

22 July 2015

Dear Foreign Shareholder

**Renounceable Rights Issue – Information for Foreign Shareholders**

On 17 July 2015, Heemskirk Consolidated Limited (ASX: HSK) (***the Company***) announced that it was to undertake a renounceable rights issue offering eligible shareholders the opportunity to subscribe for 1 new share for every 5 shares held on 27 July 2015 at an issue price of \$0.10 per new share to raise approximately \$3.7 million (***Rights Issue***).

The Rights Issue is fully underwritten by Morgans Corporate Limited (***Underwriter***). In consideration for the underwriting, the Company has agreed to pay the Underwriter a total underwriting commission and management fee of \$0.221 million representing 6% of the total amount to be raised under the Rights Issue.

The proceeds of the Rights Issue will be used to fund ongoing working capital requirements to support the ongoing business activities of the Company during the completion of the Moberly Frac Sand Project in British Columbia, Canada.

The Company has determined that it is unreasonable to make offers of New Shares to Shareholders with registered addresses outside Australia or New Zealand (***Foreign Shareholders***). This decision was made having regard to the number of Foreign Shareholders, the number and value of New Shares those Foreign Shareholders would have been offered and the cost of and time involved in complying with the legal and regulatory requirements of the jurisdictions in which the Foreign Shareholders are domiciled.

Although the Company is unable to extend you the opportunity to participate in the Rights Issue directly, the Company has applied to the Australian Securities and Investments Commission (***ASIC***) for approval for Morgans Corporate Limited (ACN 010 539 607) (***Morgans***), as your nominee, to sell the Rights to the New Shares and remit the net

proceeds to all Foreign Shareholders in accordance with section 615 of the *Corporations Act 2001* (Cth) (**Act**). As at the date of this letter, ASIC has not yet provided this approval.

Subject to ASIC's approval for the purposes of section 615 of the Act, if there is a viable market in the Rights and a premium over the expenses of the sale can be obtained, Morgans will sell the Rights.

Any sale will be at prices and otherwise in a manner determined by Morgans in its sole discretion. Neither the Company nor Morgans will be held liable for any failure to sell the Rights or to sell the Rights at a particular price. The proceeds, after deducting costs, will be distributed to Foreign Shareholders for whose benefit the rights are sold in proportion to their shareholdings as at the Record Date.

If you have any queries in relation to the Rights Issue, please do not hesitate to contact the Company on +61 3 9614 0666.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Peter Bird', written over a horizontal line.

Peter Bird  
Managing Director