

For immediate release

21 February 2020



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

**NQ signs deal to buy the rich Beaconsfield Gold Mine in Tasmania.**

### Highlights

- NQ has signed a staged acquisition agreement totalling A\$2million to purchase a 100% interest in the historic high-grade Beaconsfield Gold Mine in Tasmania.
- Beaconsfield is historically one of the richest gold mines in Tasmania. Past gold production totalled nearly 2 million ounces from 1887 to 2012 at an average of nearly 15 grams per tonne ("g/t").
- The assets to be purchased include the 350,000 tonnes per annum ("tpa") processing plant, tailings dams, associated infrastructure, property rights, mining leases, and related mining permits.
- An extensive 593 hectare mining lease covering the famous Tasmanian Reef and infrastructure.

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 advise that it has entered into agreements with the mortgagee in possession of the relevant assets to purchase the Beaconsfield Gold Mine in northern Tasmania. Beaconsfield is located 200 km from NQ's current Hellyer base and precious metals operations.

**David Lenigas, NQ's Chairman, stated:**

*"As from today, NQ and its engineering consultant teams commence an extensive due diligence programme on Beaconsfield as part of the acquisition agreement. NQ will be working with its consultants and relevant Government Departments in Tasmania to assess and ascertain what is required to re-open Beaconsfield as soon as possible.*

*"Acquiring an established gold processing plant for a fraction of the cost to build and permit a new one, not to mention the typical lead time associated with permitting a new facility in Tasmania, is an exciting opportunity which provides our shareholders with exposure to the potential near term re-opening of a high-grade gold operation in Tasmania. Recent notable successes in re-assessing new potential around historic high-grade gold mining centres has seen significant value add for investors at projects like Fosterville in Victoria and Bellevue in Western Australia. In this regard, we believe that Beaconsfield offers a genuine opportunity for the Company to develop a high-quality gold asset.*

*"Furthermore, the opportunity to bring Beaconsfield back into operation reinforces and builds on NQ's existing activities, commitment to, and strategy in Tasmania. This project will leverage off the skills and experience developed during the successful fast track recommissioning and operation of the Hellyer Gold Mine and complement the development of the Barnes Hill nickel and cobalt mining and processing project. In particular the close location of the Barnes Hill project to Beaconsfield will enable shared capital and operating costs reducing the implementation timelines and costs for both opportunities."*

## Gold Resource Potential:

Historic gold production at Beaconsfield's Tasmania Mine was in two main phases:

- 1877-1914 – 1.04M tonnes for 855,000 ounces of gold (averaging 25.6 g/t gold)
- 1999-2012 – 2.72M tonnes for 920,000 ounces of gold (averaging 10.5 g/t gold)

As part of the initial programme of works in assessing the potential to re-open Beaconsfield, NQ will be engaging independent consultants to re-assess the existing gold resources available within the mining lease, taking in to consideration the 50% increase in A\$ gold price since the mine officially ceased underground operations in 2012.

However, it should be noted that prior to Beaconsfield's operator, BCD Resources NL ("BCD"), closing the underground mine on the 30 June 2012, BCD stated in their June 2011 Annual Report that underground reserves and resources at its Tasmania Mine totalled 336,514 ounces of gold (Refer Table 1). Sizeable unmined areas remain within the existing mine envelope and the gold mineralisation is open at depth.

In the full year to 30 June 2012, the Mine's last year of underground production, output was 246,084 tonnes at 6.5 g/t gold with plant recoveries averaging 86.9%. This resulted in 44,829 ounces of gold production for the year at an average operating cost of A\$1,027 per ounce. The processing plant ceased treatment of gold ores in 2013 after treating surface stockpiles and has been in care and maintenance since then.

Significant drill intersections have been made below 1210m (the lowest mine working level at the time of closure) down to a depth of 1360m, illustrating the potential of further ore to depth, these include:

- 7.0m at 21.7 g/t gold (hole F91 at ~1220m depth)
- 11.0m at 15.4 g/t gold (hole F88 at ~1235m depth)
- 24.3m at 8.8 g/t gold (hole J17 at ~1240m depth)
- 6.6m at 11.3 g/t gold (hole J14 at ~1255m depth)
- 2.5m at 32.4 g/t gold (hole J10 at ~1355m depth)

*(Note: Drill intercepts reported in BCD Resources NL news release to the ASX on 30 November 2011.)*

**Table 1: Beaconsfield Gold Mine – Gold Resources (Including Reserves) as at 30 June 2011**

Category	Tonnes	Gold Grade (g/t)	Contained Ounces
Measured Resource (Tasmania Mine)	262,000	11.5	96,000
Indicated Resource (Tasmania Mine)	430,000	11.1	153,000
Inferred Resource (Tasmania Mine)	319,000	8.4	85,000
<b>Total Resources</b>	<b>1,011,000</b>	<b>10.35</b>	<b>336,514</b>

*(Note: Resources reported by BCD Resources NL to the ASX on 30 November 2011.)*

## Terms of the Transaction:

NQ has, via a wholly owned subsidiary, entered into a binding sale agreement with the mortgagee in possession, to purchase a 100% interest in the Beaconsfield Gold Mine which includes a number of mining leases, as well as all associated plant and equipment. Following settlement, NQ will have a 100% interest in the mine and associated assets.

The total consideration for the acquisition is A\$2 million, paid as follows:

- on the date of signing, an initial non-refundable payment of A\$100,000;

- a refundable deposit of A\$100,000 payable on exchange;
- on settlement, a further A\$800,000 is payable; and
- the balance of the A\$1 million purchase price to be paid by NQ by 31 December 2020 with interest accruing at 10% per annum from 1 July 2020.

The balance of the purchase price which remains payable following settlement will be secured including by way of a charge over the assets which are the subject of the acquisition.

Completion of the transaction is conditional upon normal regulatory approvals being obtained by 30 June 2020, including the consent of the Tasmanian Government to the transfer of the relevant mining leases to NQ.

### **Competent Person's Statement**

The information in this report that relates to the Hellyer Gold Mine is based on information compiled by Roger Jackson, an Executive Director of the Company, who is a 25+ 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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### **About NQ Minerals**

NQ Minerals is an Australian-based mining company which commenced base metal and precious metal production in 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 2.57% 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 NQ's website at [www.nqminerals.com](http://www.nqminerals.com).

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