



19 July 2021

## **NQ Minerals Plc**

("NQ" or the "Company")

Tickers: AQSE: NQMI; FSE: 44D; OTCQB: NQMLF; OTCQB: NQMIY (US ADR)

### **Second Quarter 2021 Production and Corporate Update**

#### ***Hellyer Gold Mine Highlights:***

#### ***Hellyer Mine's Second Quarter 2021 Provisional Unaudited Financial Results:***

- A\$19.8 million - Gross Revenues***
- A\$11.0 million - Operating Profit***
- A\$5.7 million - Net Income***

#### ***Hellyer Mine's Second Quarter Production Results :***

- Lead Concentrate Production – 8,774 DMT***
- Zinc Concentrate Production – 4,410 DMT***
- Payable Gold Production – 1,096 oz***
- Payable Silver Production – 242,798 oz***

UK, US and German traded NQ Minerals Plc, the green mining company, reports its Second Quarter 2021 (1 April 2021 – 30 June 2021) production and provisional unaudited operating results from its wholly owned subsidiary Hellyer Gold Mines Pty Ltd ("Hellyer"). NQ is the 100% owner of the Hellyer Mine and the Beaconsfield Goldmine which are both located in Tasmania.

These results exclude all costs at the Plc level. It should also be noted that the cash generated from the Hellyer operations is currently held at the Hellyer subsidiary level, solely for the Hellyer operations, as agreed under the recent financing arrangements with its bankers.

#### **Hellyer – Second Quarter Production Summary (as supplied from Hellyer management)**

#### **Overall production for the Quarter comprised:**

- Lead concentrates of 8,775 dry metric tonnes**
- Zinc concentrates of 4,410 dry metric tonnes**
- Payable gross gold production of 1,096 ounces**
- Payable gross silver production of 242,798 ounces**
- Note: Gold and silver gross production reported to the lead and zinc concentrates.**

#### **Hellyer - Provisional Second Quarter 2021 Unaudited Financial Summary:**

(Note: Results reported in Australian dollars ("A\$"))

Mining and processing operations at Hellyer realised provisional Second Quarter 2021 gross revenues of A\$19.8m, operating profits from operations of A\$11.0m and net income of A\$5.7m for the period from 1 April 2021 to 30 June 2021.

The major capital works programme at Hellyer to construct the first stage of the new tailings storage facility (TSF2) was completed during this quarter (*i.e.* 1 April 2021 to 30 June 2021) at a capital cost of A\$16.4m.

In addition, Hellyer ordered, for Q4 delivery and commissioning, a second new production dredge, to complement the existing dredge for the mining operations at a cost of A\$3.3m. This second dredge will allow for flexibility with respect to the sequence in which blocks are mined. This should provide an optimal feed into the processing plant. The additional dredge also reduces overall mechanical downtime.

### **Beaconsfield Gold Mine Update:**

Over 50,000 tonnes of gold bearing material have now been trucked from the Beaconsfield Wetlands area to the plant. The balance of gold bearing material will be moved to the plant when it becomes operational.

Engineering studies and cost estimates to recommission the plant to treat the Wetlands material are almost complete and discussions are underway with various funders to provide the necessary capital and pre-production expenditure. The results of the scoping study will be made available to shareholders when the work is complete.

### **Management Changes:**

It has been a difficult period for the current board, especially having three executive directors and one non-Executive director (Walter Doyle the ex-Director/CEO, Roger Jackson ex-Executive Director, Colin Sutherland the ex-Director/CFO and Allen Ambrose ex-non-Executive Director) resign from the board since the beginning of the year. Senior roles and responsibilities within the Company have been taken up by Adrian Moroz, who has taken on not only the CFO role but has also been appointed interim CEO. Mr Richard Poulden, an experienced corporate executive and barrister, also recently joined the Plc board.

At the subsidiary level, Mr Stephen White remains NQ's director at Hellyer and is key to our operations. Mr Pierre Richard joined the board of NQ's subsidiary in charge of Beaconsfield and is running the plans to re-open Beaconsfield.

Following the resignations set out above the remaining directors are not taking any fees during this period of restructuring.

### **Debt Restructure Plans:**

In December 2020, the Company was successful in restructuring its Hellyer debt with a US\$55 million package and the Company is now actively pursuing means to restructure its debts

further. If the Company is successful over the coming months with its plans, this will secure a brighter future and support our ambitious growth plans.

The Company has also recently advised that it is working with its creditors to support the Company through this proposed restructuring exercise. Whilst the Company has engaged with many of them, there can be no assurance that there will be enough support to approve the proposed changes.

The current directors believe that the Company has an excellent portfolio of assets and, if a successful financial restructuring can be achieved, the Company has a strong future which can generate returns for all its stakeholders.

#### **Potential London Stock Exchange Listing:**

Prospectus work is well advanced for the proposed listing on the London Stock Exchange (“LSE”), with multiple turns of the prospectus being achieved with the UK’s FCA. It remains the Company’s firm intention to seek a listing on the LSE once a successful restructuring of the Company’s debt has been achieved.

#### **NQ Minerals’ Chairman, Mr David Lenigas, commented:**

**“The board does not underestimate the challenges it sees ahead, the most immediate being to restructure the company’s remaining debt, whilst simultaneously raising additional financing. The board is working tirelessly to achieve a satisfactory outcome for its shareholders and creditors. I recognise that the departure of directors in recent months has caused a concern to many of you. However, many directors have remained, and others have chosen to join us. I commend them, as well as our senior management team, staff and stakeholders for their steadfast support. Hellyer is a fantastic mining operation, and it continues to perform well in this prolonged COVID pandemic. This great asset and its professional operating team really are the strength of this Company.”**

**-END-**

#### **About NQ Minerals**

NQ Minerals Plc (“NQ”) is an Australian mining company focused on the environmental rehabilitation of former precious metal mining operations and the extraction of minerals required in clean energy delivery including gold. Its stock is traded on the UK’s AQSE exchange (AQSE: NQMI), the German Frankfurt Exchange (FSE: 44D) and US OTC Market (OTCQB: NQMLF). It also has a 1:100 ADR traded on the OTC Market (OTCQB: NQMIY). For further information on the Company and its projects in Tasmania and North Queensland, Australia, please visit NQ’s website at [www.nqminerals.com](http://www.nqminerals.com).

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

The Following section relates to NQ Minerals Plc's news releases distributed in the United States:

**Cautionary Note to US Investors**

The United States Securities and Exchange Commission ("SEC") permits US Mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Any estimates of mineral resources shown in this press release or on NQ Minerals PLC's website have been prepared in accordance with definition standards of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves produced by the Australasian Joint Ore Reserves Committee, which may differ from definition standards of the United States Securities and Exchange Commission ("SEC") Industry Guide 7. The Company may use certain terms which the SEC guidelines strictly prohibit US registered companies from including in their filings with the SEC.

**Cautionary Note Regarding Forward-Looking Statements**

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include, but are not limited to, any statements based on current expectations,

estimates, forecasts, and projections, including those related to our growth strategy, mineral estimates and any other statements that are not historical facts. Forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could negatively affect our business, operating results, financial condition, and stock price. Factors that could cause actual results to differ materially from those currently anticipated are risks related to our growth strategy; risks relating to exploration, development and/or extraction; our ability to obtain, perform under, and maintain financing and strategic agreements and relationships; our ability to attract, integrate, and retain key personnel; global demand for mineral resources; our need for substantial additional funds; government regulation; as well as other risks. The Company expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions, or circumstances on which any such statement is based, except as required by law.