

Noosa Mining Conference



HEEMSKIRK
CONSOLIDATED



17 July 2015

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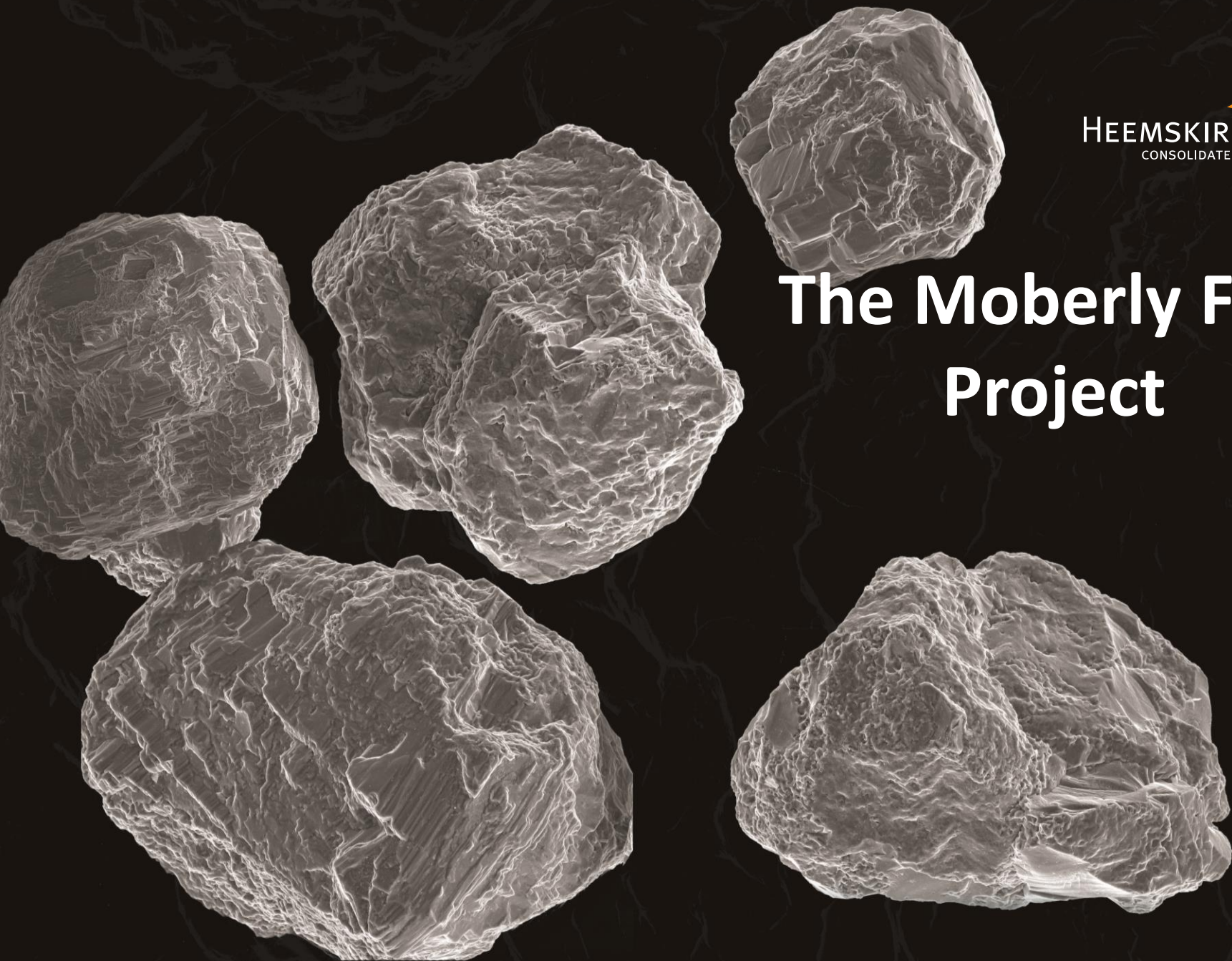
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See the section below entitled "Foreign Selling Restrictions" for restrictions on participation in the offering by residents of the United States, Canada and other jurisdictions outside of Australia and New Zealand.



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The Moberly Frac Project



Heemskirk and the Moberly Silica Project



- Heemskirk – an ASX listed resources company capitalised at \$12m (10 Jul 2015)

Moberly Silica Project

- Located in British Columbia adjacent to the regional town of Golden, comprising of a granted mining lease and a freehold plant site
- Project designed to deliver API quality frac sand to customers predominantly in the Western Canadian Sedimentary Basin (WCSB)
- Stage 1 Net Present Value is estimated at C\$82m using a Real Discount Rate of 7.5% (10.6% Nominal)



Moberly



- Funding package for Moberly Project now finalised US\$40,000,000
- The funding package from Taurus Funds Management is broken into two tranches:
 - Tranche 1: US\$25m to complete the 300,000 tpa construction and production development project (Stage one)
 - Tranche 2: US\$15m to complete an expansion of the project (Stage two) to a 600,000 tpa production level, once phase one has been successfully completed
- Moberly Frac Sand Project will now progress to full construction following on from completion of footings in 2015 (C\$2.4m)
- Capital raising for general working capital purposes initiated



- Independent, Sydney based global fund manager
- Clients include institutional and high net worth (wholesale) investors
- Specialises in investment products based on the mined commodities industry
- Team of geologists, mining engineers, mining financiers, metallurgists and portfolio managers provides the skills and experience for successful investing
- Founded in 2006 and first private equity fund commenced in July 2007

Key Terms of Secured Debt Funding Package



1. Up to US\$40m funding in two tranches
2. Interest Rate – 10% per annum, including any capitalised interest
3. Arrangement Fee – 2% of Facility amount (to be settled by shares in HSK)
4. Commitment Fee – 2% on undrawn amounts at each phase
5. Issue of 17.5 million options:
 - 50% on date of signing the Facility
 - 50% to be issued pro rata for amounts drawn
 - Options strike price calculated at a 25% premium to the 10 day VWAP prior to date of signing the Facility
 - May be adjusted pro rata for any subsequent capital raising
6. 2% Gross Revenue Royalty, ex Plant Price
7. Maturity date 30 September 2019, plus 12 month extension option
8. Standard project completion tests, conditions precedent to be completed



Mine

Mine and Plant Site (foreground) just prior to excavation

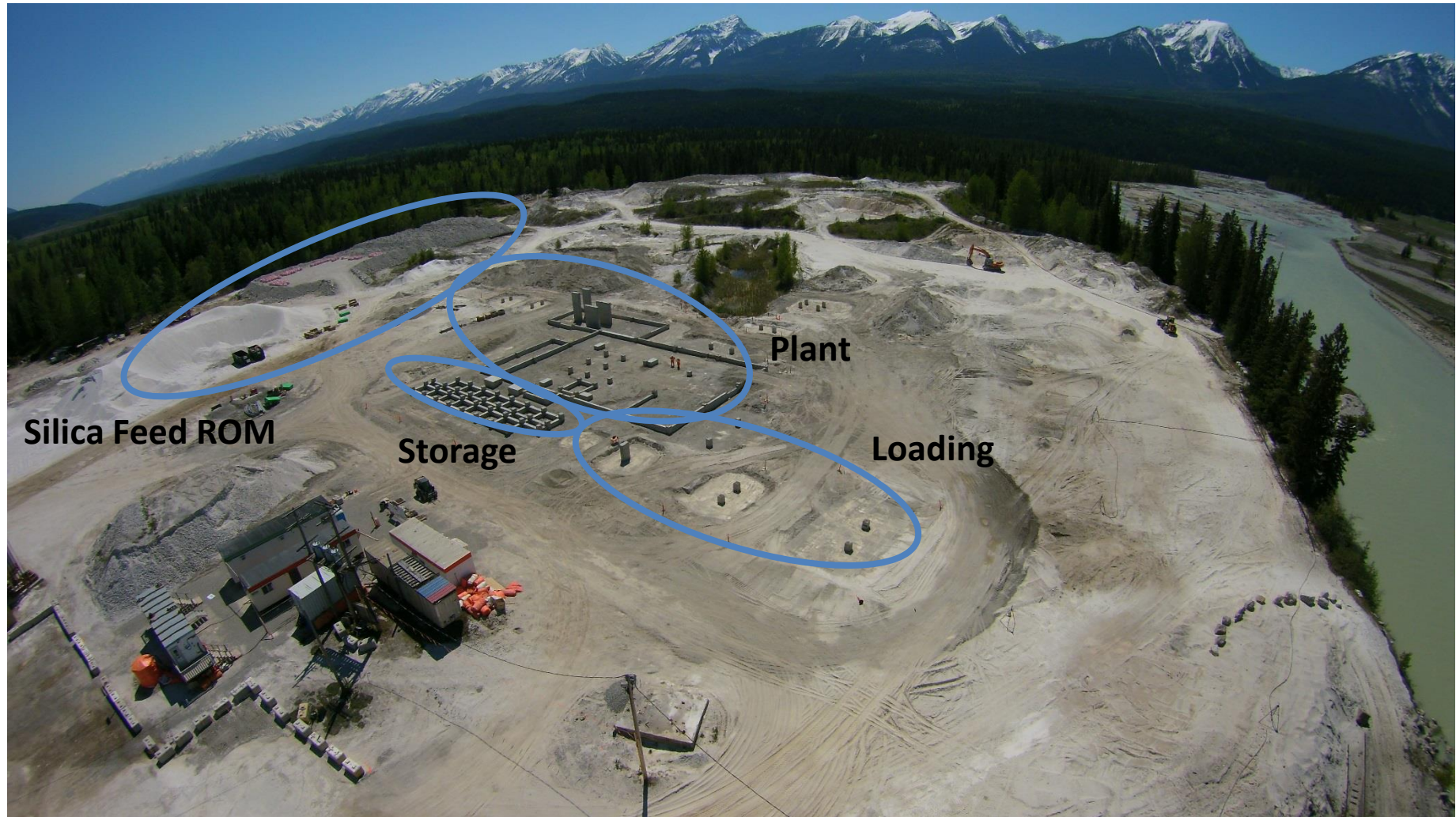
Footings construction – processing facility area



Completed process building footings



Completed process building footings



Project Metrics - Key Assumptions: Stage 1 Development

- Nameplate production output capacity – 300,000 metric tonnes
- Recoveries in appropriate frac sand product size range of approximately 75%
- Capital costs with contingencies – C\$30m
- Funding in place Stage 1 – US\$25m
- Funding in place Stage 2 – US\$15m
- Project Free Cash Flow Undiscounted annual average – C\$11.2m
- Project Internal Rate of Return Stage 1: 43%
- Current C\$/US\$ exchange rate is 0.79

Project Metrics - Key Assumptions: Stage 1 Development

- Payback Period Stage 1: 2.2 years
- Project NPV is C\$82m for Stage 1*
- Estimated time to completion of construction 10-12 months
- Production Letters of Intent from customers dated February 2015 in place
- API specification frac sand product
- Defined in situ JORC Reserve is more than sufficient to satisfy current 20 year mine plan
- Appropriate permits in place

* Using a Real Discount Rate of 7.5% (10.6% Nominal). The discount rate has been recently reviewed with the real WACC calculated at 6.37% and hence the chosen discount rate of 7.5% is regarded as being conservative. The Project model was independently audited with no material issue identified in model structure or inputs.



Moberly JORC Resource

- Is large – 32 million tonnes with est. 64% frac sand recovery and is open in several directions
 - Production @ 300,000 tpa frac sand would suggest +60 years of mine life if complete conversion to reserves, expanded pit engineering and permitting was achieved
 - If production was expanded, 600,000 tpa frac sand would suggest +30 years of mine life again, with hurdles achieved

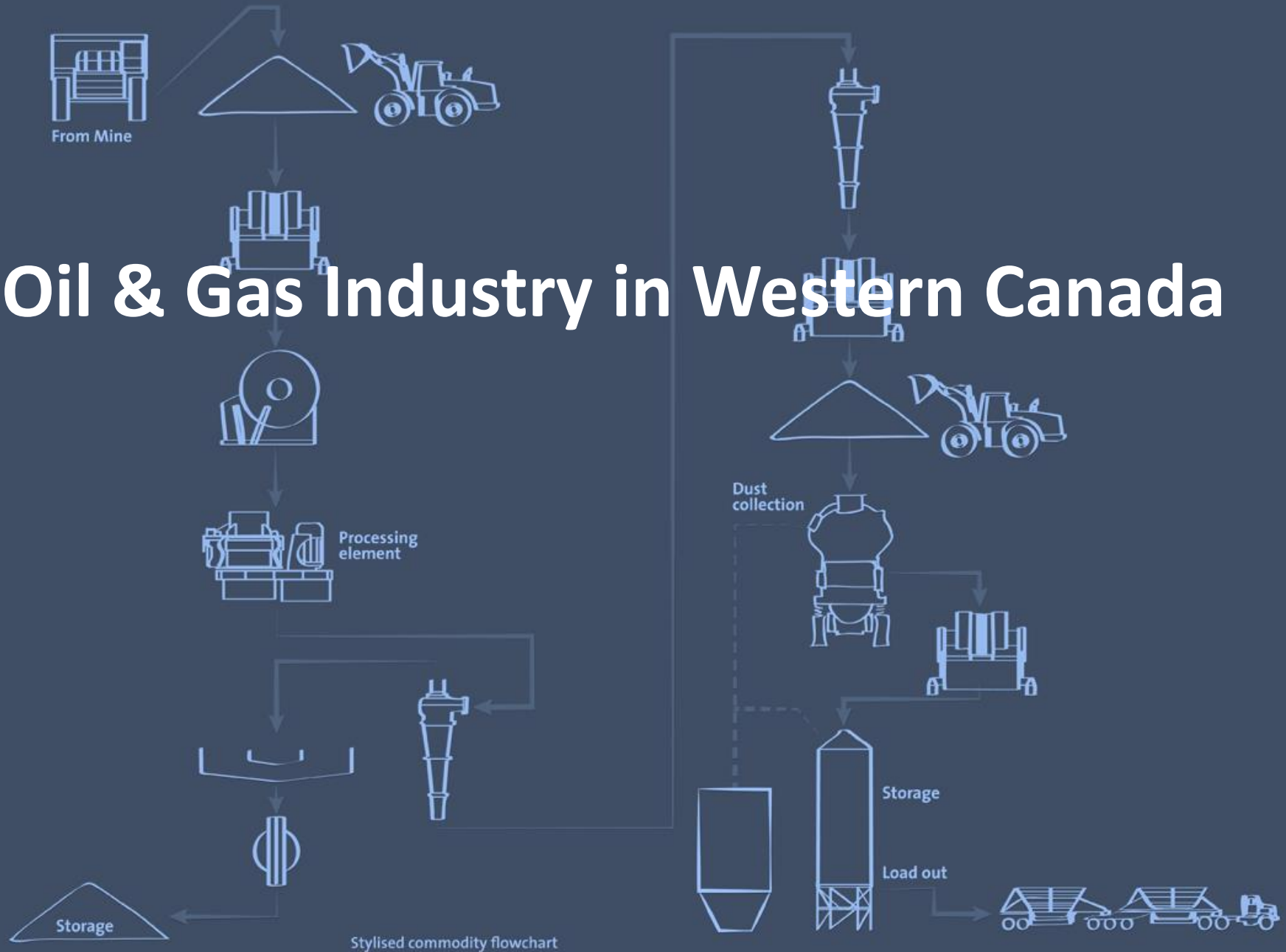
*See Reserves and Resources announced on 28 October 2014. The information in this presentation that relates to the Moberly Resource estimate is extracted from the report entitled “Annual Statutory Update of Resources and Reserves” which was based on information compiled by Malcolm Ward, (Bsc(Hons), MSc (Queens) who is a member of the Australasian Institute of Mining and Metallurgy and released to the market on 28 October 2014 and is available to view on the Company’s website, www.heemskirk.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed, except that with new equipment now to be used in the plant, recoveries are expected to be in the order of 70% based on test work. This has yet to be incorporated into Resources and Reserves estimation. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Proposed layout - Moberly Plant Site

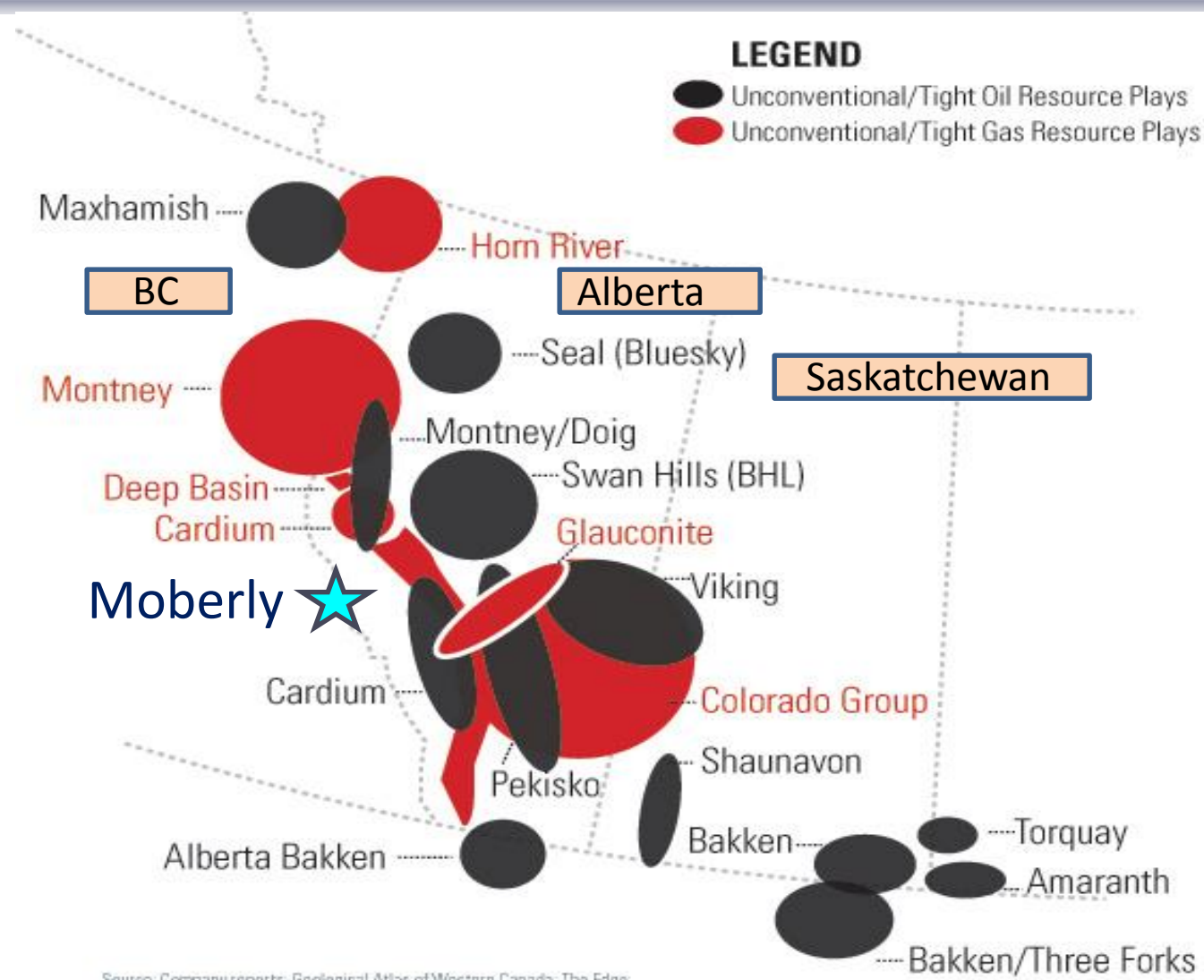


- 1. On site rail spur
- 2. Load out – truck and rail
- 3. Existing building/store
- 4. Existing Silica Flour Plant
- 5. Office & Mine dry
- 6. ROM pad
- 7. Finished product silos
- 8. Frac Sand plant
- 9. Waste/Fines stockpile
- 10. Primary crusher and feed
- 11. Trans Canada Highway
- 12. Canadian Pacific Rail - mainline
- 13. Blaeberry River
- 14. Columbia River

Oil & Gas Industry in Western Canada



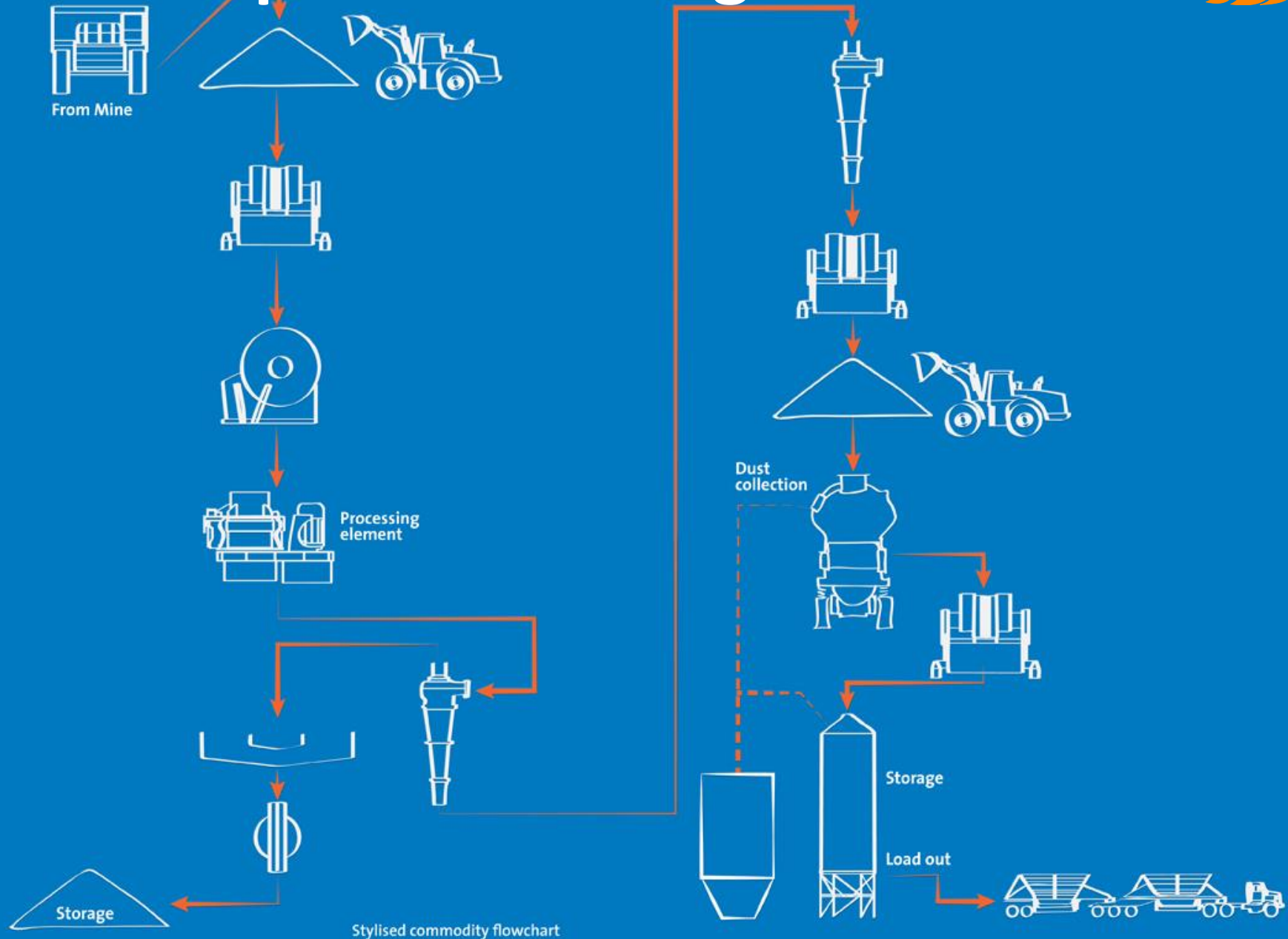
Moberly – favourable logistics



Source: Company reports; Geological Atlas of Western Canada; The Edge; Canadian Discovery Digest; CIBC World Markets Inc.

Initial project less than 10% of regional demand

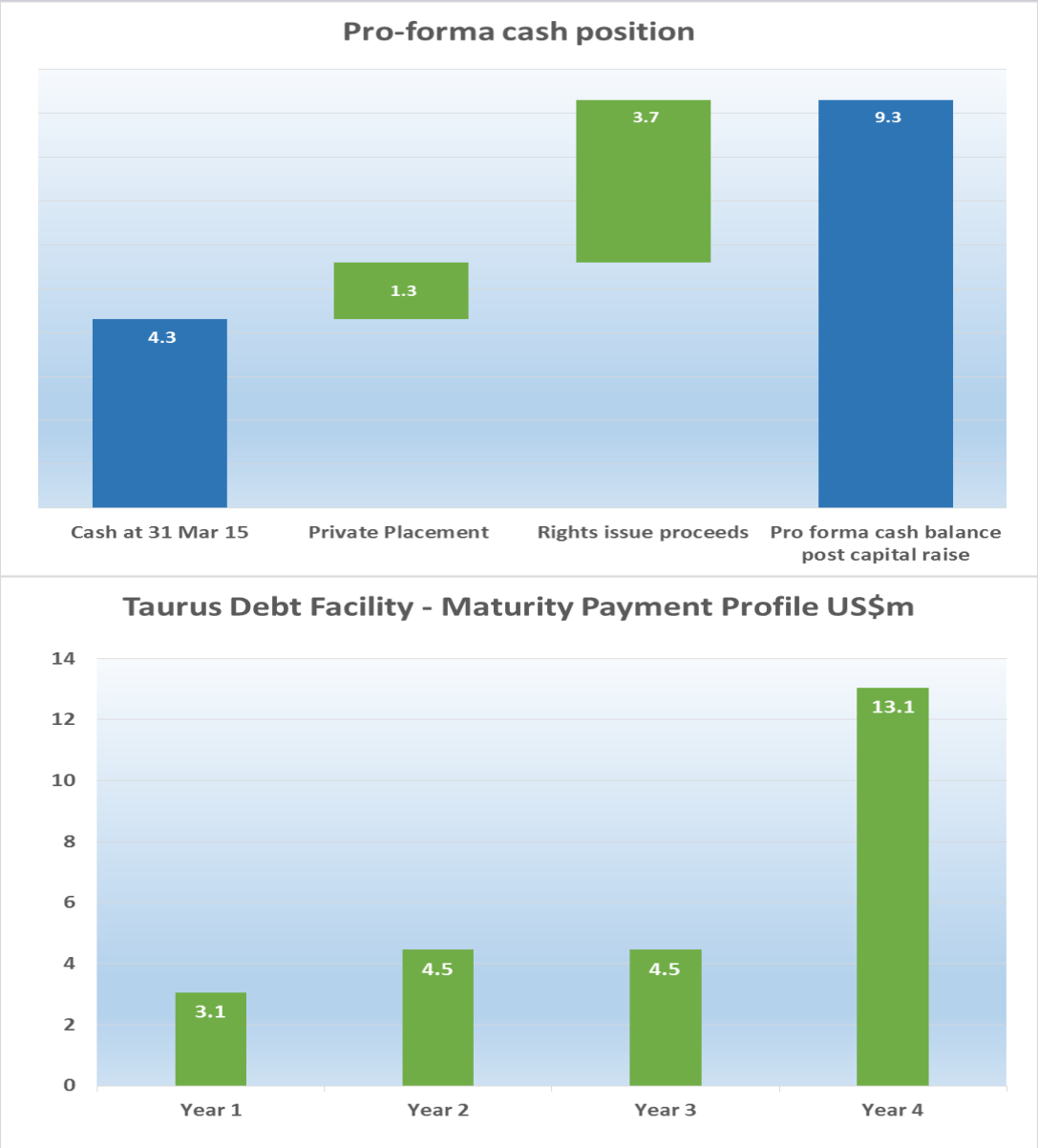
Corporate Funding Initiatives





Debt Funding Package	<ul style="list-style-type: none">Taurus Funds Management have provided a US\$40m secured debt funding package, broken into two tranches:<ul style="list-style-type: none">Tranche 1 - US\$25m to complete the 300,000 tpa construction and production development project (stage one)Tranche 2 - US\$15m to complete an expansion of the project to a 600,000 tpa production level (stage two)
Equity raising	<ul style="list-style-type: none">Equity raising totalling A\$5.0m to fund working capital requirements while the Moberly Frac Sand Plant is under construction, comprising:<ul style="list-style-type: none">A\$1.3m “Private Placement” to First Samuel and Taurus Funds ManagementA\$3.7m renounceable “Rights Issue” to all existing shareholders
Rights Issue details	<ul style="list-style-type: none">Fully underwritten 1-for-5 Rights Issue to raise A\$3.7mThe Rights Issue price of A\$0.10 per share (“Rights Issue Price”), equivalent to the current share priceThe shortfall of rights not taken up will be placed to sub-underwriters at the Rights Issue Price

Cash position & Debt facility maturity payment profile





- Project fully funded with a short build time
- Project high value with very favourable logistics
- Located in a first world country
- Quality product (API standard)
- Unique Canadian project located within the market environs of the WCSB