

NQ Minerals 2020 Year End Operations Update

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LONDON, January 12, 2021 - London listed NQ Minerals Plc (AQSE:NQMI) (OTCQB:NQMLF) (OTCQB:NQMIY), ("NQ" or the "Company") the base and precious metals producer from its 100% owned flagship Hellyer Mine ("Hellyer") and the 100% owner of the Beaconsfield Gold Mine, both in northern Tasmania, Australia, is pleased to announce its 2020 year-end operations update from the Company's 100% owned Hellyer Mine ("Hellyer") in Tasmania, Australia, to the 31 December and an update on its Beaconsfield Gold Mine.

NQ Minerals' Chairman, Mr David Lenigas, said.

"2020 was a highly successful and pivotal year for the Company, having seen our flagship Hellyer operations finally achieve production rates better than originally forecast from the original mine start-up plan. Hellyer's year end performance, and the revenue boosts associated with production rates of around 1.4 million tonnes per annum, were instrumental in securing a major US\$55m debt refinancing package for Hellyer. Efforts to improve Hellyer's output will continue through 2021 and work there will move towards evaluating the potential of re-opening the underground operations. At our Beaconsfield Gold Mine, we await the receipt of the independent reserve assessment report and the economic model. Getting Beaconsfield operational is seen as an important driver for future revenues and profits."

Hellyer Operations Update:

Table 1: Hellyer Production Results by Quarter for 2020 and Full Year

Reconciled Production	Q4	Q3	Q2	Q1	Full Year
	2020	2020	2020	2020	2020
Lead Concentrate (tonnes)	9,565	11,865	8,762	8,127	38,319
Zinc Concentrate (tonnes)	5,583	4,585	4,241	4,609	19,019

2020 saw consistently improving production output at Hellyer, driven by a systematic plan that increased capacity at the plant to around 1.4 million tonnes per annum (mtpa) by year end. This throughput compares to the initial project steady state forecast of 1.2 mtpa and a revised throughput target of 1.5 mtpa planned for the end of Q1 2021. In addition, the Company completed its US\$55 million debt refinancing package for the asset in December and secured Hellyer's concentrate off-take until end of mine-life for the tailings reprocessing operations.

Overall production for the 2020 comprised:

- Lead concentrates of 38,319 tonnes - up 53% from the previous year (2019 FY: 24,980 tonnes).
- Zinc concentrates of 19,019 tonnes - up 22% from the previous year (2019 FY: 15,646 tonnes).

Payable gross gold production for 2020 was 5,452 ounces and payable gross silver production was 1,106,440 ounces. These saleable precious metals reported to the lead and zinc concentrates.

Major New Hellyer Tailings Construction Project:

The long-term mining and processing plan called for the construction of a new tailings dam at the Hellyer operations. This new tailings dam (TSF2) will service the existing life-of-mine operations from the tailings

retreatment project. In addition, this new dam will provide for additional tailings storage capacity in the emptied TSF1 dam for a potential re-opening of the Hellyer underground mining operations, where significant high-grade mineralisation still exists, as previously reported.

Construction of TSF2 commenced at Hellyer in Q4. Tailings deposition into Stage 1 of the new TSF2 is scheduled to start around the end of Q1 2021. The capital cost of Stage 1 TSF2, when completed, will be around Australian \$16.7 million. This stage comprises both the earthworks of the first lift as well as the foundations and water management infrastructure for the fully completed dam. The completed TSF2 to final stage is estimated to cost around Australian \$30 million in total and this has been budgeted for in Hellyer's financial model.

Figure 1: The new TSF2 tailings storage area under construction at Hellyer

Hellyer Reserves and Resources Update:

Independent consultants CSA Global (UK) Limited have completed a revised competent person's report (CPR) about Hellyer, dated 19/11/2020. The revised CPR includes an updated Mineral Resource and Ore Reserve estimate taking into account the depletion by way of mining and processing of 1,679,676 tonnes since the publication of the previous CPR dated 20 November 2017. The Reserves and Resources at Hellyer, as stated at end of August 2020, now stand at:

Table 2: Hellyer Mineral Resource Estimate (CSA Global CPR (2017) depleted to end Aug 2020)

JORC Classification	Tonnage (Mt)	Gross					Net Attributable to Operator (NQ)					
		Zn %	Pb %	Ag g/t	Au g/t	Cu %	Tonnage (Mt)	Zn %	Pb %	Ag g/t	Au g/t	Cu %
Measured	1.55	3.44	3.45	98	2.71	0.2	1.55	3.44	3.45	98	2.71	0.2
Indicated	4.82	2.31	2.97	95	2.57	0.18	4.82	2.31	2.97	95	2.57	0.18
Inferred	1.21	1.00	2.60	86	2.57	0.19	1.21	1.00	2.60	86	2.57	0.19
Total	7.57	2.33	3.01	94	2.60	0.19	7.57	2.33	3.01	94	2.60	0.19

Note: No lower cut-off reporting grade has been applied. Differences may occur due to rounding. Datamine model: hel717md.dm.

Table 3: Hellyer, Mineral Resource Estimate - metal tonnes and ounces, gross total only, all attributable to NQM (CSA Global CPR (2017) depleted to end Aug 2020)

JORC Classification	Tonnage	Zn (t)	Pb (t)	Ag (oz)	Au (oz)	Cu (t)
Measured	1,550,000	53,300	53,400	4,893,400	135,00	3,100
Indicated	4,820,000	111,300	143,000	14,634,500	398,600	8,600
Inferred	1,210,000	12,100	31,500	3,345,600	100,000	2,300
Total	7,570,000	176,700	228,000	22,873,600	633,600	14,000

Note: Metal tonnages and ounces rounded from calculated values.

Table 4: Hellyer TSF Ore Reserve Estimate (CSA Global CPR (2017) depleted to end Aug 2020)

	Tonnage (Mt)	Grade					Contained Metal				
		Zn %	Pb %	Ag g/t	Au g/t	Cu %	Zn (t)	Pb (t)	Ag (oz)	Au (oz)	Cu (t)
Proven	1.55	3.44	3.45	98	2.71	0.21	53.3	53.4	4,893	135	4.3
Probable	4.82	2.31	2.97	95	2.57	0.18	111.3	143.0	14,634	398	8.6
Total	6.37	2.58	3.09	96	2.60	0.19	164.6	196.4	19,527	533	12.9
Net Attributable to Operator (NQ)											
	Tonnage (Mt)	Grade					Contained Metal				
		Zn %	Pb %	Ag g/t	Au g/t	Cu %	Zn (t)	Pb (t)	Ag (oz)	Au (oz)	Cu (t)
Proven	1.55	3.44	3.45	98	2.71	0.21	53.3	53.4	4,893	135	4.3
Probable	4.82	2.31	2.97	95	2.57	0.18	111.3	143.0	14,634	398	8.6
Total	6.37	2.58	3.09	96	2.60	0.19	164.6	196.4	19,527	533	12.9

Note: Mt and Zn, Ag, Au and Cu grades are rounded to two decimal places, Ag to the nearest whole number. Contained metal tonnes are reported to nearest hundred, and ounces to nearest thousand tonnes.

CSA Global, as part of their CPR and Ore Reserve estimate, also calculated that the NPV₁₀ of Hellyer's tailings reprocessing activity is US\$137.8 million before tax (using metal prices based on input assumptions from Consensus Economics (www.consensuseconomics.com) and current as of 21st September 2020). These prices comprised:

Table 5: Market Assumptions used in Hellyer Reserve NPV (CSA Global Aug 2020)

Year	Gold (US\$/oz)	Silver (US\$/oz)	Zinc (US\$/mt)	Lead (US\$/mt)
2020	1,929	24.21	2,259	1,861
2021	1,977	24.49	2,260	1,894
2022	1,847	21.33	2,276	1,930
2023	1,762	20.26	2,311	1,937
2024	1,672	19.75	2,371	1,926
2025	1,733	21.02	2,575	2,078
2026	1,733	21.02	2,575	2,078
2027	1,733	21.02	2,575	2,078

Note: Source Consensus Economics (www.consensuseconomics.com)

The revised CPR is available on the Company's website and can be accessed at:
<https://www.nqminerals.com/important-documents/>

Beaconsfield Gold Mine Update:

NQ has commissioned independent consultants Pitt & Sherry in Tasmania, who are very familiar with the Beaconsfield mine when it was in operation up to the mine's closure in 2012, to calculate the gold reserves and provide an economic model from the previously reported JORC (2012) compliant Mineral Resource Estimate of 1.454 Mt at 10.3 g/t Au for 483,000 ounces. This work is expected to be completed by the end of this quarter.

On the metallurgical front, detailed carbon loading analysis for the gold stripping circuit are awaited to finalise the full plant refurbishment and start-up costs and schedule.

Now that the Hellyer debt refinancing has been completed; the Company's focus will switch to getting Beaconsfield into gold production.

Competent Person's Statement

The information in this report that relates to the Hellyer project is based on information compiled by Mr. 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.

About NQ Minerals

[NQ Minerals Plc](#) is listed on London's Aquis Stock Exchange (AQSE) under the ticker NQMI and has its 1:100 ADR traded on the US OTC QB under ticker NQMIIY and its ordinary shares are dual traded on the US OTC QB under the ticker NQMLF.

NQ Minerals operations are in Australia. NQ 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 as of the end of August 2020 at 7.57 Mt which is host to Gold at 2.60 g/t Au for 633,600 oz Au, Silver at 94 g/t Ag for 22,873,600 oz Ag, Lead at 3.01% Pb for 228,000 tonnes and Zinc at 2.33% Zn for 176,700 tonnes. In addition to these resources, the Hellyer assets include a large mill facility and full supporting infrastructure. The Company is also planning to re-open the historic high-grade Beaconsfield Gold Mine in Tasmania, which has a JORC (2012) compliant Mineral Resource Estimate of 1.454 Mt at 10.3 g/t Au for 483,000 ounces of gold. Regular updates on the progress of the Hellyer Gold Mine and Beaconsfield can be viewed on NQ's website at www.nqminerals.com.

For more information, please contact:

[NQ Minerals Plc](#)

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

The Following section relates to [NQ Minerals Plc](#)'s news releases distributed in the United States:

Cautionary Note to US Investors

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

Cautionary Note Regarding Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include, but are not limited to, any statements based on current expectations, estimates, forecasts, and projections, including those related to our growth strategy, mineral estimates and any other statements that are not historical facts. Forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could negatively affect our business, operating results, financial condition, and stock price. Factors that could cause actual results to differ materially from those currently anticipated are risks related to our growth strategy; risks relating to exploration, development and/or extraction; our ability to obtain, perform under, and maintain financing and strategic agreements and relationships; our ability to attract, integrate, and retain key personnel; global demand for mineral resources; our need for substantial additional funds; government regulation; as well as other risks. The Company expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions, or circumstances on which any such statement is based, except as required by law.

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