



# NSL Consolidated

30 December 2016

The Company Announcements Platform

ASX Limited

## By E-lodgement

### **NOTICE OF UNDERWRITING OF OPTIONS EXPIRING 31 DECEMBER 2016 AND PROVISION OF DEEMED FINANCIAL ASSISTANCE**

In accordance with ASX Listing Rule 3.11.3 NSL Consolidated Limited (**ASX: NSL**), ("NSL" or "the Company") is pleased to announce that it has entered into an underwriting agreement with Filmrim Pty Ltd (**Underwriter**), to partially underwrite the listed \$250,000 options due to expire at 5:00pm (AEST) on 31 December 2016 under the ASX Code NSLO.

The Underwriter will underwrite to a maximum of 25,000,000 shortfall shares (being the underlying securities) resulting from unexercised NSLO options as on date.

The Underwriter will be paid no underwriting fee.

The Board would like to encourage holders of the expiring options to exercise their options before the expiry date. It is an excellent opportunity to acquire shares in the Company without incurring brokerage or any other fees that apply to an on-market purchase.

## **Financial Assistance**

The Board has agreed to provide financial assistance, in compliance with Section 260A of the Corporations Act, Managing Director and CEO, Mr Cedric Goode and, Chief Operating Officer, Mr Sean Freeman (**the parties**), in the form of deemed loans (no actual funds will be provided by the Company to the parties) totalling \$957,000. The Board undertook thorough analysis and consideration in order to be satisfied compliance with Section 260A was maintained. The loans are in order to assist Cedric and Sean to acquire an aggregate of 99,583,333 shares upon the exercise of the options expiring 31 December 2016 in the respective proportions held by each of the parties. The deemed loans consist of:

- (a) \$505,000 to Mr Cedric Goode, being for 50,000,000 \$0.0096 unlisted options and 2,500,000 \$0.01 listed options (NSLO); and
- (b) \$452,500 to Mr Sean Freeman, being 45,833,333 \$0.0096 unlisted options and 1,250,000 \$0.01 listed options (NSLO).

The parties will each enter into individual loan agreements (on an arm's length basis) in respect of the loans. No actual funds will be provided by the Company to the parties rather the total amount of the exercise price for the Options will be deemed to have been loaned to the parties and will be a debt due and owing to the Company on the terms contained in the Loan Agreements.

Key Terms of the loan agreements are as follows:

- The Lender and the Borrower acknowledge that the Loan shall be unsecured.
- The Loan and any interest accrued must be repaid on or before the date that is 12 months after the date of this Agreement (or such other date as may be mutually agreed between the parties in writing).
- Interest on the Loan will accrue and will be calculated monthly in arrears on the amount of outstanding monies at a rate of 6% per annum and these amounts shall be capitalised until such time as all the outstanding monies are repaid by the Borrower to the Lender.
- The Borrower shall be at liberty to repay the whole or any part of the outstanding monies before it is due to be repaid.
- The parties acknowledge and agree that in the event the 5 day volume weighted average price of the Company's fully paid ordinary shares that are quoted on the Australia Securities Exchange falls below the exercise price of the Options the parties may mutually agree to forgive the Loan and release the Borrower from the requirement to repay the outstanding monies.

**CONTACT:**

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