

3 September 2010

Australian Securities Exchange Limited
Companies Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Heemskirk to allow takeover offer for North Queensland Metals to lapse

Following a review by the Voting Directors of Heemskirk, the Company today announces that it will allow the Heemskirk takeover offer for North Queensland Metals Limited (*NQM*) to lapse on 10 September 2010.

In view of the current status of the takeover process, the Voting Directors of Heemskirk believe it is in the best interest of the Company and its shareholders, at this time, to not waive the defeating conditions of its offer and to allow it to lapse on the scheduled closing date. *NQM* shareholders who have already accepted Heemskirk's offer will retain their shares after the offer lapses on 10 September 2010 and will be free to deal with their shares in *NQM* as they see fit.

Heemskirk retains its 40% direct interest in the Pajingo Gold Joint Venture. In line with the Company's business strategy including the generation of cash flow, profits, sustained dividend flow and capital growth, Heemskirk will continue to maximise value for its assets and investigate ways to deliver growth for its shareholders, whether through direct participation in or investments within the resources sector.

Yours faithfully



Ross Herron
Acting Chairman

To: North Queensland Metals Limited (*NQM*); and
Australian Securities Exchange

NOTICE UNDER SECTION 630(3) OF THE CORPORATIONS ACT

This notice is issued under section 630(3) of the *Corporations Act 2001* (Cth) by Heemskirk Consolidated Limited (*Heemskirk*) in relation to its off-market takeover bid for all the ordinary shares in NQM. Heemskirk's offer is contained in the replacement Bidder's Statement dated 21 July 2010 (as amended and supplemented by the various supplementary Bidder's Statements) (*Bidder's Statement*).

Heemskirk hereby gives notice that:

- (a) as at the date of this notice, it has not freed any of the defeating conditions in Section 7.6.1 of the Bidder's Statement;
- (b) so far as it knows, none of the defeating conditions in Section 7.6.1 of the Bidder's Statement have been fulfilled; and
- (c) Heemskirk's voting power in NQM is 10.42%.

Dated: 3 September 2010

Signed for and on behalf of Heemskirk pursuant to a unanimous resolution of its Voting Directors.



Kevin Robinson
Managing Director
Heemskirk Consolidated Limited