Company Registration No. 09540926

NQ MINERALS PLC

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NQ MINERALS PLC

COMPANY INFORMATION

Directors	Mr W D Doyle Mr B. Stockbridge Mr F B Smart Mr Roger Jackson Mr Allen Ambrose Mr Greg Lane Mr Colin Sutherland
Company Secretary	International Registrars Limited 5-7 Cranwood Street London EC1V 9EE
Company number	09540926
Registered office	Finsgate 5-7 Cranwood Street London EC1V 9EE
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Overseas Counsel	McCullough Robertson Level 11 Central Plaza Two 66 Eagle Street Brisbane QLD 4000 Australia
Competent Person	Map to Mine PTY Limited Robert James Morrison 22 Bell Street South Townsville Queensland Australia
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NQ MINERALS PLC

CONTENTS

NQ MINERALS PLC

NON EXECUTIVE-CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2016

2016 welcomed a reversal of the negative sentiment which has dogged the minerals exploration sector for a number of years. Our investment in our exploration assets, our efforts to add value to our existing projects and search for value adding projects, along with improved market sentiment, provides us with great confidence in our progress and the direction upon which our Group is embarking. During 2016 we agreed to acquire Keen Pacific Limited. The acquisition completed on 18 May 2017 and will see NQ Minerals wholly own the prospective Hellyer Gold Mine in Tasmania, Australia ("Hellyer"). This is in line with the Company's strategy of becoming a near-term revenue generating gold and base metal production company.

Projects

NQ is focused on three main projects being Hellyer in Tasmania which offers the prospects of significant short term cashflow, and it's two exploration projects, Ukalunda and Square Post, in North Queensland, Australia. These two exploration projects are both located in prospective mining districts that form part of the well-known Charters Towers Gold Province, where more than 20 million ounces of gold has been mined.

Hellyer

The Board and management of NQ Minerals consider that the Hellyer Gold Mine in Tasmania represents a significant permitted project for the Company with life of mine revenues exceeding AU$1.3 bn (US$1.033bn) and a post-tax NPV estimated by management of AU$276 m (US$210m). The capital expenditure to start the project is low at only AU$20m and the project is expected to have a 10 year mine life. The necessary plant and equipment exists on site including a large pre-existing mill facility and full supporting infrastructure, including a direct rail line to port with port concentrate housing, handling and loading facilities.

NQ Minerals' acquisition of Hellyer allows the opportunity to fully process and bring the tailings to account. Held within four separate areas, the tailings total 11.24 mt, and comprise a JORC compliant resource estimated at 9.5 mt which is host to Gold at 2.61 g/t Au for 796,000 oz Au, Silver at 104 g/t Ag for 32 m oz Ag, Lead at 3.03% Pb for 287,800 tonnes and Zinc at 2.5% Zn for 237,900 tonnes.

Ukalunda

The Group continues to invest in the Ukalunda. The tenement, which lies midway between the Lake Dalrymple/Burdekin Dam and the historic Wirralie gold mine, which previously produced 1.1 million ounces of gold. The Ukalunda project area contains multiple shows of mineralisation that are the same as other mineralisation shows discovered in mining districts around the world that host major ore bodies. This suggests that a major ore body may be present in this district. Historic, wide-ranging exploration has been carried out at the Ukalunda permit area, which had discovered some areas of rich mineralisation of gold, silver and a number of associated base metals.

Square Post

Investment continues in the Square Post tenement lies close to the Flinders Highway, 10 kilometres north north east of Mingela and 50 kilometres south of Townsville. The area is considered to be underexplored, principally due to its rugged terrain. The permit consists of 47 sub-blocks covering an area of around 168km2. Map to Mine has reported that the Square Post tenement is in good standing.

Outlook

The Hellyer Gold Mine will be a flagship project for NQ Minerals and is expected to see us transform into a near-term producer within a 12 month time-frame. First work will involve the refurbishment of the existing operating facilities in order to extract and treat the large high-grade tailings deposit on site and produce three marketable concentrates (lead, zinc, gold/silver/pyrite). The project is expected to be producing within a short time period and offers the potential for attractive returns with a quick payback of capital. The Board believes

NON EXECUTIVE-CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016

Hellyer is a world-class project that blends in well with our North Queensland assets and our long-term goal to become a significant gold and base metal producer in Australia.

I am optimistic about the Group's growth potential and we look to the future with significant confidence.

Mr B Stockbridge
Chairman
26 May 2017

NQ MINERALS PLC

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2016

The Directors present their Strategic Report of NQ Minerals Plc ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2016.

Review of the business
The trading results for the year ended 31 December 2016, and the Group's financial position at the end of the year are shown in the audited financial statements. The profit and loss account for the year shows a loss before tax of £2,387,000.

The loss is a result of the Group entering into a contract to acquire all of the issued and outstanding shares of Keen Pacific Limited, along with its wholly-owned subsidiaries Ivy Resources Pty Ltd and Hellyer Gold Mines Pty Ltd, which resulted in significant consulting, due diligence and acquisition related expenditure being incurred.

The acquisition was completed on 18 May 2017 and will see NQ Minerals wholly own the prospective Hellyer Gold Mine in Tasmania, Australia. The Hellyer Gold Mine will be a flagship project that will initially involve the refurbishment of the existing operating facilities in order to extract and treat the large high-grade tailings deposit on site and produce three marketable concentrates (lead, zinc, gold/silver/pyrite). The project is expected to be producing within a short time period and offers the potential for attractive returns with a quick payback of capital. The Board believes Hellyer is a world-class resource, a project that blends in well with our North Queensland assets and our long-term goal to become a significant gold and base metal producer in Australia.

Principal risk and uncertainties
The Directors continue to assess the risks facing the Company and the Group and they believe these are as follows:

Principal risk and uncertainty	**Mitigation**
Exploration and mining risk – The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.	Expertise in exploration and mining along with previous exploration data helps improve the chances of success.
Licensing and title risk – Government approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices.	The Group, through previous managerial knowledge in the industry, seeks to meet all known and future obligations and expectations regarding government approvals, licenses and permits.
Funding risk – the Group is dependent on securing additional funding and there is no certainty that such funds will be obtained.	Management has the financial and operational capability to ascertain and monitor it's funding needs, including the use of detailed budgets and medium and long-term forecasts. Management is well connected, experienced and maintains relationships with various funding entities.
Construction and operational risk – there is significant risk associated with refurbishing and operating the Hellyer project.	Experienced management and consultants are engaged to manage the capital expenditure program and oversee the commencement of operations.

Financial risk and management of capital

The only significant asset of the business is its investment in a wholly owned subsidiary NQ Minerals Pty Limited which has been acquired by way of a share for share exchange in the prior year and its 100% ownership of Keen Pacific. Various other financial instruments were issued by the Group during the financial year and a description of how the Group manages its capital and financial risk is disclosed in Note 4.

The Directors consider and review these risks on a strategic and day-to-day basis in order to minimise any potential exposure.

Key performance indicators

The Directors currently consider the following as key performance indicators:

	2016	2015	% Change
Net loss	£2,387,000	£518,000	462%
Cash and cash equivalents	£2,084,000	£617,000	338%

The Group has not yet commenced extracting its mineral reserves and has been in the exploration and evaluation phase during the period. Net losses increased compared to 2015 due to the costs incurred in association with the acquisition of Keen Pacific Limited. The Group has a healthy cash balance as at the year end.

The Group intends to establish non-financial key performance indicators in due course once it has matured sufficiently and has commenced extraction operations.

Post balance sheet events and future developments

Subsequent to the year end, the Group has entered into several funding agreements. These funding agreements were to support the acquisition of Keen Pacific Limited which was completed on 18 May 2017. The Group has paid £952,151 in extension deposits in connection with the purchase and a completion payment amounting to £4,477,920. The remaining purchase price of £7,070,400 has been provided through two loan notes issued by the Company and subscribed for by the Vendor.

The Company has issued various equity instruments after year end, including

- Convertible notes amounting to £46,000 which are interest bearing at 12% per annum and are convertible at a share price of £0.08 by 15 March 2018.
- Options which are convertible to shares within 12 months to 5 years at prices ranging from £0.60 to £0.08.
- The Company has issued 4,000,000 options to G Lane on 11 January 2017 at an exercise price of £0.07. As at the date of this report, the options have not yet been converted.
- The Company has issued 4,000,000 options to C Sutherland on 23 May 2017 at an exercise price of £0.08. As at the date of this report, the options have not yet been converted.
- On 27 January 2017 1,785,720 new ordinary shares to raise approximately £125,000 in capital.
- On 16 February 2017 1,652,252 new ordinary shares to raise approximately £128,750 in capital.
- On 22 February 2017 1,034,045 new ordinary shares to raise approximately £82,000 in capital.
- On 22 March 2017 398,031 new ordinary shares to raise approximately £32,000 in capital.
- On 7 April 2017 1,718,113 new ordinary shares to raise approximately £125,735 in capital.

- On 11 May 2017 3,058,334 new ordinary shares to raise approximately £230,000 in capital.
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STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016

Post balance sheet events and future developments (continued)

- On 18 May 2017 70,636,918 new ordinary shares as part of the consideration for the acquisition.
- On 23 May 2017 9,321,968 new ordinary shares to raise approximately £751,405 in capital.

The Company has entered into the following debt arrangements after year end:

- Vendor financing provided by the sellers of Keen Pacific Limited amounting to £7,070,400 has been obtained through the subscription of two secured loan notes. The Notes have termination dates of 1 and 2 months from 18 May 2017 and bear interest at 6%. The directors expect that refinancing of these loans is imminent.
- The Company has entered into secured debt funding agreements on 7 April 2017 and 21 April 2017 amounting to £4,716,650 and £3,606,850 respectively to facilitate the funding of acquisition costs in connection with the purchase of Keen Pacific Limited. The agreements have a termination date of 3 years from the date of drawdown, are interest baring at 12% per annum and result in the issue of options over the Company at a price of £0.08.
- the Group has taken out additional short term unsecured debt funding amounting to £619,000. As at 31 March 2017, the Group has a remaining balance of £418,000 in relation to this debt debt.
- The Company has issued additional convertible notes amounting to £46,000. These notes are interest bearing at 12% per annum and are convertible at a share price of £0.08 by 15 March 2018.

On behalf of the board

Mr B Stockbridge
Director
26 May 2017

NQ MINERALS PLC

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2016

The Directors present their report and the audited financial statements for the Group and Company for the year ended 31 December 2016.

Principal activity
The Company was incorporated on 14 April 2015 and was set up as a holding company for NQ Minerals Pty Limited ("NQ"), a company registered and operating in Australia. NQ is an Australian-based exploration and mining company, focusing on projects where past exploration work has established the presence of mineral occurrences. The Company's management team has decades of experience in the exploration and production of gold, silver and a variety of base metals.

Results and dividends
The results for the year are set out on page 10. There were no dividends proposed or paid in the financial year.

Directors
The following Directors have held office since 14 April 2015:

Mr W D Doyle	(Appointed 14 April 2015)
Mr B. Stockbridge	(Appointed 14 April 2015)
Mr K J Doyle	(Appointed 14 April 2015, resigned 14 April 2015)
Mr F B Smart	(Appointed 21 July 2015)
Mr Roger Jackson	(Appointed 22 August 2016)
Mr Allen Ambrose	(Appointed 30 August 2016)
Mr Greg Lane	(Appointed 11 January 2017)
Mr Colin Sutherland	(Appointed 23 May 2017)

Financial instruments
The Group has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Directors' Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company. They are also responsible for safeguarding the assets of the Group and Company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors
Each person who is a Director at the date of approval of this Annual Report confirms that:
- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
Jeffreys Henry LLP were appointed auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report
In accordance with section 414C(11) of the Companies Act 2006 the Group chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Group in the Strategic Report on page 3.

On behalf of the board

Mr B Stockbridge
Director
26 May 2017

NQ MINERALS PLC

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NQ MINERALS PLC

We have audited the financial statements of NQ Minerals Plc for the year ended 31 December 2016, which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows, company statement of cash flows, consolidated statement of changes in equity, company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, Corporate Governance Statement, Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion:

- The financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- The group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF NQ MINERALS PLC

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report and for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London
EC1V 9EE

Date: 26 May 2017

NQ MINERALS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 £'000s	Period ended 31 December 2015 £'000s
Continuing operations			
Revenue		-	-
Gross profit		-	-
Administrative expenses	**6**	(2,394)	(316)
NEX admission costs	**6**	-	(207)
Operating loss		(2,394)	(523)
Finance income	**7**	3	6
Loss on ordinary activities before taxation		(2,391)	(517)
Taxation	**9**	-	-
Loss for the period		(2,391)	(517)
Foreign exchange gains / (losses)		4	(1)
Total comprehensive loss for the period attributable to the owners of the Parent		(2,387)	(518)
Loss per share (pence)	**11**	1.62	0.40

The notes on pages 17 to 41 form part of these financial statements.

NQ MINERALS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	As at 31 December 2016 £'000s	As at 31 December 2015 £'000s
Assets			
Non-current assets			
Deferred exploration and evaluation	**12**	899	337
Property, plant and equipment	**13**	-	-
Deposits	**14**	239	-
		1,138	337
Current assets			
Trade and other receivables	**16**	373	128
Cash and cash equivalents	**17**	2,084	617
		2,457	745
Total assets		**3,595**	**1,082**
Equity and liabilities			
Equity attributable to owners of the Parent			
Ordinary shares	**18**	159	144
Share premium	**20**	2,382	1,308
Share option reserve	**20**	231	-
Group reorganisation reserve	**20**	(6,983)	(6,983)
Translation reserve	**20**	91	6
Merger relief reserve	**20**	7,171	7,171
Accumulated losses	**20**	(3,040)	(653)
Total equity		11	993
Liabilities			
Current liabilities			
Trade and other payables	**21**	558	89
Financial liabilities	**22**	1,926	-
Convertible notes	**23**	1,100	-
Total liabilities		3,584	89
Total equity and liabilities		**3,595**	**1,082**

The notes on pages 17 to 41 form part of these financial statements.

Approved by the Board and authorised for issue on 26 May 2017.

Brian Stockbridge
Director

NQ MINERALS PLC

Company Registration No. 09540926

NQ MINERALS PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	As at 31 December 2016 £'000s	As at 31 December 2015 £'000s
Assets			
Non-current assets			
Investments	**15**	7,292	7,292
Other receivables	**16**	2,429	1,051
		9,721	8,343
Current assets			
Trade and other receivables	**16**	11	18
Cash and cash equivalents	**17**	19	43
		30	61
Total assets		**9,751**	**8,404**
Equity and liabilities			
Equity attributable to owners of the Parent			
Ordinary shares	**18**	159	144
Share premium	**20**	2,382	1,308
Share option reserve	**20**	231	-
Merger relief reserve	**20**	7,171	7,171
Accumulated losses	**20**	(1,461)	(276)
Total equity		8,482	8,347
Liabilities			
Current liabilities			
Trade and other payables	**21**	169	57
Convertible notes	**23**	1,100	-
Total liabilities		1,269	57
Total equity and liabilities		**9,751**	**8,404**

The notes on pages 17 to 41 form part of these financial statements.

Approved by the Board and authorised for issue on 26 May 2017.

Brian Stockbridge
Director

NQ MINERALS PLC

Company Registration No. 09540926

NQ MINERALS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2016 £'000s	Period ended 31 December 2015 £'000s
Cash flows from operating activities	**24**	(1,185)	(518)
Cash flows from investing activities			
Payment for exploration expenditure		(562)	(248)
Proceeds from disposal of tangible assets		-	17
Payment for share purchase acquisition (deposits)		(239)	-
Net cash flows from investing activities		(801)	(231)
Cash flows from financing activities			
Increase / (decrease) in borrowings		2,364	-
Proceeds on issue of shares		1,089	1,331
Net cash flows from financing activities		3,453	1,331
Net increase in cash and cash equivalents		1,467	582
Cash and cash equivalents at the brought forward		617	35
Cash and cash equivalents carried forward		2,084	617

Non-cash transactions
During the 2016 financial year, the Company issued 5,000,000 Ordinary shares with a fair value of £400,000 to a consultant in relation to debt funding. Refer to Note 22 for further details.

During the 2016 financial year, the Company also issued 8,000,000 Options with a value of £231,000 to two directors in relation to their directorship. Refer to Note 26 for further details.

The notes on pages 17 to 41 form part of these financial statements.

NQ MINERALS PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2016 £'000s	Period ended 31 December 2015 £'000s
Net cash generated from operating activities	**24**	(2,235)	(1,288)
Cash flows from investing activities			
Purchases of tangible assets		-	-
Acquisition of subsidiaries		-	-
Net cash flows from investing activities			
Cash flows from financing activities			
Increase / (decrease) in borrowings		1,122	-
Proceeds on issue of shares		1,089	1,331
Net cash flows from financing activities		2,211	1,331
Net increase in cash and cash equivalents		(24)	43
Cash and cash equivalents at the brought forward		43	-
Cash and cash equivalents carried forward		19	43

Non-cash transactions
During the 2016 financial year, the Company issued 5,000,000 Ordinary shares with a fair value of £400,000 to a consultant in relation to debt funding. Refer to Note 22 for further details.

During the 2016 financial year, the Company also issued 8,000,000 Options with a value of £231,000 to two directors in relation to their directorship. Refer to Note 26 for further details.

During the prior period, the Company issued 121,546,000 Ordinary shares with a fair value of £7,292,760 to acquire a subsidiary in a non-cash transaction. Refer to Note 15 for further details.

The notes on pages 17 to 41 form part of these financial statements.

NQ MINERALS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital	Share premium*	Option reserve	Merger relief reserve	Group organisa-tion reserve	Trans-lation reserve	Accum-ulated deficit	Total equity
		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
As at 31 December 2014		154	-	-	-	-	7	(136)	25
Shares issued in the year		155	-	-	-	-	-	-	155
Group reorganisation on 25 May 2015		(188)	-	-	7,171	(6,983)	-	-	-
Shares issued in the year		23	2,077		-	-	-	-	2,100
Share issue costs		-	(769)	-	-	-	-	-	(769)
Loss for the year		-	-	-	-	-	-	(517)	(517)
Translation of foreign operations		-	-	-	-	-	(1)	-	(1)
As at 31 December 2015		**144**	**1,308**	**-**	**7,171**	**(6,983)**	**6**	**(653)**	**993**
Shares issued in the year		15	1,810	-	-	-	-	-	1,825
Value of conversion rights		-	92	231	-	-	-	-	323
Group reorganisation on 25 May 2015		-	-	-	-	-	-	-	-
Share issue costs		-	(828)	-	-	-	-	-	(828)
Loss for the year		-	-	-	-	-	-	(2,387)	(2,387)
Translation of foreign operations		-	-	-	-	-	85	-	85
As at 31 December 2016		**159**	**2,382**	**231**	**7,171**	**(6,983)**	**91**	**(3,040)**	**11**

Share capital is the amount subscribed for shares at nominal value and share premium is the excess subscribed above nominal value. Included within share premium are share issue costs which relate to commissions and other directly attributable costs.

Group reorganisation and merger relief reserves arise from the 100% acquisition of NQ Minerals Pty Limited ("NQ") on 25 May 2015 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares was transferred to this reserve in accordance with section 612 of the Companies Act 2006.

Translation reserve arises from the translation of transactions and balances relating to the Australian subsidiary into pounds sterling.

Accumulated deficit represents the cumulative losses of the Group attributable to equity shareholders.

The notes on pages 17 to 41 form part of these financial statements.

***** Share premium reserve includes the value of conversion rights associated with convertible notes amounting to $92,000, refer to Note 19.

NQ MINERALS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £'000s	Share premium* £'000s	Option reserve £'000s	Merger relief reserve £'000s	Accum-ulated deficit £'000s	Total equity £'000s
As at 31 December 2014		**-**	**-**	**-**	**-**	**-**	**-**
Shares issued during the period to acquire NQ Minerals Pty Limited		121	-	-	7,171	-	7,292
Shares issued in the period		23	2,077		-	-	2,100
Share issue costs		-	(769)	-	-	-	(769)
Loss for the period		-	-	-	-	(276)	(276)
As at 31 December 2015		**144**	**1,308**	**-**	**7,171**	**(276)**	**8,347**
Shares issued during the year		15	1,810	-	-	-	1,825
Value of conversion rights		-	92	231	-	-	323
Share issue costs		-	(828)	-	-	-	(828)
Loss for the year		-	-	-	-	(1,185)	(1,185)
As at 31 December 2016		**159**	**2,382**	**231**	**7,171**	**(1,461)**	**8,482**

Share capital is the amount subscribed for shares at nominal value and share premium is the excess subscribed above nominal value. Included within share premium are share issue costs which relate to commissions and other directly attributable costs.

Accumulated deficit represents the cumulative losses of the Company attributable to equity shareholders.

Merger relief reserves arises from the 100% acquisition of NQ Minerals Pty Limited ("NQ") on 25 May 2015 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

The notes on pages 17 to 41 form part of these financial statements.

***** Share premium reserve includes the value of conversion rights associated with convertible notes amounting to $92,000, refer to Note 19.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 General information

NQ Minerals Plc ("Company") is a public limited company incorporated in England and Wales with company number 09540926 and quoted on the NEX Growth Market. Details of the registered office, the officers and advisers to the Company are presented on the Company information page.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

2.1 Basis of preparation

This financial statements have been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, using accounting policies which are consistent with those set out in the financial statements of NQ Minerals Pty Limited for the year ended 31 December 2016.

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards and interpretations effective in the current period

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Company and the Group.

New standards and interpretations

As of the date of approval of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

2.1 Basis of preparation (continued)

New standards and interpretations (continued)

Reference	**Title**	**Summary**	**Application date of standard (Periods commencing on or after)**
Amendments to IAS 7	Statement of Cash Flows	Disclosure initiative	1 January 2017
Amendments to IAS 12	Income Taxes	Clarifies that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference arising from unrealised losses and also provides guidance on how an entity should determine future taxable profits.	1 January 2017
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more information and relevant disclosures.	1 January 2018
IFRS 9	Financial instruments	Requirements on the classification and measurement of financial assets and liabilities and includes an expected credit losses model which replaces the current incurred loss impairment model. Also includes the hedging amendment that was issued in 2013	1 January 2018
IFRS 16	Leases	Sets out the principles for the recognition, measurement, presentation and disclosure of leases and require lessees to account for all leases under a single on-balance sheet model.	1 January 2019
Amendments to IFRS 10 and IAS 28	IFRS 10: Consolidated financial statements and IAS 28: Investments in Associates and Joint Ventures	Clarifies that the gain or loss resulting from the loss of control of a subsidiary that does not constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.	To be determined
Amendments to IFRS 2	Share-based Payment	Guidance on measurement of cash-settled share-based payments, classification of share-based payments settled net of tax withholdings and accounting for a modification of a share-based payment from cash-settled to equity-settled.	1 January 2018

The Directors anticipate that the adoption of these standards and the interpretation of these periods will have no material impact on the financial statements of the Group.

2.1 Basis of preparation (continued)

Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. During the 2016 financial year, the consolidated entity made a loss of £2,387,000 experienced net cash outflows from operating activities of £1,185,000 and as at 31 December 2016 had net current liabilities of £1,127,000. The consolidated entity has currently entered into a contract to purchase 100% of the shares in Keen Pacific Limited and its associated group of entities. Subsequent to the year end, the Company has issued a notice of a general meeting to its shareholders to be held on 15 May 2017 in respect to voting for this acquisition. The consolidated entity also has ongoing expenditure commitments to support its exploration activities on existing tenements held in Queensland, Australia. The consolidated entity is reliant on obtaining funding to support the ongoing costs associated with Keen Pacific Limited, as well it as its ongoing exploration activities. The Directors are satisfied that the consolidated entity is executing its plans to ensure it will have adequate cash flows to continue to meet its obligations and continue to trade on a going concern basis through to May 2018. Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classifications of recorded asset amounts nor to the amounts and classifications of liabilities that may be necessary should the consolidated entity be unable to continue as a going concern.

2.2 Consolidation

(a) Subsidiaries

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re- measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Group reorganisation accounting

The Company acquired its 100% interest in NQ Minerals Pty Limited ("NQ") in the prior year on 25 May 2015 by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group but they are a continuance of those of NQ. Therefore the assets and liabilities of NQ have been recognised and measured in these consolidated financial statements at their pre combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and NQ. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation. The difference between consideration given and net assets of NQ at the date of acquisition is included in a group reorganisation reserve.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.4 Financial assets and liabilities

The Group classifies it financial assets at fair value through profit and loss or as loans and receivables and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans are recognised when the funds are advanced to customers. Loans and receivables are carried at amortised cost using the effective interest method (see below).

(b) Other financial liabilities
Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments. Other financial liabilities are recognised when cash is received from the depositors. Other financial liabilities are carried at amortised cost using the effective interest method. The fair value of other liabilities repayable on demand is assumed to be the amount payable on demand at the Statement of Financial Position date.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all of the risks and rewards of ownership. In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Amortised cost measurement
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the Group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

2.5 Revenue

Mineral sales revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the group's share of mineral supplied in the period. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group. Revenue is recognised when the mineral produced is despatched and received by the customers.

2.6 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.7 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one period or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Income tax expense

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

2.10 Deferred tax

Deferred tax assets and liabilities are recognised when the carrying amount of an asset or liability in the consolidated statement of the financial position differs from its tax base, except for the differences arising on:

- initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit: and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the near future

The amount of the asset or liability is determined using rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

2.11 Investments in subsidiaries

Investments are held as non-current assets at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, impairment is recognised.

2.12 Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where substantially all the risks and rewards of ownership have been transferred to the Group are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2.13 Intangible assets

Mineral assets: deferred exploration and evaluation

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

All lease and licence acquisition costs, geological and geophysical costs and other direct costs of exploration, evaluation and development are capitalised as intangible or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the Directors consider to be unevaluated until reserves are appraised as commercial, at which time they are transferred to tangible assets as 'Developed mineral assets' following an impairment review and depreciated accordingly. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

2.14 Property, plant and equipment

Mineral assets: development and production

Development and production ("D&P") assets are accumulated on a field by field basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets as outlined above. The carrying values of producing assets are depreciated using the unit of production method based on entitlement to provide by reference to the ratio of production in the period to the related commercial reserves, taking into account any estimated future development expenditures necessary to bring additional non producing reserves into production.

An impairment test is performed for D&P assets whenever events and circumstances arise that indicate that the carrying value of development or production phase assets may exceed its recoverable amount. The aggregate carrying value is compared against the expected recoverable amount of each well, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves.

Decommissioning

Site restoration provisions are made in respect of the estimated future costs of closure and restoration, and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. The provision is discounted where material and the unwinding of the discount is included in finance costs. Over time, the discounted provision is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. At the time of establishing the provision, a corresponding asset is capitalised where it gives rise to a future benefit and depreciated over future production from the field to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates or life of operations. Any change in restoration costs or assumptions will be recognised as additions or charges to the corresponding asset and provision when they occur. For permanently closed sites, changes to estimated costs are recognised immediately in the income.

Non-mineral assets

Non-mineral assets are stated at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

2.15 Foreign currencies

i) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which are mainly in Pounds Sterling (£) and Australian Dollars (AUD). The financial statements are presented in Pounds Sterling (£), which is the group's presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the presentational currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

iii) Group companies

The results and financial position of all group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Exchange rates used

The following exchange rates were used in translating the results of NQ Minerals Pty Limited:

Period	Average Rate GBP : AUD	Closing Rate GBP : AUD
Year ended 31 Dec 2016	1 : 1.8120	1 : 1.6972
Year ended 31 Dec 2015	1 : 2.0306	1 : 2.0344

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

3 Critical accounting estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

(a) Impairment of investments in subsidiaries

The Directors have reviewed the carrying amount of investments and have not identified any indicators of impairment, particularly as the acquisition was close to the period end. An impairment review has not been carried out as the Directors believe the recoverable amount exceeds the carrying amount of the investments.

(b) Deferred exploration and evaluation expenditure

The application of the accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of JORC resource is itself an estimation process that requires varying degrees of certainty depending on sub-classification and these estimates directly impact the deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if more information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit and loss in the period when the new information becomes available.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

4.1 Financial risk factors

The Group's activities may expose it to a variety of financial risks: foreign exchange risk, and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting

date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral over these amounts.

(b) Cash flow and Interest rate risk
The consolidated entity's main interest rate risk arises from short-term borrowings and convertible notes. Financing obtained at variable rates expose the consolidated entity to interest rate risk. Financing obtained at fixed rates expose the consolidated entity to fair value risk. The consolidate entity has 10% of its current financing on a variable rate.

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Liquidity risk
The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

(d) Capital risk
The Group takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investment is closely monitored.

(e) Market risk
The Group has not commenced trading and its investment is in a wholly owned subsidiary operating overseas which has been fully paid for by the issue of shares. A general economic downturn at a global level, or in one of the world’s leading economies, could impact on the Company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the Company. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the Company's operations. These risks are also applicable to most companies and the risk that Company will be more affected than the majority of companies is assessed as small.

(f) Currency risk
The Group is exposed to movement in foreign currency exchange rates arising from normal trading transactions that are denominated in currencies other than the respective functional currencies of the Group entities.

(g) Price risk
The Group is not currently exposed to price risk.

4.2 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans. In order to maintain or adjust the capital structure the Group may issue new shares or alter debt levels.

5 Segment information

In the opinion of the Directors the group has one class of business, being the exploration for, and development and production of minerals and other related activities.

All non-current assets of the Group are based in Australia.

6 Operating loss: Other income and expenses by nature

	Notes	2016 £'000s	2015 £'000s
Operating loss is stated after charging:			
Administrative expenses			
Cancellation of commercial debt		-	-
Employment and related costs		263	75
Exploration write-off	**12**	1	5
Legal and professional		63	14
Audit fees		18	12
Tax and accountancy		37	27
Consultancy fees		1,052	67
Depreciation		-	2
Loss on disposal of fixed assets		-	9
Acquisition related expenditure		475	-
Other expenses		485	105
		2,394	316
Exceptional expenses			
NEX admission costs		-	207
		2,394	523

Fees paid to Group auditor:	2016 £'000s	2015 £'000s
For the audit of the Group	12	12
For non-audit services	5	5
	17	17

During the financial year, the Group entered into a contract to purchase the Keen Pacific Group. The Group incurred £474,800 in due diligence and acquisition related expenditure in connection with this purchase contract.

In the prior period, the Group paid NEX admission costs of £24,000 and ongoing corporate finance costs of £5,800 to Alfred Henry Corporate Finance Limited, an associate of Jeffreys Henry LLP. No further costs were required in the 2016 financial year.

7 Finance income

	2016 £'000s	2015 £'000s
Interest receivable	3	6
Total finance income	3	6

8 Employee benefit expense

Employees and Directors	2016 £'000s	2015 £'000s
Directors' remuneration	739	75
	739	75

The Company issued 8,000,000 Options with a value of £231,000 (2015 - £nil) to two directors in relation to their directorship during the financial year. The Group also paid a £443,920 (2015 - £nil) fee for services provided by Tarver Partners Inc for director and CEO services. Refer to Note 26 for further details of this and fees paid to the Directors.

The average monthly number of employees (including Directors) during the period was:

	2016 number	2015 Number
Directors	6	3

9 Taxation

	2016 £'000s	2015 £'000s
Current tax expense	-	-
Deferred tax credit	-	-
Aggregate tax charged to the income statement	**-**	**-**
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(2,387)	(517)
Loss on ordinary activities before taxation multiplied by the prevailing rate of Australia corporation tax of 30%	(716)	(155)
Effects of:		
Tax losses carried forward	716	155
Current tax charge / (credit) for the period	**-**	**-**

The Group and Company have estimated unutilised losses of £1,162,000 (2015: £446,000) and £306,000 (2015: £69,000) respectively.

The tax losses have resulted in potential deferred tax assets for the Group and Company of approximately £349,000 (2015: £127,000) and £61,000 (2015: £14,000) respectively, calculated using the prevailing rate of Australia corporation tax of 30% for the Group and the prevailing rate of UK corporation tax of 20% for the Company. These have not been recognised as it is uncertain whether future taxable profits will be sufficient to utilise the losses.

10 Profit and loss of Company

As permitted by Section 408 of the Companies Act 2006 the profit and loss account of the Company is not presented as part of these financial statements. The Company's loss for the financial period was £1,185,000.

11 Earnings per share

	2016	**2015**
Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:		
Loss after tax attributable to equity holders of the Group	£2,391,000	£517,000
Weighted average number of ordinary shares	147,576,361	130,765,481
Basic and diluted loss per share	1.62p	0.40p

Diluted loss per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since the Group does not have any dilutive potential ordinary shares the diluted loss per share is the same as the basic loss per share.

Potentially convertible shares

The Group has convertible ordinary shares on issue as at 31 December 2016 as follows:

- 20,508,728 convertible ordinary shares in connection with the convertible notes on issue at year end. These convertible notes have a maturity date within the next 12 months; and

- 8,000,000 options on issue to two directors as disclosed in Note 26. These are options expire in the 2021 financial year.

The above have not been factored into the loss per share calculation as they do not dilute current earnings per share.

12. Intangibles

Group

	Exploration/ evaluation costs £'000	Total £'000
At 31 December 2014	204	204
Additions	248	248
Foreign exchange differences	(29)	(29)
At 31 December 2015	423	423
Additions	563	563
Foreign exchange differences	-	-
At 31 December 2016	**986**	**986**
Impairment		
At 31 December 2014	86	86
Impairment loss	5	5
Foreign exchange differences	(5)	(5)
At 31 December 2015	86	86
Impairment loss	1	1
Foreign exchange differences	-	-
At 31 December 2016	**87**	**87**
Carrying Value		
At 31 December 2015	337	337
At 31 December 2016	**899**	**899**

Included in deferred exploration expenditure are the following tenements and mining leases:
-EPM 18019 "Ukalunda"
-EPM 18150 "The Blue Doe"
-EPM 18964 "Edward"
-EPM 19280 "Eagle Hawk"
-EPM 26204 "Percy Douglas"
-ML 100040

The Directors have determined that it is appropriate for the balance of the deferred exploration expenditure relating to EPM19280 "Eagle Hawk" and EPM 18964 "Edward" areas of interest to be fully impaired and written off through the profit and loss in the previous year as the Group has surrendered these tenements.

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest. The Group has an interest in certain exploration tenements and the amounts shown above include amounts expended to date in the acquisition and/or exploration of those tenements.

During the financial year, the Group applied for EPM 26204 "Percy Douglas" which was granted on 23 December 2016. The Group also applied for EPM 18510 to be renewed for a further 5 years commencing 26 June 2016 which was granted on 12 October 2016.

As at the date of these financial statements, the Group's Mining Lease 100040 remains in application. The Directors are confident that this will be approved in due course.

13 Property, plant and equipment

Group

	Vehicles	Total
	£'000s	**£'000s**
Cost		
At 31 December 2014	39	39
Disposals	(39)	(39)
At 31 December 2015	-	-
Additions	-	-
At 31 December 2016	-	-
Accumulated depreciation		
At 31 December 2014	11	11
Charge for the year	2	2
Disposals	(13)	(13)
At 31 December 2015	-	-
Charge for the year	-	-
Disposals	-	-
At 31 December 2016	-	-
Carrying amount		
At 31 December 2015	-	-
At 31 December 2016	-	-

14 Deposits

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Deposits	239	-	-	-

During the financial year, the Group entered into a contract to purchase 100% of the shares in Keen Pacific Limited and it's associated group. As at 31 December 2016, the Group has paid £239,215 in non-refundable deposits in connection with this purchase contract. Other costs incurred in connection with this purchase have been expensed at Note 6.

15 Investments in subsidiary undertakings

Company	**Shares in Group undertakings £''000s**
Cost	
At the beginning of the period	**-**
Additions in the period	7,292
At 31 December 2015	7,292
Additions in the period	-
At 31 December 2016	7,292

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid.

On 25 May 2015, the Company acquired 100% of the share capital of NQ Minerals Pty Limited by a share for share exchange. The fair value of the 121,546,000 ordinary shares issued as consideration had a fair value equal of £7,292,760. Details of the price and consideration are as set out below:

	£
121,546,000 ordinary shares of £0.001 at a fair value of £0.06	7,292,760

The Company's investments at the reporting date in the share capital of companies include the following:

Subsidiary undertaking	**Country of Incorporation**	**Principal activity**	**Class of share**	**% Owned**
NQ Minerals Pty Limited	Australia	Assets held for exploration	Ordinary	100
Circle Resources Pty Limited*	Australia	Assets held for exploration	Ordinary	100

* held by way of the Company's investment in NQ Minerals Pty Limited

16 Trade and other receivables

	Group 2016 £'000s	Group 2015 £'000s	Company 2016 £'000s	Company 2015 £'000s
Current				
Other receivables	373	128	11	18
	373	128	11	18
Non-current				
Amounts due from Group undertakings	-	-	2,429	1,051

The carrying amount of trade and other receivables approximates to their fair value.

17 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	Group 2016 £'000s	Group 2015 £'000s	Company 2016 £'000s	Company 2015 £'000s
Cash and cash equivalents	2,084	617	19	43

The carrying amount of cash and cash equivalents approximates to its fair value.

18 Share capital

Allotted, called up and fully paid	Group 2016 £'000s	Group 2015 £'000s	Company 2016 £'000s	Company 2015 £'000s
165,736,909 (2015: 144,386,909) Ordinary shares of £0.001 each	159	144	159	144

On 25 August 2016, 1,350,000 new ordinary shares were issued at 8.4 pence per share.

On 26 September 2016, 10,000,000 new ordinary shares were issued at 6 pence per share.

On 31 December 2016, 5,000,000 new ordinary shares were issued at 8 pence per share

On 29 December 2017, 5,000,000 ordinary shares with a fair value of £400,000 become due and issuable to a consultant in relation to debt funding raised at Note 22.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) right; they do not confer any rights of redemption.

19 Convertible notes

	Group 2016 £'000s	2015 £'000s	Company 2016 £'000s	2015 £'000s
Value of conversion rights (refer to note 23)	92	-	92	-

20 Reserves

Group

	Share capital £'000s	Share premium* £'000s	Option reserve £'000s	Merger relief reserve £'000s	Group organisation reserve £'000s	Translation reserve £'000s	Accumulated deficit £'000s	Total equity £'000s
As at 31 December 2014	154	-	-	-	-	7	(136)	25
Shares issued in the	155	-	-	-	-	-	-	155
Group reorganisation on 25 May 2015	(188)	-	-	7,171	(6,983)	-	-	-
Shares issued in the year	23	2,077		-	-	-	-	2,100
Share issue costs	-	(769)		-	-	-	-	(769)
Loss for the year	-	-	-	-	-	-	(517)	(517)
Translation of foreign operations	-	-	-	-	-	(1)	-	(1)
As at 31 December 2015	**144**	**1,308**	**-**	**7,171**	**(6,983)**	**6**	**(653)**	**993**
Shares issued in the period	15	1,810	-	-	-	-	-	1,825
Value of conversion rights	-	92	231	-	-	-	-	323
Group reorganisation on 25 May 2015	-	-	-	-	-	-	-	-
Share issue costs	-	(828)	-	-	-	-	-	(828)
Loss for the year	-	-	-	-	-	-	(2,387)	(2,387)
Translation of foreign	-	-	-	-	-	85	-	85
As at 31 December 2016	**159**	**2,382**	**231**	**7,171**	**(6,983)**	**91**	**(3,040)**	**11**

20 Reserves (continued)

Company

	Share capital	Share premium	Option reserve	Merger Relief reserve	Retained earnings	Total equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
As at 31 December 2015	**144**	**1,308**	**-**	**7,171**	**(276)**	**8,347**
Shares issued in the period	15	1,810	-	-	-	1,825
Value of conversion rights	-	92	231	-	-	323
Share issue costs	-	(828)	-	-	-	(828)
Loss for the period	-	-	-	-	(1,185)	(1,185)
As at 31 December 2016	**159**	**2,382**	**231**	**7,171**	**(1,461)**	**8,482**

***** Share premium reserve includes the value of conversion rights associated with convertible notes amounting to $92,000, refer to Note 19.

21 Trade and other payables

	Group 2016	Group 2015	Company 2016	Company 2015
	£'000s	£'000s	£'000s	£'000s
Trade payables	354	11	20	9
Accruals and deferred income	61	33	8	8
Other payables	143	45	141	40
	558	89	169	57

Accruals principally comprise amounts outstanding for ongoing expenses. The carrying amount of other payables approximates to its fair value.

22 Financial liabilities

	Group 2016	Group 2015	Company 2016	Company 2015
	£'000s	£'000s	£'000s	£'000s
Loans payable	1,926	-	-	-

During the financial year, the Group borrowed £2,355,556 in short term funding with Kiwoz Limited and a New Zealand based family trust for working capital purposes. The debt funding incurred transaction costs amounting to £698,601 which includes the issue of 5,000,000 shares at £0.08 per share to an entity involved in the facilitation of funding.

The Loan is secured by a general security deed over all present and future assets and undertakings of the Australian subsidiaries, including a mortgage in respect of the tenements held by Circle Resources Pty Ltd. The Loan is repayable by 5 December 2017 and carries an interest at a rate of 12% per annum payable at the end of each quarter commencing from 1 January 2017.

22 Financial liabilities (continued)

During the financial year, the Group also borrowed short term unsecured funds with an interest rate of 3.75% to 30 days and 6.25% above 30 days, with a balance outstanding as at 31 December 2016 amounting to £269,356.

23 Convertible notes

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Convertible notes	1,100	-	1,110	-

During the financial year, the Group had various convertible notes on issue to various lenders. These notes allow the lenders to convert the entire principal sum to ordinary shares in the Company at a price between £0.06 to £0.08 on the agreed conversion date. The notes are interest bearing at rates between 12% and 23% per annum and are eligible for conversion by 31 December 2017.

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Face value of the notes issued	1,132	-	1,132	-
Value of conversion rights (note 18)	(92)	-	(92)	-
		-		-
Interest amortisation	60	-	60	-
	1,100	-	1,100	-

24 Cash utilised from operations

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£'000s	**£'000s**	**£'000s**	**£'000s**
Profit/(loss) before taxation	(2,387)	(517)	(1,185)	(276)
Adjustments for:				
- Loss on disposal	-	9	-	-
- Depreciation and amortisation	-	2	-	-
- Impairment	-	5	-	-
- Foreign exchange differences	86	23	-	-
- Interest income	-	(6)	-	-
- Non-cash movements in reserves	-	155	-	-
- Share-based payment	400	-	-	-
- Option-based payment	231	-	231	-
- Interest discount	16	-	16	-
Changes in working capital:				
- (Increase)/decrease in trade and other receivables	93	(121)	(1,409)	(1,069)
- Increase/(decrease) in trade and other payables	373	(74)	112	57
Interest received	3	6	-	-
Cash flows from operating activities	(1,185)	(518)	(2,235)	(1,288)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

25 Control

The ultimate controlling party at 31 December 2016 Tarver Partners Inc which is beneficially owned by Walter Doyle. At the date of this report, there is no one controlling party.

26 Related party transactions

Group and Company

During the period to 31 December 2016 the Group paid £21,500 (2015 - £10,525) for services provided by F B Smart, a Director of the Company. These were fully paid by the Company.

During the period to 31 December 2016 the Group was charged £43,200 (2014 - £64,105) for services provided by Brian Stockbridge as a Director of the Company by International Financial Strategic Associates Limited ("IFSA"). Brian Stockbridge is the director and ultimate controlling party of IFSA. As at 31 December 2016, the Group owed IFSA £42,700 (2015: £nil).

During the period to 31 December 2016 the Group paid £443,920 (2015 - £nil) for services provided by Tarver Partners Inc, an entity associated with and controlled by Walter Doyle, a Director of the Company.

During the period to 31 December 2016 the Company paid £36,069 (2015 - £nil) for services provided by Everyday Hire Pty Ltd, an entity associated with and controlled by Roger Jackson, a Director of the Company.

During the period to 31 December 2016 the Company issued 4,000,000 options each to R Jackson and A Ambrose. These options were granted to each director respectively on 22 August 2016 for an exercise price of £0.06 and 30 August 2016 for an exercise price of £0.06.

During the period to 31 December 2016, R Jackson entered into a commission arrangement with the vendors of Keen Pacific Limited in relation to the financing of the Hellyer Project.

As at 31 December 2015 an amount of £289,573 (2015 - £44,488) was owed to the Group by W Doyle, a Director of the Company, made up of a balance of £47,976 (2015 - £39,988) in the Company due from Walter Doyle and an amount included within debtors of £337,549 (2015 - £84,476) in NQ Minerals Pty Ltd. These loans are interest-free, unsecured and repayable on demand and have not been offset on consolidation.

As at 31 December 2016 an amount of £2,663,000 (2015 - £1,051,060) was due to the Company from NQ Minerals Pty Limited, a wholly-owned subsidiary. The loan is interest-free, unsecured and repayable on demand. The loan has been classified as long-term as the Company does not expect to recover the amount within 12 months of the year end.

27 Contingent liabilities

The Group has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

28 Financial commitments

Expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the Queensland State Government. These commitments are subject to periodical renegotiation. They are not provided for in the financial statements and are payable as follows:

Group

	2016 £'000s	**2015 £'000s**
Within 1 year	50	-
After 1 year but not more than 5 years	375	49
	425	49

Capital commitments

During the financial year, the Group entered into a contract to purchase 100% of the shares in Keen Pacific Limited and it's associated group. As at 31 December 2016, the Group has paid £239,215 in non-refundable deposits in connection with this purchase contract. The total purchase consideration to be paid under the share sale agreement amounts to £11,784,000 and therefore the Group has outstanding purchase commitments of £11,544,785. The Group intends to finance the balance of its purchase commitments and has entered into several funding agreements subsequent to the year end, as outlined in Note 29.

29 Events after the reporting period

Subsequent to the year end, the Group has entered into several funding agreements. These funding agreements were to support the acquisition of Keen Pacific Limited which settled on 18 May 2017. The Group has paid £952,151 in extension deposits in connection with the purchase and a completion payment amounting to £4,477,920. The remaining purchase price of £7,070,400 has been provided through two loan notes issued by the Company and subscribed for by the Vendor.

The Company has issued various equity instruments after year end, including

- The Company has issued 4,000,000 options to G Lane on 11 January 2017 at an exercise price of £0.07. As at the date of this report, the options have not yet been converted.
- The Company has issued 4,000,000 options to C Sutherland on 23 May 2017 at an exercise price of £0.08. As at the date of this report, the options have not yet been converted.
- Convertible notes amounting to £46,000 which are interest bearing at 12% per annum and are convertible at a share price of £0.08 by 15 March 2018.
- Options which are convertible to shares within 12 months to 5 years at prices ranging from £0.60 to £0.08.
- On 27 January 2017 1,785,720 new ordinary shares to raise approximately £125,000 in capital.
- On 16 February 2017 1,652,252 new ordinary shares to raise approximately £128,750 in capital.

- On 22 February 2017 1,034,045 new ordinary shares to raise approximately £82,000 in capital.

29 Events after the reporting period (continued)

- On 22 March 2017 398,031 new ordinary shares to raise approximately £32,000 in capital.
- On 7 April 2017 1,718,113 new ordinary shares to raise approximately £125,735 in capital.
- On 11 May 2017 3,058,334 new ordinary shares to raise approximately £230,000 in capital.
- On 18 May 2017 70,636,918 new ordinary shares as part of the consideration for the acquisition.
- On 23 May 2017 9,321,968 new ordinary shares to raise approximately £751,405 in capital.

The Company has entered into the following debt arrangements after year end:

- Vendor financing provided by the sellers of Keen Pacific Limited amounting to £7,070,400 has been obtained through the subscription of two secured loan notes. The Notes have termination dates of 1 and 2 months from 18 May 2017 and bear interest at 6%. The directors expect that refinancing of these loans is imminent.
  - The Company has entered into secured debt funding agreements on 7 April 2017 and 21 April 2017 amounting to £4,716,650 and £3,606,850 respectively to facilitate the funding of acquisition costs in connection with the purchase of Keen Pacific Limited. The agreements have a termination date of 3 years from the date of drawdown, are interest bearing at 12% per annum and result in the issue of options over the Company at a price of £0.08.
  - The Group has taken out additional short term unsecured debt funding amounting to £619,000. As at 31 March 2017, the Group has a remaining balance of £418,000 in relation to this debt debt.
  - The Company has issued additional convertible notes amounting to £46,000. These notes are interest bearing at 12% per annum and are convertible at a share price of £0.08 by 15 March 2018.

There were no other material post balance sheet events after the reporting period.

30 Share-based payment transactions

The measurement requirements of IFRS 2 have been implemented in respect of share options that were granted after 7 November 2002. The expense recognised for share based payment made during the year is £231,379 (2015: £nil)

Movement in issued share options during the year

The table illustrates the number and weighted average exercise price (WAEP) of, and movements in share options during the year. The options outstanding at 31 December 2016 had a WAEP of 0.06p. All share options are settled in form of equity issued.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

30 Share-based payment transactions (continued)

	2016	
	No. of options	**WAEP**
Outstanding at the beginning of the year	-	-
Granted during the year	8,000,000	0.06p
Forfeited/cancelled during the year	-	-
Exchanged for shares	-	-
Outstanding at the end of the year	8,000,000	0.06p
Exercisable at the end of the year	8,000,000	0.06p

The inputs into the Black-Scholes model are as follows:

	2016
Number of options granted	8,000,000
Share price at grant date	0.06p
Exercise price	0.06p
Option life in years	5
Risk free rate	0.81%
Expected volatility	60%
Expected dividend yield	0%
Fair value of options/warrants	£0.03