

For immediate release

7 January 2020



NQ Minerals Plc
(the "Company" or "NQ")

NQ Secures High Grade Underground Base Metals Resources at its Hellyer Mine with Bonanza Drilling Grades

Highlights:

- **NQ to acquire additional lead/zinc/gold/silver resources and mineral rights at its flagship Hellyer Mine in Tasmania, Australia from Bass Metals Ltd ("Bass");**
- **Acquisition includes 1.175 million tonnes of underground JORC Resources grading 8.6% Zinc, 4.9% Lead, 96 g/t Silver and 1.66 g/t gold (Refer to Table 1);**
- **These resources offer significant potential of increasing Hellyer's overall resources to add to the 10-year mine life to its tailings reprocessing project;**
- **9 well advanced exploration targets have been developed to date within the Hellyer Mining Lease and all targets are located close to pre-existing mine decline development and are within 2 km of Hellyer;**
- **Bonanza drilling intercepts for immediately follow up, including:**
 - **20.4 metres grading 16.3% Zn, 7.2% Pb, 104 g/t Ag and 2.4 g/t Au at the Fossey East Orebody;**
 - **7.0 metres grading 22.3% Zn, 9.9% Pb, 181 g/t Ag and 3.4 g/t Au at the new Mackays prospect discovery, which sits immediately adjacent to the Hellyer orebody;**
- **Hellyer Plant rated at 1.6 million tonnes per annum and permitted for 2 million tonnes per annum for mining and processing.**
- **The Hellyer plant is currently operating at 62% of its capacity, processing around 1 million tonnes a year of high-grade zinc/lead/gold/silver tailings.**

London listed NQ Minerals Plc (NEX: NQMI) (OTCQB: NQMLF), the base and precious metals producer from its flagship Hellyer Gold Mine ("Hellyer") in Tasmania, Australia, is pleased to announce that it has signed a deal with Bass Metals Ltd (ASX: BSM) to finally secure 100% of all the mining and exploration rights to the main 1,695 hectare Hellyer Mining Lease (CML103M/87) by Bass surrendering its long standing Sublease Agreement over Hellyer's underground base metals rights. NQ has also acquired 100% rights to the 46 km² Mt Block permit (EL48/2003), which surrounds the Hellyer Mining Lease.

David Lenigas, Chairman of NQ Minerals, commented:

"This acquisition is truly transformational for NQ. This long-awaited deal provides real potential to radically change the long-term plans for Hellyer and the perception of NQ in the market. There is real potential to re-open the underground mining operations, adding much higher-grade ore feed to the plant over the coming years. Some of the drill intercepts near the Hellyer orebody are regarded as "bonanza" grades anywhere in the world and NQ is planning to commence drilling a number of the high priority targets as soon as possible. Exploration around VHMS ore bodies, such as Hellyer, is supported by the fact that deposits of this style are often clustered and occasionally stacked at more than one stratigraphic level. The last operator of the mine discovered three significant zones of base metal mineralisation within 200 metres of the large Hellyer orebody at Fossey, Fossey East and Mackay and confirmed the significant potential for new discoveries on the leases."

NQ recommenced operations at Hellyer a year ago with a major mine tailings retreatment operation with a stated mine life of over 10 years. These operations are now running profitably, as referred to in recent news releases.

This transaction with Bass now provides a very real opportunity for NQ to look towards re-opening underground mining operations on very high-grade base metals deposits already identified at Hellyer, providing potential to extend its operational life well beyond the current 10-year plan.

Historically, some 18.2 million tonnes of ore grading 12.2% Zinc (Zn), 6.3% Lead (Pb), 0.3% Copper (Cu), 156 g/t Silver (Ag) and 2.4 g/t Gold (Au) have been mined from the Hellyer area.

This transaction will bring to NQ's books additional JORC (2004) resources of [1.175] million tonnes grading 8.6% Zn, 4.9% Pb, 96 g/t Ag and 1.66 g/t Au. (Refer to Table 1)

There are a number of highly notable drill hole intersections that will require early follow-up. These include;

- **20.4 metres grading 16.3% Zn, 7.2% Pb, 104 g/t Ag and 2.4 g/t Au** were intersected at the Fossey East deposit,
- **7.0 metres grading 22.3% Zn, 9.9% Pb, 181 g/t Ag and 3.4 g/t Au** at the new Mackays prospect, which sits adjacent to the Hellyer orebody.

At least 9 well advanced exploration targets have been developed to date within the Hellyer Mining Lease and all targets are located close to pre-existing mine decline development and are within 2 km of Hellyer's 1.6 million tonne per annum capacity processing plant.

Table 1: Existing Underground Resource Estimates on Hellyer Mining Lease CML103M/87

Deposit	JORC Classification	Tonnes '000	zinc (%)	lead (%)	Copper (%)	silver g/t	gold g/t
Fossey and Fossey East	Measured	175	12.4	7	0.5	137	2.8
	Indicated	200	11.1	6	0.5	94	1.8
	Inferred	50	8.7	4.7	0.4	99	2.3
	Total	425	11.4	6.3	0.5	112	2.3
Hellyer	Indicated	640	6.8	4	0.4	83	1.3
	Inferred	110	8.1	4.9	0.2	107	1.5
	Total	750	7	4.1	0.3	87	1.3
Mining Lease	Total	1,175	8.6	4.9	0.4	96	1.66

Note: Fossey, Fossey East and Hellyer remnant JORC 2004 resource reported to ASX by Bass Metals Ltd (ASX Code: BSM) dated 30 September 2013.

NQ's operating entities associated with its Tasmanian operations will pay Bass Metals Ltd A\$15,000 per month for 24 months and provide local minor logistics support to Bass for their continuing obligations with nearby tenements. In addition, NQ will be taking over security deposits totalling A\$112,000 with the Tasmanian Government on the Hellyer Mine's licence (CML103M/87) and the surrounding Mt Block Exploration Licence (EL48/2003). The transaction is expected to close in January 2020. The market will be advised when this transaction closes.

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About NQ Minerals

NQ Minerals is an Australian-based mining company which commenced production in Q4 2018 at its 100% owned flagship Hellyer Gold Mine in Tasmania. Hellyer has a published JORC compliant Mineral Resource estimated at 9.25 Mt which is host to Gold at 2.57 g/t Au for 764,300 oz Au, Silver at 92 g/t Ag for 27,360,300 oz Ag, Lead at 2.99% Pb for 276,600 tonnes and Zinc at 2.35% Zn for 217,400 tonnes. In addition to these resources, the Hellyer assets include a large mill facility and full supporting infrastructure, including a direct rail line to port. The Company anticipates strong cash-flow and profitability from Hellyer and has a portfolio of exciting exploration prospects. Please visit our website at www.nqminerals.com.

Competent Person's Statement

The information in this report that relates to the Hellyer and Barnes Hill project is based on information (third party consultants) compiled by Roger Jackson, an Executive Director of the Company, who is a 20+ year Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and a Member of Australian Institute of Company Directors. Mr. Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves". Mr. Jackson consents to the inclusion of the data contained in relevant resource reports used for this announcement as well as the matters, form and context in which the relevant data appears.

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