

NQ Minerals PLC

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NQ Minerals agrees to invest in Tasmania Energy Metals

NQ Minerals PLC (NEX:NQMI) has agreed to invest in Tasmania Energy Metals with an option to buy all of the Australian mining firm's assets for £5.5mln.

The miner will make an initial investment of £150,000 in Tasmania Energy Metals in the form of a convertible loan note.

The money will help finance the costs of the two companies assessing whether it would be commercially and financially viable to develop an integrated minerals processing facility for the Hellyer Mine in Tasmania.

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The facility would allow NQ to recover the precious and base metals contained in its pyrite/precious metals concentrate, which the company believes is more valuable than the sale of the pyrite.

Under the agreement, NQ has an option to buy all of Tasmania Energy Metals' assets, including the nickel-cobalt licences and full control of the processing facility that is being developed, for £5.5mln through the issue of ordinary shares in the company.

Tasmania Energy Metals has given NQ an exclusivity period up to July 31 to take up the option.

"Extracting further value from our existing concentrates is a low-risk way to enhance revenues and shareholder returns," said NQ non-executive chairman, Brian Stockbridge.

"Now that we have successfully achieved commercial concentrate production at Hellyer, it is a natural extension to target downstream recovery of base and precious metals.

"Our pyrite/precious metals concentrate contains high grade gold, silver and zinc values and we believe this joint project could facilitate a significant increase our returns, whilst expanding our Tasmanian presence and creating a sound environmental footprint."

NQ said its long-term strategy is to purchase assets that enhance the life of mine at Hellyer.

As part of this strategy, NQ's Pieman Resources subsidiary recently won a competitive tender over the Chester Mine, a pyrite mine located 25km from the Hellyer mill.

Once the licence application has been granted, the company will start exploration with a view to integrating the Chester mineralisation into its future production plans.

Price: 8.5

Market Cap: 0

1 Year Share Price Graph



January 2019 July 2019 January 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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