

31 May 2018

**NQ Minerals plc**

(The "Company" or "NQ Minerals")

**Correction Re Final results for the period ended 31 December 2017**

Please note that this announcement replaces the Final Results for the period ended 31 December 2017 released on 31 May 2018. The cash flow from operating activities figures for the year ended 31 December 2017, in the consolidated statement of cash flows for the year ended 31 December 2017, is (9,650) and not (5,781) as originally announced.

31 May 2018

**NQ Minerals plc**

(The "Company" or "NQ Minerals")

**Final results for the period ended 31 December 2017**

NQ Minerals (NEX: NQMI) (OTCQB: NQMLF), an Australia-based exploration and mining company, today announces its final results for the period ended 31 December 2017.

**Chairman's statement**

On 18 May 2017, the Company acquired all of the issued and outstanding shares in Keen Pacific Limited, along with its wholly-owned subsidiaries Ivy Resources Pty Ltd and Hellyer Gold Mines Pty Ltd. The acquisition resulted in the Group acquiring the entire Hellyer tailings project in Tasmania, Australia which is in line with the Company's strategy of becoming a near-term revenue generating base metal production company. Work commenced during the period on preliminary planning and preparation work with regards to the refurbishment of the existing operating facilities on site in order to extract and treat the large high-grade tailings deposit and produce three marketable concentrates of lead, zinc, gold/silver/pyrite. Refurbishment work subsequently commenced in early 2018 and is now well underway. The Company has promoted a strong environmental culture over the last year and we are proud of our environmental record to date with an excellent safety performance at Hellyer and our North Queensland tenements. NQ has built strong relationships with the Tasmanian regulatory authorities and has recruited a strong and robust management team for its Hellyer project. The team we now have on board has an exceptionally strong set of skills for commissioning, running and managing businesses like the Hellyer project with its operating team consisting of more than 50% of personnel that have worked previously at Hellyer. The skills and wisdom that come with this accumulated experience is priceless.

**Projects**

NQ is focused on three main projects being Hellyer in Tasmania which offers the prospects of significant short term cashflow, and its 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\$1.3bn (US\$1.033bn) and a post-tax NPV estimated by management of AU\$276m (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. The Permitting for processing the Silver and lead stockpiles at the Sunbeam Mining Lease is now underway, with a view of obtaining approval in 2019.

### *Square Post*

Investment continues in the Square Post tenement which lies close to the Flinders Highway, 10 kilometres 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 168km<sup>2</sup>. Map to Mine has reported that the Square Post tenement is in good standing. The Company has achieved excellent rock chip results from the Square Post tenement with our Geologists now planning a drill program for next season.

## **Environmental**

The Company is determined to make a significant and positive difference in the communities we operate. The Company operates at the highest standards as it relates to its Environmental, Community, Sustainability and Human Resource policies and procedures.

This has translated well on our permitting initiatives. In May/18, the Company announced that, further to the receipt of a required Queensland Environmental Authority, the Company has been granted a Mining Lease for its wholly-owned Sunbeam Silver Mine ("Sunbeam"). Sunbeam is the most advanced of 33 prospects on the Company's Ukalunda project ("Ukalunda") located in the Charters Towers Mining District of Northern Queensland, Australia. In November 2017, the Company also announced that it had received approval of its 2017 Environmental Management Plan for the commencement of operations at its wholly owned Hellyer Gold Project in Tasmania, Australia. The Permit (PCE No 7386, DA 138/2006) granted by the Environmental Protection Authority of Tasmania, allows NQ Minerals to commence tailings reprocessing operations at its flagship project Hellyer Gold mine. The success of our permitting is a critical factor, and we believe Management and the Board have met expectations.

## **Outlook**

The Hellyer tailings project is a flagship project for NQ Minerals and is expected to see us transform into a near-term producer during 2018. The refurbishment process is now well past the half way mark, and all critical components, manufactured equipment and replacement parts have been ordered along with the required labour to move the project into production. The Board believes 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.

The Executive team and senior management have performed exceptionally well, and the project is now fully permitted to commence operations from October 2018. I am optimistic about the Group's

growth potential and we look to the future with significant confidence.

On behalf of the board

**Brian Stockbridge**  
**Chairman**  
**31 May 2018**

### **About NQ Minerals**

NQ Minerals is an Australia-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. Please visit our website at [www.nqminerals.com](http://www.nqminerals.com).

For further information, please contact:

#### **NQ Minerals Plc**

Brian Stockbridge, Non - Executive Chairman	+ 44 (0) 7876 888011
Kris Kottmeier, VP Corporate Development	+ 44 (0) 20 3637 6522 (UK)
	+ 1 (604) 506 6502 (North America)

#### **Daniel Stewart & Company Plc**

Richard Potts	+ 44 (0) 20 7776 6596
Nikhil Varghese	+ 44 (0) 20 7776 6571

#### **IFC Advisory Ltd**

Graham Herring	+44 (0) 20 3934 6630
Tim Metcalfe	+44 (0) 20 3934 6630
Miles Nolan	+44 (0) 20 3934 6630

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Year Ended 31 December 2017 £'000s	Year Ended 31 December 2016 £'000s
Administrative expenses	(13,453)	(2,394)
<b>Operating loss</b>	<b>(13,453)</b>	<b>(2,394)</b>
Finance costs	(3,869)	-
Finance income	136	3
Loss on ordinary activities before taxation	(17,186)	(2,391)
Taxation	93	-
<b>Loss for the year</b>	<b>(17,093)</b>	<b>(2,391)</b>
Other comprehensive income		
Foreign exchange (losses)/gains	(103)	4
<b>Total comprehensive loss for the year attributable to the owners of the Parent</b>	<b>(17,196)</b>	<b>(2,387)</b>
Loss per share (pence)	(7.34p)	(1.62p)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	As At 31 December 2017 £'000s	As At 31 December 2016 £'000s
<b>Assets</b>		
<b>Non-current assets</b>		
Intangibles	988	899
Inventory	22,359	-
Property, plant and equipment	8,204	-
Financial assets	1,112	-
Deferred tax assets	1,032	-
Other assets	1,072	-
Deposits	-	239
<b>Total non-current assets</b>	<u>34,767</u>	<u>1,138</u>
<b>Current assets</b>		
Trade and other receivables	755	373
Cash and cash equivalents	3,310	2,084
<b>Total current assets</b>	<u>4,065</u>	<u>2,457</u>
<b>Total assets</b>	<u><b>38,832</b></u>	<u><b>3,595</b></u>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of the Parent</b>		
Ordinary shares	283	159
Share premium	11,565	2,290
Unissued capital reserve	5,512	-
Share option reserve	5,391	231
Other reserve	201	92
Group reorganisation reserve	(6,983)	(6,983)
Translation reserve	(12)	91
Merger relief reserve	7,171	7,171
Accumulated losses	(20,133)	(3,040)
<b>Total equity</b>	<u><b>2,995</b></u>	<u><b>11</b></u>
<b>Non-current liabilities</b>		
Financial liabilities	17,289	-

Provision for rehabilitation	4,298	-
Deferred tax liabilities	7,402	-
<b>Total non-current liabilities</b>	<u>28,989</u>	<u>-</u>
<b>Current liabilities</b>		
Trade and other payables	3,299	558
Financial liabilities	2,330	1,926
Convertible notes	1,219	1,100
<b>Total current liabilities</b>	<u>6,848</u>	<u>3,584</u>
<b>Total liabilities</b>	<u>35,837</u>	<u>3,584</u>
<b>Total equity and liabilities</b>	<u>38,832</u>	<u>3,595</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Year Ended 31 December 2017 £'000s	Year Ended 31 December 2016 £'000s
<b>Cash flows from operating activities</b>	(9,650)	(1,185)
<b>Cash flows from investing activities</b>		
Payment for exploration expenditure	(89)	(562)
Payment for share purchase acquisition, net of cash acquired	(11,039)	(239)
<b>Net cash flows from investing activities</b>	(11,128)	(801)
<b>Cash flows from financing activities</b>		
Increase in borrowings:		
New borrowings	24,267	3,063
Transaction costs	(2,366)	(649)
Interest paid	(2,407)	(50)
Proceeds on issue of shares:		
New Shares	2,655	1,148
Transaction costs	(146)	(59)
<b>Net cash flows from financing activities</b>	22,004	3,453
<b>Net increase in cash and cash equivalents</b>	1,226	1,467
Cash and cash equivalents brought forward	2,084	617
<b>Cash and cash equivalents carried forward</b>	<b>3,310</b>	<b>2,084</b>

**NOTES TO THE PRELIMINARY RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

1.

The financial information set out above does not constitute statutory accounts for the purpose of Section 434 of the Companies Act 2006. The financial information has been extracted from the statutory accounts of NQ Minerals Plc and is presented using the same accounting policies, which have not yet been filed with the Registrar of companies, but on which the auditors gave an unqualified report on 31 May 2018.

The preliminary announcement of the results for the period ended 31 December 2017 was approved by the board of directors on 31 May 2018.

**2. Loss Per Share**

<b>Loss per share</b>	<b>Year Ended 31 December 2017</b>	<b>Year Ended 31 December 2016</b>
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 year:		
Loss after tax attributable to equity holders of the Company	17,093,000	2,391,000
Weighted average number of ordinary shares	232,873,534	147,576,361
Basic and diluted loss per share	<u>(7.34p)</u>	<u>(1.62p)</u>

*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 at balance sheet date, the diluted loss per share is the same as the basic loss per share.

*Potentially convertible shares*

The Company has convertible ordinary shares in issue as at 31 December 2017 as follows:

- 65,021,012 contingent shares in the Company in connection with the purchase of Keen Pacific Limited which are only issuable on the exercise of underlying dilutive outstanding financing options and convertible notes which have conversion periods ranging from September 2018 to June 2022;
- 23,831,827 (2016: 20,508,728) convertible ordinary shares in connection with the convertible notes in issue at year end. These convertible notes have a maturity date within the next 12 months; and
- 169,926,920 (2016: 8,000,000) options in issue to various directors and financiers as disclosed in Note 29. These are options expire in the 2021 and 2022 financial year.

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