

NQ Minerals PLC

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NQ Minerals looks forward to restart at Beaconsfield

What NQ Minerals does

NQ Minerals PLC (LON:NQMI) is a project developer and mining company with a focus on Australian mining assets.

The company is led by a team of experienced mining and mining finance industry professionals, including chief executive Walter Doyle, an experienced venture capitalist.

NQ's assets include the Hellyer mine in Tasmania, the Mount Block permit surrounding the project and the recently acquired Beaconsfield gold mine.

NQ also owns the Ukalunda project in north Queensland, on which it has identified 33 prospects for follow-up work, including the Sunbeam mine, for which it has secured a mining permit.

At SquarePost, also in north Queensland, NQ has identified both breccia and vein-hosted mineralisation.

The miner has also increased its investment in battery metals specialist TEM.

How it's doing

David Lenigas took over the chair at the Australia-focused mining group in December as Hellyer's operations continued to improve

In the first quarter of 2020 the company produced 8,127 tonnes of lead concentrate, 4,609 tonnes of zinc concentrate, 1,081 ounces of gold, and 230,441 ounces of silver

In 2019 NQ generated revenues of A\$54mln, leading to operating profits of A\$12.2mln.

In early 2020 authorities in Tasmania approved the company's acquisition of the Mt Block permit around Hellyer, a 46 square-kilometre area that effectively triples NQ's footprint.

After agreeing to purchase the historic Beaconsfield gold mine in Tasmania, in March 2020 NQ hired a firm of local mining consultants to prepare a due diligence study into re-opening the mine.

In May, NQ published a resource for Beaconsfield comprising total resources of 1.454mln tonnes at a grade of 10.3 grams per tonnes (g/t), for 483,000 ounces gold.

There are 354,000 ounces in measured and inferred resources, 485,000 tonnes at 11.4 g/t in measured for 177,000 ounces and 492,000 tonnes at 11.2 g/t indicated for 177,000 ounces.

A further 477,000 tonnes at 8.4 g/t is in the inferred resource category, and, the company told investors that significant

Price: 6.1

Market Cap: 0

1 Year Share Price Graph



November 2019 May 2020 October 2020

Share Information

Code: NQMI

Listing: NEX

Sector: General mining & base metals

Website: www.nqminerals.com

Company Synopsis:

NQ Minerals is an expanding base and precious metals production and exploration company with its operations centered around its Hellyer Operations in Tasmania, Australia. In 2015, the company listed in London based on a portfolio of historically proven gold and silver exploration assets in Northern Queensland.

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additional gold potential is still to be assessed.

What the chairman says - David Lenigas

"The publishing of this new resource statement clearly demonstrates the huge underlying potential at Beaconsfield and highlights the immense scope for ongoing growth in the gold inventory as NQ moves this mine forward back into production."

"We are almost complete with our due diligence process on this asset and are focused on bringing this famous and iconic Tasmanian gold mine back into production."

Video interview with chairman David Lenigas

Inflexion points

- **Debt refinancing package was agreed for a US\$60mIn debt facility**
- **Battery metals initiative with TEM**
- **Production and recoveries at Hellyer continue to improve**
- **Beaconsfield restarts gold production**

What the broker says: VSA

"The company recently announced an intended refinancing with Traxys Group, the company's offtaker and a major European bank, which could slash effective interest costs to LIBOR plus 5% against the expensive pre-start-up funding.

"With cashflow from the underlying operation then unlocked we see the potential for a significant rerating to more fairly reflect the profitability of the underlying operation and potential of the wider portfolio, in particular the Beaconsfield gold mine.

"NQMI's Hellyer lead and zinc concentrates have significant payable gold and silver content and by 2023F we estimate that annual contained production will be 10koz and 1.4mnoz respectively.

"This gives NQMI highly attractive exposure to precious metals price moves.

"Our valuation produces a 12-month Target Price of 21p/sh, this implies 166% upside potential and we rate the stock a buy."

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