

HEEMSKIRK

Announcement



31 May 2017

C\$10 million Working Capital Facility Executed

Heemskirk Consolidated Limited

ASX: HSK
ABN 18 106 720 138

Shares on issue:
562,635,912

Unquoted securities:
Options: 7,881,075
Employee shares: 1,461,808
Partly paid (to 1c, 24c unpaid):
100,000
Partly paid (to 1c, 49c unpaid):
1,500,000

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KEY POINTS

- 🚩 **C\$10million unsecured working capital facility with Taurus Resources No.2 BV executed**
- 🚩 **Conditions Precedent to be satisfied**

Heemskirk Consolidated Limited (ASX: HSK), ("Heemskirk" or the "Company") advises that through its Canadian subsidiary, HCA Mountain Minerals (Moberly) Limited ("HCA"), it has executed a C\$10 million unsecured working capital facility ("Facility") with Taurus Resources No.2 BV. ("Taurus") and Northern Silica Corporation ("NSC").

As previously announced* Taurus had offered an underwritten working capital facility to be available to HCA.

The key terms of the Facility are:

- Up to C\$10 million, able to be drawn in C\$2.5 million minimum tranches.
- Maturity Date of 31 March 2018.
- Bullet repayment at the Maturity Date, with no penalty for early repayment.
- Funds to be used by the Company for funding working capital requirements and existing Taurus debt servicing requirements.
- Unsecured facility.
- Interest rate of 12.5% p.a. on drawn funds, to be repaid in NSC shares.
- Fees payable to Taurus in NSC shares comprising a 2% arranging fee on the total facility size and a 2% p.a. commitment line fee on undrawn funds, also to be paid in NSC shares.
- NSC has stated in its First Supplementary Bidder's Statement that repayment of the Facility is to be via a new equity issue by NSC at an issue price of at least C\$0.075 per share.

The Company now will work towards completing conditions precedent to this Facility shortly and the Directors are unaware of any reason why these cannot be satisfied.

* See ASX announcement of 13 February 2017 and Quarterly Report released 28 April 2017