ore market has established its Phase Two wet beneficiation plant that will produce premium price iron ore product nominally grading between 58-62% Fe at around 200,000 tonnes p.a. The Phase Two wet beneficiation plant at the existing NSL stockyard will be fed material from NSL's mines.

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