

HEEMSKIRK

Announcement



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Moberly Project Financing Package

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KEY POINTS

- 🚧 Conditions precedent for Stage 1 US \$25m funding package provided by Taurus Funds Management satisfied
- 🚧 Construction contract executed simultaneously
- 🚧 Project build timeline is 14 months

Further to the information provided in the first quarter activities report (released to ASX 29 January 2016), the Company is pleased to announce that the conditions precedent in relation to the Stage 1 drawdown of the US\$40m debt facility have now been satisfied.

Stage 1 allows for US\$25m to be drawn down for the construction of the 300,000 tonnes per annum (tpa) Moberly silica operation frac sand plant and ancillary infrastructure.

Completion of the conditions precedent has allowed for execution of finance documentation and the simultaneous execution of the construction contract with Maple Reinder for US\$23.9m*. Total capital cost is US\$26.6m.

As previously announced the project build timeline is estimated at 14 months.

The Managing Director, Mr Peter Bird said:

"This is a key milestone for this high value project. The build timeline is expected to see the project commission in a period of economic upswing in the Western Canadian oil and gas region."

The project is rare when compared to other local silica and silica frac operations due to its high level of purity and available volume."

* Based on currency exchange rates at October 2015