



# Niuminco Group Limited

## QUARTERLY ACTIVITIES REPORT JUNE QUARTER 2016

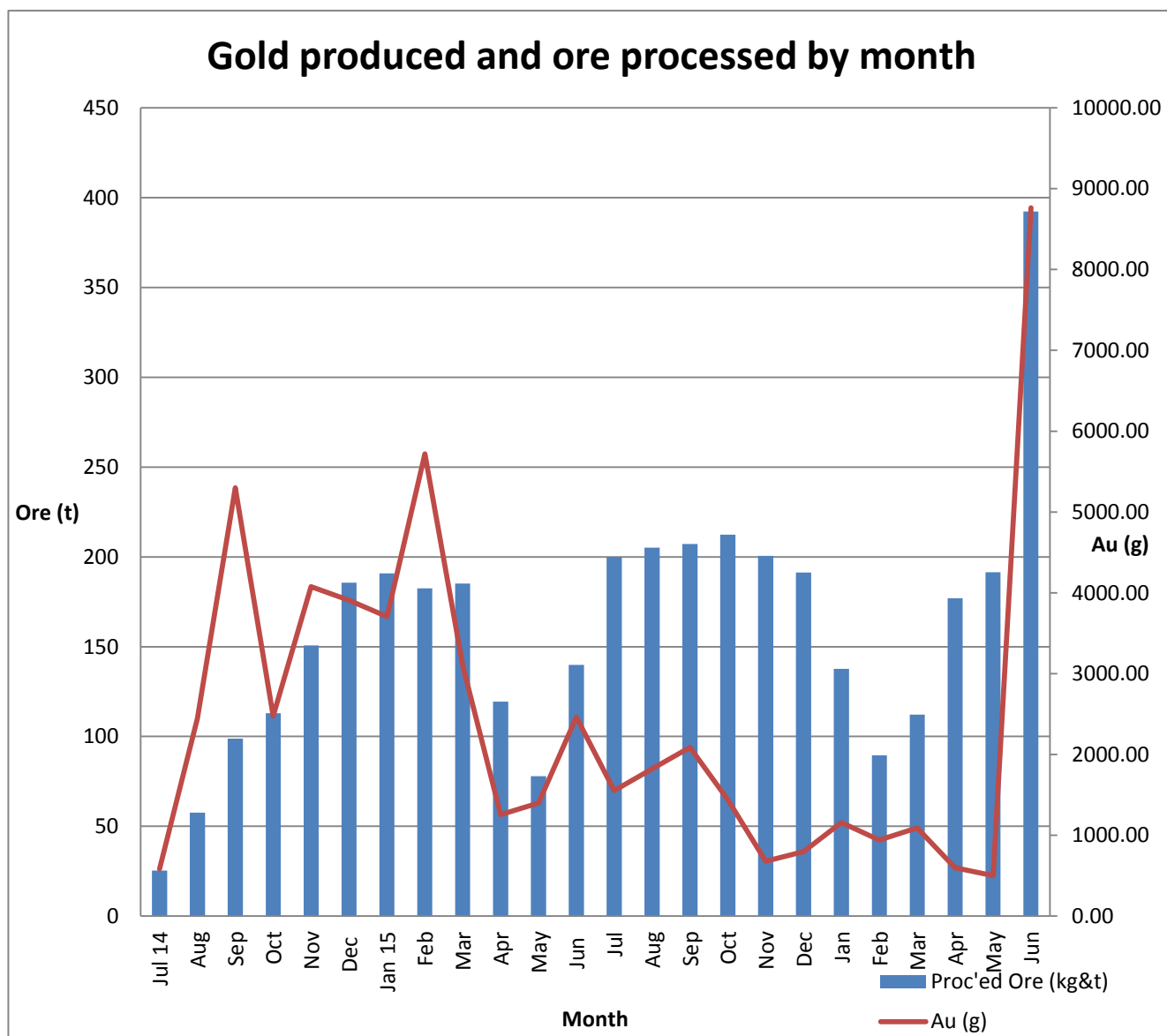
### HIGHLIGHTS AND SIGNIFICANT EVENTS

- Edie Creek production for the Quarter was 9,862.5 grams (317 ounces) of gold and 8729.1grams (287 ounces) of silver for sales of AUD\$526,000 (PGK1,233,045).
- Record monthly sales and production in June since recommencement of processing in February 2014. 392 tonnes of ore was processed, producing 8763.2g (282 ounces) of gold at a grade of 22.3grams per processed tonne of ore for sales of AUD469,190 (PGK1,099,871).
- The average gold grade for the Quarter was 12.9 grams per processed tonne of ore.
- The jaw crusher and vibrating screen were installed, tested and commissioned with ore processing throughput rising over the Quarter from 5.9 tonnes per day in May to 13 tonnes per day in June.
- Further development of open pits over the Mounts, Alpha West , Karuka and Surmans vein systems , with ore being sourced from all systems, including high grade ore from the Surmans veins.
- Detailed shallow drilling program/plan finalised for the Enterprise and Karuka vein systems with a view to establishing a JORC Resource.

# PAPUA NEW GUINEA PROPERTIES

## Edie Creek Mine

### Mining and production Update



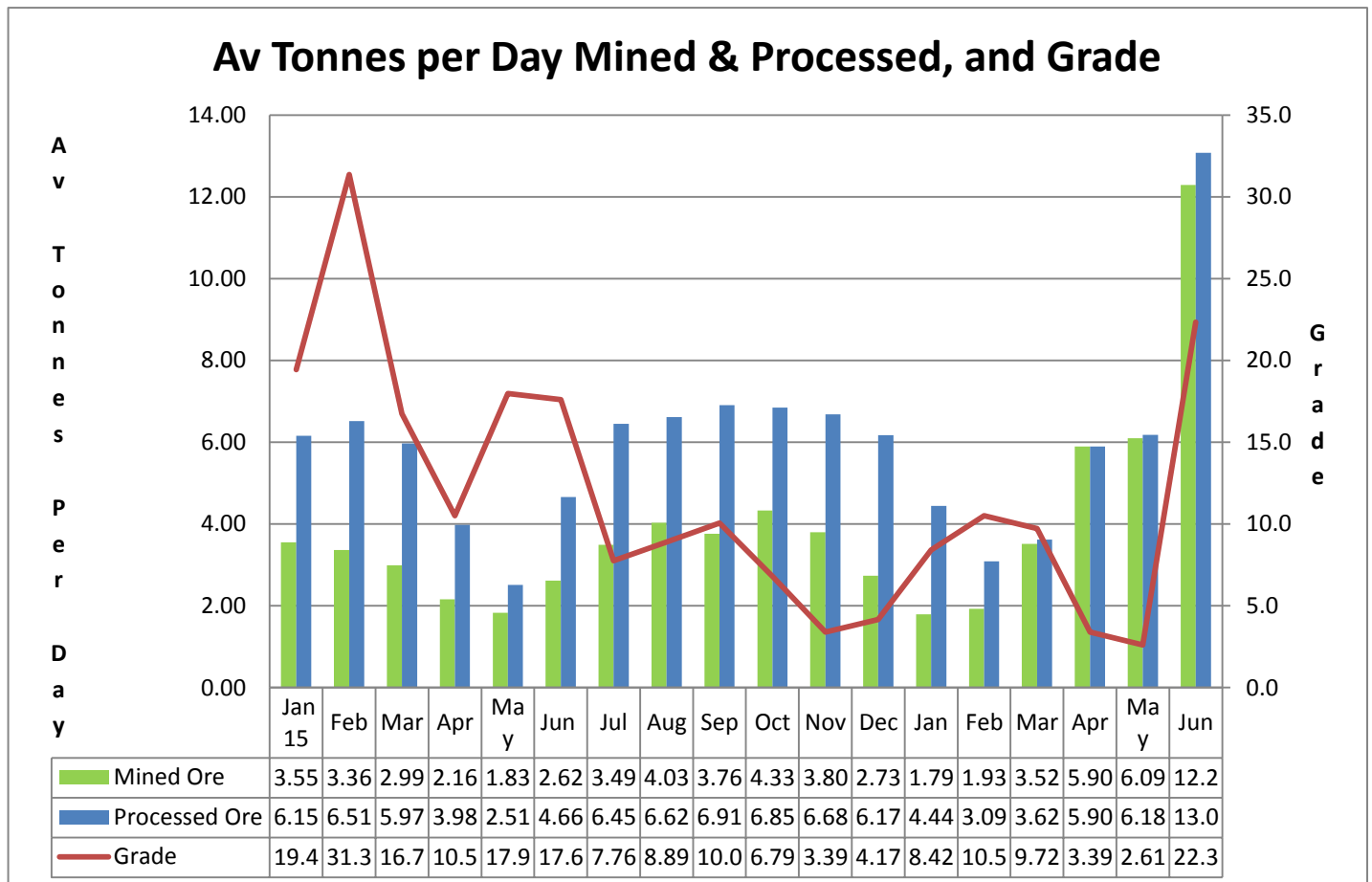
**Production for the period 1 April to 30 June, 2016 was 9862.5g (317 ounces) of gold and 8729.1g (287 ounces) of silver for total sales of AUD\$526,000 (PGK1,233,045 )**

A total of 760.7 wet tonnes of ore was processed at an average grade of 12.9 grams per processed tonne of ore. These higher processing levels, averaging approximately 12.1 tonnes per day during the Quarter, resulted from the installation of the crusher and vibrating screen, along with improved operating efficiency of the concentrator plant.

This higher throughput, combined with significantly higher ore grades in June, resulted in the best month's gold production (281 ounces) and sales (AUD\$469,190) since recommencing ore processing in February 2014.

At current gold prices and exchange rates the current operating cost break-even production level at Edie Creek is approximately 2350 grams (76 ounces) of gold per month.

In order to be in a position to operate profitably at significantly lower ore grade levels (circa 2g/t), orders are currently being placed with a Chinese supplier for a larger ball mill (5t/h capacity), a roller crusher, two vibrating feeders (10t/h) and 2 two small conveyor belts. This will increase the daily processing capacity to 50 to 60 tonnes in a single shift, and will cost approximately AUD\$40,000.

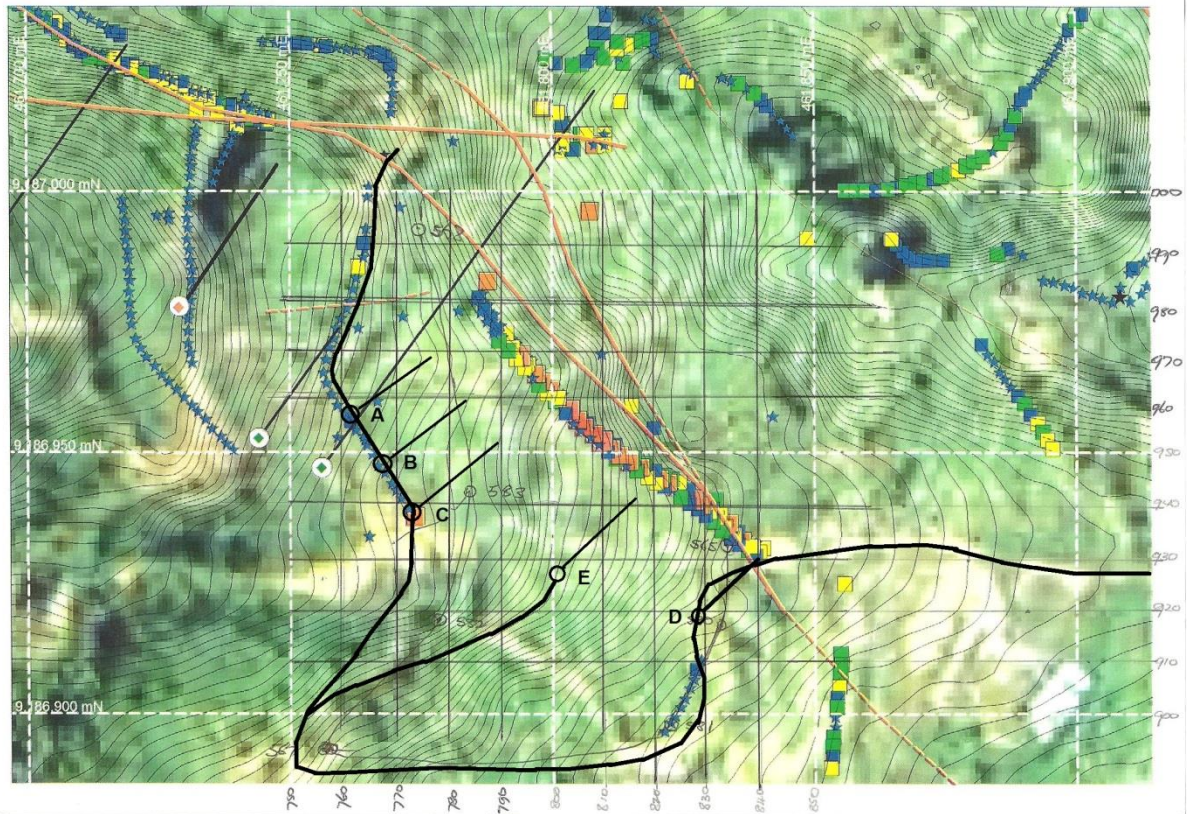


## Drilling

A detailed drilling program was finalised for the Enterprise and Karuka vein systems, with 10 shallow holes (35-50m each) planned for Enterprise and up to 20 shallow holes (35-50m each) planned for Karuka.

It is anticipated that on completion of each of these respective drilling programs, and taking into account past exploration and geological data, a JORC indicated resource could be achieved for each of these vein areas.

Drilling of the Enterprise area is scheduled to commence first and is planned for the current quarter using our rigs.



Enterprise Block EP\_1a Potential Drill Sites

## Bolobip and May River Exploration Licences

Planning for upcoming exploration programs continued during the Quarter for both the highly prospective May River and Bolobip exploration licences (EL1441 and EL1438 respectively).

In what is considered positive news for the May River tenement, the owners of the adjoining Frieda River project (PanAust Limited and Highlands Pacific Limited) released an updated Feasibility Study in May, and in June lodged an application for a Special Mining Lease with the PNG Mineral Resources Authority for this world class, major copper-gold project.

## TNT MINES LIMITED

Niuminco Group Limited owns 72.54% of and manages, TNT Mines Limited (TNT). TNT holds a suite of advanced exploration areas in northern Tasmania prospective for tin and tungsten.

During the Quarter an extension of term for EL 27/2004 (the "Aberfoyle-Rossarden-Royal George" tenement) was granted.

On a positive note the tin price has moved above US\$17,500 (AUD\$23,000) in recent weeks.

## CORPORATE

Cash-on-hand at 30 June 2016 was AUD\$153,000 and as a result of this improved cash position and outlook the planned capital raising foreshadowed in the previous Quarterly Report has been put on hold.

However, the Board and Management continue to pursue suitable and appropriate funding strategies and options to advance the Group's Papua New Guinea and TNT Mines Limited projects, at both the project and corporate levels.

Management continues to be firmly focused on increasing the quantity of ore mined and processed, and the gold recovered at Edie Creek, with consequential increases in gold production and sales. This is to be achieved through further enhancement and scaling up of the comminution and processing circuit as outlined earlier in this report, and the continuing development and exploitation of up to four (4) known vein systems to ensure reliable sources of medium to high grade ore. To assist in this, and subject to internal funding from sales, the Company now has a detailed shallow drill plan to continue with its extension and resource drilling program at Edie Creek during the current quarter.



Mark Ohlsson  
Company Secretary  
14 July, 2016

The information in this report that relates to exploration results is based on Information reviewed by Ian Plimer (BSc [Hons], PhD) who is a Fellow of the Australasian Institute of Mining and Metallurgy. Professor Plimer is a director of Niuminco Group Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. He consents to the inclusion in the report of the matters based on this information in the form and context in which it appears

## SCHEDULE OF TENEMENTS

Permit Type	Permit Number	Location	Held Via	Beneficial %	Agreement Type
<b>NIUMINCO GROUP LIMITED – PAPUA NEW GUINEA ASSETS</b>					
Exploration licence	EL 1438	Bolobip	Niuminco (ND) Limited	100	
Exploration licence appl'n	ELA 2363	Hotmin	Niuminco (ND) Limited	100	
Exploration licence	EL 2365	Ama	Niuminco (ND) Limited	100	
Exploration licence appl'n	ELA 2364	Wameimin	Niuminco (ND) Limited	100	
Exploration licence	EL 2362	Fagobip	Niuminco (ND) Limited	100	
Exploration licence	EL 1441	May River	Niuminco (ND) Limited	100	
Mining lease	ML 144	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
<b>TNT MINES LIMITED – TASMANIAN ASSETS*</b>					
Exploration licence	EL27/2004	Aberfoyle Storeys Creek Royal George	TNT Mines Limited	100	
Retention licence	RL2/2009	Great Pyramid	TNT Mines Limited	100	

\* Niuminco Group Limited has a 72.54% interest in TNT Mines Limited.