



Niuminco Group Limited

*Suite 50, 14 Narabang Way, Austlink Corporate Centre, Belrose NSW 2085 Australia
Tel: (02) 9450 0828 Fax: (02)9450 0877 Email: info@niuminco.com.au
ABN 44 009 163 919*

2 May 2023

Companies Announcement Office
PNGX Markets Limited
Monian Tower, Office 2, Level 1,
Douglas Street,
Port Moresby, NCD
Papua New Guinea

NIUMINCO AGREES TO ACQUIRE GOLD/COPPER PROJECT IN NORTH QUEENSLAND

Niuminco Group Limited (“NIU”, “Niuminco” or “the Company”) is pleased to announce that it has entered into an Asset Sale Deed (and associated documentation) to purchase the Sellheim Gold/Copper Project in the northern Drummond Basin, south of Charters Towers in North Queensland. Niuminco is acquiring a 51% interest in the project from a subsidiary of Hancock Prospecting Pty Ltd and a 49% interest from their joint-venture partners (which includes a 19.6% interest held by an associated company of Mr John Nethery, a Niuminco director).

In consideration for the purchase, NIU has agreed to issue 22,500,000 fully paid ordinary shares at AUD\$0.10/PGK0.25 per share (AUD\$2,250,000/PGK5,625,000), two (2) unsecured Redeemable Convertible Notes (Notes) for AUD\$500,000/PGK1,250,000 each (with redemption/conversion dates of 30 September 2023 and 31 March 2024 respectively) and to grant the vendors a 2.0% Net Smelter Royalty (NSR). The Notes can be converted to fully paid NIU ordinary shares at a 20% discount to the 30-day VWAP trading on the PNGX. Therefore, the total share and/or cash consideration is AUD\$3,250,000/PGK8,125,000.

The issue of 3,920,000 shares and Notes to Nedex Pty Ltd (a “related entity”) is subject to shareholder approval on or before 31 July 2023. However, the Company proposes to have the issuance of all shares and Notes under the transaction approved by shareholders at the next, upcoming Annual General Meeting planned for June 2023 so that, amongst other things, the Company can renew its 15% share placement capacity (soon to be lifted to 30% under new PNGX Listing Rules after 3 July 2023) and receive prior approval for the issuance of further shares should the Redeemable Convertible Notes be converted. The relevant motion will have voting exclusions in respect of any related party.

The Sellheim Project, where approximately AUD\$5.0 million has been spent on exploration geophysics, geochemical sampling and drilling over the past decade, is a large, highly prospective copper/gold porphyry-breccia-skarn target. The project, which extends over some 4 square kilometres, comprises 3 Mining Leases (MLs 10269,10270, 10328) and 2 Exploration

Permits (EPMs 15778 and 27548) and is located 200 kilometres south-west of Townsville in North Queensland, Australia.

Eluvial Mining Area, Mining P & E



- +1 square kilometre of rehabilitated surface workings mainly by previous lessee
- 2 x mining camps, mining P&E and processing plant



Two well established camps, mobile earthmoving plant and equipment and a wet gravity concentrating plant are located on the largest mining lease and are included in the assets to be acquired.

In respect of the geological setting, several magmatic phases are evident and an intermediate shallow thrust structure adds to the complexity. A line of smaller breccia pipes extends from the main target in an arcuate trend for some 6 kilometres to the west and southwest, including the free-gold-bearing Tourmalina area, a proposed high-priority drill target.

Past lessees of the MLs, extending back to the mid-1920s, developed small copper workings and recovered considerable gold from the surface eluvial veneer over an area of several square kilometres. Niuminco intends to carry out further bulk testing to try to extend, and hopefully mine, this eluvial source.

Released on behalf of the Board of Niuminco Group Limited.

A handwritten signature in blue ink, appearing to read "Tracey Lake".

Tracey Lake,
Managing Director and Company Secretary.