NIUMINCO GROUP LIMITED

And Controlled Entities

ABN 44 009 163 919

2016 ANNUAL REPORT

Niuminco Group Limited
Corporate directory
30 June 2016

DIRECTORS:	Mr Tracey Lake (Managing Director) Prof Ian Plimer (Chairman) Mr Matthew Roberts Mr Neill Arthur
SECRETARY:	Mr Mark Ohlsson
REGISTERED AND PRINCIPAL OFFICE:	Suite 50, 14 Narabang Way Belrose, NSW 2085 Telephone: (02) 9450 0828 Facsimile: (02) 9450 0877
SHARE REGISTRAR:	Security Transfer Australia Pty Ltd PO Box 52 Collins Street West VIC 8007 Telephone: (08) 9315 2333
HOME EXCHANGE:	Australian Securities Exchange (Sydney) Limited ASX Code: NIU The company's shares are also listed on the Port Moresby Stock Exchange Ltd (POMSoX Code:NIU)
AUDITORS:	PricewaterhouseCoopers Darling Park Tower 2 201 Sussex Street Sydney NSW 2000
BANKERS:	National Australia Bank Cnr Florence & Hunter Street Hornsby NSW 2077
WEBSITE ADDRESS:	www.niuminco.com.au

Niuminco Group Limited
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These financial statements are the consolidated financial statements of the consolidated entity consisting of Niuminco Group Limited and its subsidiaries. The financial statements are presented in Australian currency.

Niuminco Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Niuminco Group Limited
Suite 50, 14 Narabang Way
Belrose NSW 2085

The financial statements were authorised for issue by the directors on 30 September 2016. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available in the Investor Relations section on our website: http://www.niuminco.com.au/

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Niuminco Group Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2016.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Mr Tracey Lake – Managing Director
Appointed 1 May 2012
Mr Lake holds a Bachelor of Commerce degree (Major – Accounting & Finance) from the University of NSW. He has held the position of Chief Executive Officer and been a principal shareholder in both private and public companies, and has over 35 years business experience in a number of industries.

Mr Terence Willsteed –Chairman (Resigned 26 November 2015)
Appointed Non-Executive Director 9 May 2011, appointed Non-Executive Chairman 1 August 2013

Professor Ian Plimer – Non-Executive Director
Appointed 9 May 2011, appointed Chairman 26 November 2015
Professor Ian Plimer BSc [Hons], PhD, FGS, FTSE, FAusIMM, is Emeritus Professor at The University of Melbourne where he was Professor and Head (1991-2005). He was Professor of Geology (University of Newcastle 1985-1991) and Professor of Mining Geology (University of Adelaide 2005-2012). He has been awarded the prestigious Leopold von Buch Medal for Science, the Centenary Medal, the Eureka Prize (twice) and is a Fellow of the Academy of Technological Sciences and Engineering, a Fellow of the Geological Society of London and a Fellow of the Australasian Institute of Mining and Metallurgy.

Professor Plimer's main geological interests are in ore deposits in base metal deposits (particularly in Broken Hill) and epithermal precious metals. He serves on the Boards of listed companies Silver City Minerals Ltd [ASX:SCI; 21st Feb. 2011-present]; Kefi Minerals Ltd (AIM:KEFI]; (Nov. 2006-present); Lakes Oil NL [ASX:LKO], (27th January 2013 – present), Sun Resources NL (23th September 2014 –May 2016) and unlisted companies Hancock Prospecting companies [Roy Hill Holdings Pty Ltd, Hope Downs Iron Ore Pty Ltd, Queensland Coal Investments Pty Ltd] and TNT Mines Ltd. He was on the Boards of CBH Resources Ltd (1998-2010), Ormil Energy Ltd (2010-2012) and Inova Resources Ltd (2007-2013).

Mr Matthew Roberts – Non-Executive Director
Appointed 26 November 2015
Matthew Roberts is a non-executive director of Australian Metals Group Limited, and a director of Atlantic Pacific Securities Pty Ltd and is the Managing Director of Ascot Securities Pty Ltd and has extensive industry experience. He has a proven track record of successfully building financial services businesses both in Australia and the UK.

Mr Neill Arthur – Non-Executive Director
Appointed 26 November 2015
Chairman of Arthur Management Services Pty Ltd and non-executive director of Australian Metals Group Limited. Neill is a former Managing Director of Aulron Energy Limited, an ASX S&P 200, UK and German listed public company involved in gold, iron ore (in South Australia), base metals and coal exploration, power and mining development projects in Australia, EU, North America and Asia. Neill has been Chairman and/or a director of listed and unlisted public companies in Australia and overseas with over four decades of experience, and was a Director of The Australasian Institute of Mining and Metallurgy from 2004 to 2010

Directorships of other listed companies during the past 3 years

Name	Company	Commenced	Ceased
Prof I Plimer	Kefi Minerals plc	November 2006	-
	Silver City Minerals Ltd	21 February 2011	-
	Lakes Oil NL	27 January 2013	-
	Sun Resources NL	23 September 2013	May 2016

Directors' interest in shares and options

At the date of this report, the interests of the directors in the shares and options of Niuminco Group Limited are:

Name	Number of fully paid ordinary shares	Number of options over ordinary shares
Mr T Lake		--
Indirect – Goward Pty Ltd	175,344,250	
Direct	471,112	
Mr I Plimer		--
Indirect – Inkex Pty Ltd	33,333,333	--
Direct	1,666,667	--
Mr M Roberts		--
Indirect – Australian Metals Group Ltd	395,729,900	

COMPANY SECRETARY

At the end of the financial year, Mark Ohlsson – FCPA, held the position of Company Secretary. Mr Ohlsson was appointed Company Secretary on 9 May 2011.

PRINCIPAL ACTIVITIES

Niuminco Group Limited, through its subsidiaries, holds prospective exploration areas and mining leases in Papua New Guinea. These include exploration licences at May River and Bolobip, and mining leases at Edie Creek. The Group also has a controlling interest in TNT Mines Limited (TNT), a tin and tungsten exploration company with assets in Tasmania.

OPERATING RESULTS

For the financial year ending 30 June 2016, the consolidated loss of the Group after income tax amounted to $1,676,785 (2015: Loss of $4,103,872) which includes non-cash expenses of exploration asset impairment $318,402, loss on fair value adjustment of embedded derivative options $57,117, and depreciation of $103,637, on gold and silver sales of $1,110,892 (2015: $1,640,608) and other revenue of $724 (2015: $57,169).

DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended a final dividend for the 2016 financial year (2015: $nil).

CORPORATE GOVERNANCE

The Company's Corporate Governance Report can be found at www.niuminco.com.au

REVIEW OF OPERATIONS

Exploration & evaluation

May River & Bolobip

Extensions of term were granted for EL 1441 at May River and EL 1438 at Bolobip for a further 2 years to September 2017 and camp maintenance was undertaken at the Bolobip base camp.

Edie Creek Mine

Scaling up of the ore processing capacity continued at the Edie Creek Mine with the commissioning of the 2 tonne per hour ball mill, the purchase and installation of a Gekko in-line spinner concentrator plant, a small jaw crusher , sump and slurry pumps, as well as incorporating a vibrating screen and conveyor belt into the milling circuit..

Despite a 50%+ increase in ore processing over the previous year to 2,317 tonnes (1,526 in 2015), ore grades dropped for most of the year to an average 9.25 grams per tonne (23.9g/t in 2015) resulting in gold production of 21,431 grams or 689 ounces and silver production of 18,722 grams or 602 ounces.

Exploration continued with sampling and extensive review work done by consulting geologists led by John Nethery who, along with Niuminco's chief geologist Lewis Koesi, completed 2 drill holes to test the eastern extension of the main Edie Lode (Alpha- East) vein system, and planned a revised 10 shallow hole diamond core drill program for the Enterprise vein system, as well as a 20 shallow hole program for the Karuka vein system.

In the light of this recent work and historical geological data and information, the aim of the current drill program is to achieve an initial JORC Resource for the Edie Creek tenements.

TNT Mines

In the September 2015 quarter an extension of term to August 2017 was granted for the Great Pyramid tenement RL2/2009 and in the June 2016 quarter an extension of term to 26 November 2016 was granted for EL27/2004, the Aberfoyle/Rossarden/Royal George tenement.

RL 63/2004 (the Montana Flats/Oonah tenement) was relinquished in the March 2016 quarter.

Corporate

$994,997 cash was raised through an underwritten rights issue with 497,496,339 shares being issue at $0.002. In addition, a total of $260,149 debt was converted to equity during the year at $0.002.

The attached financial report for the year ended 30 June 2016 contains an independent auditor's report which includes an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern

GOING CONCERN

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. During the year, the Group raised $1,255,146 through capital raisings generating net proceeds of $921,863. The Group has incurred a net loss before tax of $1,676,785 (including a non-cash exploration asset impairment expense of $318,402 and depreciation of $103,637) and total net cash inflows of $126,234 for the year ended 30 June 2016 and, as of that date the Group's current liabilities exceeded its current assets by $2,909,754.

Current liabilities at balance sheet date include Directors and Director's related balances amounting to $493,314. The Directors have confirmed that the repayment of these amounts in cash will not be called upon while the Group continues to suffer operating losses and does not generate sufficient cash. At balance date, the Group was in arrears on the payment of the Chattel mortgages, and as a result, the balance of the liability amounting to $470,053 is classified as a current liability. In the absence of these arrears, an amount of $311,765 would have been classified as a non-current liability. The remaining current liability balance amounting to $2,130,606 represents trade creditors and payroll liabilities the majority of which at balance sheet date were not within their normal credit terms. During the year, the Group has not been able to meet its planned production targets at Edie Creek mine of 5 to 6 ounces per day averaging 1.9 ounce per day.

Consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds are likely to be required to continue to support the exploration efforts of the Group.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group's operational and financial performance will improve and will be able to continue as a going concern. As such the financial report is prepared on a going concern basis. In arriving at this conclusion, the Directors considered that:

- The Underwritten Share Purchase Plan that has been announced by the Group on 16 September 2016 and which closes on 7 October 2016 is expected to raise a minimum of $750,000 and up to $1,050,000 if the amount subscribed by the shareholders exceeds the $750,000 underwritten amount and the full top-up placement of $300,000 is made.

- The Directors have designed a plan to ensure that the production targets at Edie Creek can be achieved including making additional investments at the mine. The plan anticipates that positive cash flows from Edie Creek mine through gold and silver sales in the order of $250,000 to $300,000 per month will be achieved consistently. This approximates production at a rate of 5 to 6 ounces per day. This level of production is significantly higher than what has been consistently achieved to date. The successful completion of the plan will require support from the local communities at Edie Creek and the Group's creditors.

- To achieve the production rate of 5 to 6 ounces per day, the scaling up of the production at Edie Creek includes increasing the ore processing capacity with the purchase of a 5 tonne per hour ball mill, a roller crusher and also includes additional mining equipment which will need to be partly financed by external borrowings for an amount of approximately $220,000. The Group has started discussions with its current financier and believes that it will be successful in obtaining this level of funding.

- The Group has been successful in the past in managing the balances that are owed to creditors by either deferring payments or negotiating a plan in order to spread repayment to accommodate the Group's cash flow requirements. The Directors believe that the Group will be able to continue to do so until the production from Edie Creek enables all creditors to return to normal payment terms. The Directors note that a portion of the proceeds from the Share Purchase Plan will be directed to the repayment of the overdue balances.

- As noted above, the Directors have confirmed that the repayment of the Directors and Director's related balances amounting to $493,314 will not be called upon in cash while the Group continues to suffer operating losses and does not generate sufficient cash.

If the Directors are unsuccessful in achieving the above, alternative measures would be pursued which would include:

- Raising additional equity or debt. The Group has a successful track record over many years of raising new capital from both existing shareholders and strategic investors. After the Annual General meeting the Company's placement capacity is expected to be refreshed.

- Curtailing materially, if necessary, the Group's ongoing costs. This could include reducing the amounts to be paid to Directors for the next financial year' fees and temporarily reducing the exploration spend.

- The sale of assets, or entering into farm-in agreements with another party. While it is not their preferred option the Directors believe that, should it be necessary, that certain assets could be sold to realise funds to enable the Group to continue as a going concern.

The Directors believe that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated financial statements at 30 June 2016.

Accordingly no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the directors, there were no matters that significantly affected the state of affairs of the Company or Group during the financial year, other than those referred to in the review of operations.

AFTER BALANCE DATE EVENTS

On 16 September, 2016 the Group announced an Underwritten Share Purchase Plan to raise $750,000 which opened on 21 September, 2016 and closes on 7 October, 2016.

The Group has completed the first 4 holes of the current 10 shallow hole drilling program on the Enterprise vein system at Edie Creek and at the date of this report is awaiting assay results.

No other matter or circumstance has arisen since 30 June 2016 which significantly affected or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

In PNG the Group intends to advance its exploration activities at May River and Bolobip including drill testing, with 3 holes planned for Bolobip in coming months. The Group also intends to continue to further scale up the mining and gold/silver production at the Edie Creek mining leases and complete the current drilling program of 10 shallow holes on the Enterprise vein system of Edie Creek. The scaling up includes increasing the ore processing capacity to 40+ tonnes per day with the purchase of a 5 tonne per hour ball mill, a roller crusher, 2 vibrating feeders and 2 small conveyor belts at a cost of approximately $50,000.

Additional mining plant is also planned to be acquired including another second hand bull dozer, a new 7 tonne excavator and a new 3.5 cubic metre tip truck.

In Tasmania, through the Group's 72.54% owned TNT Mines Ltd, Niuminco plans to commence a focused exploration program comprising 7 diamond core drill holes (to 1030 m total depth) on the Lutwyche deposit within the Aberfoyle Tin and Tungsten Project. The aim of this program is to obtain an Inferred Mineral Resource for the Lutwyche deposit. Further holes are planned for the Great Pyramid deposit with the aim of increasing both the grade and size of the current Great Pyramid deposit Inferred Mineral Resource.

The Group's further exploration work in PNG and Tasmania will be subject to the successful completion of the current capital raising and the Edie Creek operations generating sufficient cash surpluses. The Group intends to finalise its current capital raising in October, 2016.

MINERAL RESOURCE & ORE RESOURCE GOVERNANCE

Resources and Reserves are estimated by suitably qualified personnel in accordance with the requirements of the JORC Code, industry standard techniques and internal guidelines. There is a focus on quality assurance and quality control protocols covering all aspects of the work process.

All Resource estimates and supporting documentation are reviewed by external consultants, the Company's Competent Person and internal management and where changes occur a suitable review is carried out.

The objective of the process is to promote the maximum conversion of identified mineralisation into JORC compliant Mineral Resources.

Exploration/ Retention Licence	Location	Commodity	Grade & Quantity	Reserve/ Resource
Great Pyramid RL2/2009	NE Tasmania	Tin (Sn)	1,300,000 tonnes @ 0.3% Tin for 3,900 tonnes of contained Tin using 0.2% Tin cutoff Or 5,200,000 tonnes @ 0.2% Tin for 10,400 tonnes of contained Tin using 0.1% Tin cutoff	JORC 2012 Inferred Mineral Resource
Royal George EL27/2004	NE Tasmania	Tin (Sn)	800,000 tonnes @0.33% Tin for 2,640 tonnes of contained Tin using 0.2% Tin cutoff Or 1,300,000 tonnes @0.25% Tin for 3,250 tonnes of contained Tin using 0.0% cutoff Or 600,000 tonnes @0.36% Tin for 2,160 tonnes contained Tin using a 0.25% Tin cutoff	JORC 2012 Inferred Mineral Resource

Schedule of Tenements

Permit Type	Permit Number	Location	Held Via	Beneficial %	Agreeme nt Type
Niuminco Group Limited – Papua New Guinea Assets					
Exploration licence	EL 1438	Bolobip	Niuminco (ND) Limited	100	
Exploration licence	EL 2365	Ama	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

Permit Type	Permit Number	Location	Held Via	Beneficial %	Agreeme nt Type
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
TNT Mines Limited – Tasmanian Assets*					
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.

UNISSUED SHARES UNDER OPTION

There are no unissued ordinary shares of Niuminco Group Limited under option at the date of this report.

REMUNERATION REPORT (AUDITED)

This remuneration report sets out remuneration information for Niuminco Group Limited's non-executive directors, executive directors, and key management personnel.

Principles used to determine the nature and amount of remuneration - Charter

The Directors of Niuminco Group Limited have adopted the following charter:
- To establish a set of remuneration levels and packages that is fair and designed to encourage and enhance individual performance and resultant corporate success.
- To motivate executives and senior management with a focus on long term benefits to the individuals and therefore the Group and its shareholders.
- To review performance of executive directors and senior management based on the Company's operational results, market penetration and profit and loss performance.

Remuneration policy

The remuneration policy has been designed to provide a fixed remuneration to directors commensurate with their obligations, commitment, experience and performance. The Board believes the policy to be appropriate and effective in its ability to retain a high standard of executive staff and directors as well as create incentives in the interests of the Group.

The Board's policy for determining the nature and amount of remuneration for directors is set out in this policy. Consistent with the Board charter the remuneration policy was approved by the Board after considering:

- The history of the Group's management arrangements;
- The remuneration of past executives;
- The current financial position of the Group;
- The remuneration of industry peers;
- The interests of shareholders;
- The short, medium and long-term future of the industry.

The Board, taking into account the above factors will review remuneration annually. The Board may exercise some discretion in relation to approving incentives and bonuses. During the current year no incentives have been paid to key management personnel.

The Board determines executive directors' payments and reviews the remuneration based on best commercial practice. Independent external advice on the packages may be obtained at the discretion of the Board. As the remuneration is fixed at this time it is not linked to Group performance at this stage. No elements of remuneration are performance based. There is no relationship between the performance of the Group and remuneration over the past five years.

A summary of the general principles adopted by the Board is as follows:

Executives

- The adoption of a balance between fixed and incentive salary linking rewards with Company and executive performance but only when the industry and shareholder returns are at a more consistent and higher level.
- Consideration of relativities with other similar sized businesses.
- Reflect the nature of the business and the role expected of the individual.
- Consider both the Group and the individual's legal obligations.
- Consider whether the Group and the individual meets expected and budgeted targets.
- Consider whether equity-based performance benefits are appropriate.
- Executives are paid according to market and experience.

Non-Executives

- Non-executive remuneration is to be clearly distinguished from executive salary and packages. The Non-executive remuneration limit is $150,000 cash per annum in total for all non-executive directors as approved by shareholders on 6th November 2009.

Performance-based remuneration

Currently no component of the key management personnel's remuneration is at risk. It is expected that going forward remuneration packages of executive directors will include remuneration at risk based on Group and individual performance.

Incentive Plans

A Share Plan and Employee Share Option Plan (ESOP) have been approved by shareholders. The object of both plans will be to assist in the recruitment, reward, retention and motivation of employees and officers of the Group.

Other incentive plans including partly paid shares, share purchase loans or other schemes may be utilised to provide longer-term incentives and rewards to executives and directors. Shareholder approval will be obtained in each case as required by law.

In view of the contribution of the non-executive directors and advancing the interest in the Group, the Group considers that the non-executives may continue to be rewarded with options. It is not considered that this will significantly affect their independence in light of their experience and reputation.

Risk Policy

The Board does not have a policy in place in relation to limiting exposure in relation to securities held.

Names and positions held of Group and parent entity key management personnel in office at any time during the financial year

Key management personnel

- Tracey Lake	Managing Director	appointed 1 May 2012
- Terence Willsteed	Chairman – Non Executive	appointed 9 May 2011, resigned 26 November 2015
- Ian Plimer	Director – Non Executive	appointed 9 May 2011
- Matthew Roberts	Director – Non Executive	appointed 26 November 2015
- Neill Arthur	Director – Non Executive	appointed 26 November 2015
- Andrew Drummond*	Director – Non Executive (TNT Mines Limited)	appointed 2006

Andrew Drummond is a non-executive director of TNT Mines Limited and for the purposes of this report is a key management person from 1 November 2013 onwards, the date on which Niuminco Group Limited acquired a controlling interest in TNT Mines Limited.

Details of remuneration for the year ended 30 June 2016 and 30 June 2015

The remuneration for each director of the consolidated entity during the year was as follows:

2016	Short Term Benefits Salary, fees & commissions $	Post Employment Benefits Superannuation contributions $	Termination benefits $	Share Based Payments Options $	Total $
Executive					
T Lake*	**270,000**	--	--	--	**270,000**
Non executives					
I Plimer**	**36,000**	--	--	--	**36,000**
T Willsteed	--	--	--	--	--
M Roberts	**29,167**	--	--	--	**29,167**
N Arthur	**29,167**	--	--	--	**29,167**
A Drummond***	--	--	--	--	--
	364,334	--	--	--	**364,334**

* During the year Goward Pty Ltd (a company related to Tracey Lake) converted $188,649 of fees accrued to equity at $0.002 per share. .

**During the year Inkex Pty Ltd (a company related to Ian Plimer) converted $22,000 of fees accrued to equity at $0.002 per share.

***During the year Andrew Drummond converted $5,000 of fees accrued to equity at $0.002 per share.

2015	Short Term Benefits Salary, fees & commissions $	Post Employment Benefits Superannuation contributions $	Termination benefits $	Share Based Payments Options $	Total $
Executive					
T Lake*	**200,000**	**--**	**--**	**--**	**200,000**
Non executives					
I Plimer**	**36,000**	**--**	**--**	**--**	**36,000**
T Willsteed***	**36,000**	**--**	**--**	**--**	**36,000**
A Drummond****	**36,000**	**--**	**--**	**--**	**36,000**
	308,000	**--**	**--**	**--**	**308,000**

* During the year Goward Pty Ltd (a company related to Tracey Lake) converted $80,745 of fees accrued to equity at prices ranging from $0.002 to $0.004. In addition Goward Pty Ltd has applied for an additional 40,000,000 shares under the offer document dated 7 May 2015. These shares will be issued subject to shareholder approval and an additional $80,000 of fees accrued will be converted to equity.
**During the year Inkex Pty Ltd (a company related to Ian Plimer) converted $49,767 of fees accrued to equity at prices ranging from $0.002 to $0.005.
***During the year Patermat Pty Ltd (a company related to Terence Willsteed) converted $4,280 of fees accrued to equity at a price of $0.002 per share.
****During the year Andrew Drummond converted $33 of fees accrued to equity at a price of $0.002 per share.

Interests in the shares and options of the Company

i. Options provided as remuneration and shares issued on exercise of such options
There are no options outstanding to key management personnel.

ii. Option holdings
No options over ordinary shares in the Company were held by or issued to directors of Niuminco Group Limited and other key management personnel of the Group, including their personally related parties during 2016 or the prior year.

iii. Shareholdings
The number of shares in the Company held during the financial year by each director of Niuminco Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2016	Balance at start of the year	Received as remuneration	Issued on conversion of debt to equity	Shares purchased or sold	Other Change	Balance at end of the year
T Willsteed*	8,560,002	--	--	--	(8,560,002)	--
I Plimer	21,000,000	--	11,000,000	3,000,000,	--	35,000,000
T Lake	81,489,217	--	94,326,145	--	--	175,815,362
M Roberts**	--	--	--	395,729,900	--	395,729,900
N Arthur	--	--	--	--	--	--
A Drummond	8,743,382	--	2,500,000	--	--	8,743,382
	119,792,601	--	107,826,145	398,729,900	(8,560,002)	615,288,644

* Terence Willsteed resigned on 26 November 2015
* *Matthew Roberts acquired his shares through his related company Australian Metals Group Limited which acted as underwriter in the Company's rights issue in November 2015.

Employment contracts of directors and senior executives

On appointment to the Board, all directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the board policies & terms and the director's duties and responsibilities. The contracts require directors to satisfy all legal duties imposed by the Corporations Act and the general law and to assist the board in fulfilling its functions. The directors are required to notify the Company of all other directorships held by the director and if directors intend to accept any subsequent directorships they must first discuss this with the Chairman.

The appointment and term of a director is made in accordance with the Company's constitution. The agreements provide for an indefinite period of appointment subject to reappointment requirements at annual general meetings under the terms of the constitution. The employment may be terminated pursuant to the Corporations Act and the Company's Constitution, in certain prescribed circumstances (such as bankruptcy, conviction of an offence, unsound mind). The director may resign by notice in writing at any time.

Directors are not automatically entitled to any termination or retirement benefits, other than those to be provided to all employees under normal legislative requirements; however termination benefits may be agreed on an individual basis by the board.

Mr Tracey Lake as Managing Director provides his services in this position under a consultancy agreement with Goward Pty Limited. The original agreement provided for a monthly payment of $25,000 with an expiry date of 30 April 2014 with 6 months' notice of early termination. This agreement was varied by agreement of the board in February 2014, and Goward Pty Ltd received a monthly payment of $16,667 from 1 March, 2014 through to 30 June, 2015. The agreement was varied again on 1 July, 2015 to the original monthly payment of $25,000 with an expiry date of 30 June, 2018 with 9 months' notice of early termination. The original agreement also provided for a sign on bonus of $80,000 which was paid by the issue of 1,333,333 shares at $0.06, and 6,000,000 options exercisable at 10 cents per share on or before 30th April 2014. The options have since expired. Since 1 January, 2016 Goward Pty Ltd has agreed to temporarily receive a reduced monthly fee of $20,000.

This is the end of the Audited Remuneration Report

MEETINGS OF DIRECTORS

The number of directors' meetings held and number of meetings attended by each of the directors of the Company during the financial year were as follows:

	Number attended	Number eligible to attend
Tracey Lake	6	6
Ian Plimer	6	6
Terence Willsteed	1	1
Matthew Roberts	3	5
Neill Arthur	4	5

The number of audit committee meetings held and number of meetings attended by each of the directors of the Company during the financial year were as follows:

	Number attended	Number eligible to attend
Ian Plimer	2	2
Neill Arthur	1	1
Matthew Roberts	1	1

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the Company has paid or agreed to pay insurance premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

ENVIRONMENTAL

In Australia, the Group is subject to significant environmental regulation with respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, as far as it is aware is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of Australian environmental legislation for the year under review.

In Papua New Guinea the Department of Environment and Conservation administers a Code of Practice for Mining, which stipulates the environmental responsibilities of mining projects in PNG. The Environment Act 2000 and the regulations made under that Act provide the administrative mechanism for environmental impact assessment and evaluation of activities regulating impacts on the receiving environment through an established environment approval and permitting system. The Environment Act 2000 requirements include environmental permits, registration of intention to carry out preparatory work and environment impact assessment. The directors of the Group are not aware of any breach of PNG environmental legislation for the year under review.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The auditors of the Company have not provided any non-audit services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s307C of the Corporations Act 2001 for the year ended 30 June 2016 has been received and can be found on page 14.

Signed in accordance with a resolution of the Board of Directors.

Managing Director
Dated this 30 September 2016

Auditor's Independence Declaration

As lead auditor for the audit of Niuminco Group Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Niuminco Group Limited and the entities it controlled during the period.

Craig Thomason
Partner
PricewaterhouseCoopers

Sydney
30 September 2016

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Niuminco Group Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2016

Revenue	Note	2016 $	2015 $
Net proceeds of gold & silver sales	3	**1,110,892**	1,640,608
Net gain on sale of fixed assets		**--**	1,851
Equipment hire & other sales		**--**	29,776
Finance income		**724**	533
Other income:			
Write off creditors		**--**	23,599
Foreign exchange gain		**--**	1,410
		1,111,616	1,697,777
Expenses			
Direct mining costs	4	**(1,332,110)**	(1,402,290)
Depreciation & amortisation expense	9	**(103,637)**	(172,451)
Finance costs		**(89,993)**	(56,818)
Foreign exchange loss		**(1,484)**	--
Impairment of fixed assets	9	**--**	(934,702)
Impairment of exploration costs	8	**(318,402)**	(2,799,678)
Loss on sale of fixed assets		**(1,609)**	--
Loss on fair value adjustment of embedded derivative	10	**(57,117)**	--
Exploration costs		**(52,764)**	(50,601)
Other expenses from ordinary activities		**(364,650)**	(305,740)
Professional services fees		**(427,397)**	(403,037)
Travel & accommodation		**(39,238)**	(26,131)
Net loss before tax		**(1,676,785)**	(4,453,671)
Income tax benefit	0	**--**	349,799
Net loss for the year		**(1,676,785)**	(4,103,872)
Other comprehensive income/(loss)			
Items that may be re-classified to profit or loss			
Changes in foreign currency translation reserve	13	**(31,475)**	22,662
Total comprehensive income for the year		**(1,708,260)**	(4,081,210)
Loss for the year is attributable to:			
Owners of Niuminco Group Limited		**(1,533,498)**	(3,685,176)
Non-controlling interests		**(143,287)**	(418,696)
Total comprehensive income for the year is attributable to:			
Owners of Niuminco Group Limited		**(31,475)**	22,662
Non-controlling interests		**--**	--
		Cents	**Cents**
Loss per share for loss attributable to the ordinary equity holders of the Niuminco Group Limited			
Basic loss per share	21	**0.13**	0.52
Diluted loss per share	21	**0.13**	0.52

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Niuminco Group Limited
Consolidated statement of financial position
As at 30 June 2016

	Note	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	6	**124,661**	13,150
Trade and other receivables	7	**59,558**	71,936
Total Current Assets		**184,219**	85,086
NON CURRENT ASSETS			
Exploration & evaluation expenditure	8	**4,961,307**	5,146,230
Property, plant & equipment	9	**654,599**	760,118
Other non-current assets	7	**7,304**	9,147
Total Non-Current Assets		**5,623,210**	5,915,495
TOTAL ASSETS		**5,807,429**	6,000,581
CURRENT LIABILITIES			
Interest bearing loans & borrowings	10	**787,406**	571,072
Trade & other payables	11	**2,306,567**	2,189,805
Total Current Liabilities		**3,093,973**	2,760,877
TOTAL LIABILITIES		**3,093,973**	2,760,877
NET ASSETS		**2,713,456**	3,239,704
EQUITY			
Contributed equity	12	**43,708,862**	42,526,850
Share based payment reserve	13	**3,055,802**	3,055,802
Foreign currency translation reserve	13	**1,812,320**	1,843,795
Accumulated losses	13	**(46,093,880)**	(44,560,382)
Capital & reserves attributable to owners of Niuminco Group Limited		**2,483,104**	2,866,065
Non-controlling interests		**230,352**	373,639
TOTAL EQUITY		**2,713,456**	3,239,704

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Niuminco Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2016

	Attributable to members of Niuminco Group Limited						
	Contributed equity	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total	Non-controlling interests	Total Equity
	$	$	$	$	$	$	$
Balance at 30 June 2014	41,893,674	3,055,802	1,821,133	(40,875,206)	5,895,403	792,335	6,687,738
Loss for the year	--	--	--	(3,685,176)	(3,685,176)	(418,696)	(4,103,872)
Other comprehensive income for the year	--	--	22,662	--	22,662	--	22,662
Total comprehensive income for the year	--	--	22,662	(3,685,176)	(3,662,514)	(418,696)	(4,081,210)
Transactions with owners in their capacity as owners							
Issued capital, net of transaction costs	633,176	--	--	--	633,176	--	633,176
Balance at 30 June 2015	**42,526,850**	**3,055,802**	**1,843,795**	**(44,560,382)**	**2,866,065**	**373,639**	**3,239,704**
Loss for the year	**--**	**--**	**--**	**(1,533,498)**	**(1,533,498)**	**(143,287)**	**(1,676,785)**
Other comprehensive income for the year	**--**	**--**	**(31,475)**	**--**	**(31,475)**	**--**	**(31,475)**
Total comprehensive income for the year	**--**	**--**	**(31,475)**	**(1,533,498)**	**(1,564,973)**	**(143,287)**	**(1,708,260)**
Transactions with owners in their capacity as owners							
Issued capital, net of transaction costs	**1,182,012**	**--**	**--**	**--**	**1,182,012**	**--**	**1,182,012**
Balance at 30 June 2016	**43,708,862**	**3,055,802**	**1,812,320**	**(46,093,880)**	**2,483,104**	**230,352**	**2,713,456**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Niuminco Group Limited
Consolidated statement of cash flows
30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold & silver sales		**1,110,892**	1,640,608
Other receipts from customers		**--**	31,627
Payments to suppliers & employees (inclusive of GST)		**(409,879)**	(41,374)
Costs of sales of gold and silver		**(1,195,769)**	(1,361,577)
Payment for mining & exploration site costs		**(41,710)**	(50,601)
Interest received		**724**	533
Interest paid		**(71,475)**	(56,818)
Net cash provided by/(used) in operating activities	20	**(607,217)**	162,398
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		**(80,098)**	(501,355)
Payment for exploration & evaluation expenditure		**(275,684)**	(412,782)
Movement in security deposits		**(276)**	(533)
Net cash used in investing activities		**(356,058)**	(914,670)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of issue of shares	12	**994,997**	420,986
Payment of share issue costs		**(73,134)**	(20,460)
Proceeds of convertible notes		**250,000**	--
Advances from related parties		**10,000**	--
Repayments by staff		**990**	15,136
Advances from chattel mortgages		**--**	487,999
Repayment of chattel mortgages		**(93,343)**	(143,800)
Net cash provided by financing activities		**1,089,509**	759,862
Net increase in cash & cash equivalents		**126,234**	7,590
Cash & cash equivalents at the beginning of the year		**13,150**	4,721
Effect of exchange rate changes		**(14,723)**	839
Cash & cash equivalents at the end of the year	6	**124,661**	13,150

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This annual report is for Niuminco Group Limited ("the Company") and its controlled entities (together "the Group") in respect of the full year reporting period ended 30 June 2016.

The financial statements were authorised for issue by the directors on 30 September 2016. The directors have the power to amend and reissue the financial statements.

Niuminco Group Limited is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Niuminco Group Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with IFRS
The consolidated financial statements of the Niuminco Group Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Historical cost convention
These financial statements have been prepared under the historical cost convention.

iii. Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

iv. Business combination
The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Costs directly attributable to the acquisition are expensed.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

b. Going concern

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Group raised $1,255,146 through capital raisings generating net proceeds of $921,863. The Group has incurred a net loss before tax of $1,676,785 (including a non-cash exploration asset impairment expense of $318,402 and depreciation of $103,637) and total net cash inflows of $126,510 for the year ended 30 June 2016 and, as of that date the Group's current liabilities exceeded its current assets by $2,909,754.

Current liabilities at balance sheet date include Directors and Director's related balances amounting to $493,314. The Directors have confirmed that the repayment of these amounts in cash will not be called upon while the Group continues to suffer operating losses and does not generate sufficient cash. At balance date, the Group was in arrears on the payment of the Chattel mortgages, and as a result, the balance of the liability amounting to $470,053 is classified as a current liability. In the absence of these arrears, an amount of $311,765 would have been classified as a non-current liability. The remaining current liability balance amounting to $2,130,606 represents trade creditors and payroll liabilities the majority of which at balance sheet date were not within their normal credit terms. During the year, the Group has not been able to meet its planned production targets at Edie Creek mine of 5 to 6 ounces per day averaging 1.9 ounce per day.

Consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds are likely to be required to continue to support the exploration efforts of the Group.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group's operational and financial performance will improve and will be able to continue as a going concern. As such the financial report is prepared on a going concern basis. In arriving at this conclusion, the Directors considered that:

- The Underwritten Share Purchase Plan that has been announced by the Group on 16 September 2016 and which closes on 7 October 2016 is expected to raise a minimum of $750,000 and up to $1,050,000 if the amount subscribed by the shareholders exceeds the $750,000 underwritten amount and the full top-up placement of $300,000 is made.

- The Directors have designed a plan to ensure that the production targets at Edie Creek can be achieved including making additional investments at the mine. The plan anticipates that positive cash flows from Edie Creek mine through gold and silver sales in the order of $250,000 to $300,000 per month will be achieved consistently. This approximates production at a rate of 5 to 6 ounces per day. This level of production is significantly higher than what has been consistently achieved to date. The successful completion of the plan will require support from the local communities at Edie Creek and the Group's creditors.

- To achieve the production rate of 5 to 6 ounces per day, the scaling up of the production at Edie Creek includes increasing the ore processing capacity with the purchase of a 5 tonne per hour ball mill, a roller crusher and also includes additional mining equipment which will need to be partly financed by external borrowings for an amount of approximately $220,000. The Group has started discussions with its current financier and believes that it will be successful in obtaining this level of funding.

- The Group has been successful in the past in managing the balances that are owed to creditors by either deferring payments or negotiating a plan in order to spread repayment to accommodate the Group's cash flow requirements. The Directors believe that the Group will be able to continue to do so until the production from

Edie Creek enables all creditors to return to normal payment terms. The Directors note that a portion of the proceeds from the Share Purchase Plan will be directed to the repayment of the overdue balances.

- As noted above, the Directors have confirmed that the repayment of the Directors and Director's related balances amounting to $493,314 will not be called upon in cash while the Group continues to suffer operating losses and does not generate sufficient cash.

If the Directors are unsuccessful in achieving the above, alternative measures would be pursued which would include:

- Raising additional equity or debt. The Group has a successful track record over many years of raising new capital from both existing shareholders and strategic investors. After the Annual General meeting the Company's placement capacity is expected to be refreshed.

- Curtailing materially, if necessary, the Group's ongoing costs. This could include reducing the amounts to be paid to Directors for the next financial year' fees and temporarily reducing the exploration spend.

- The sale of assets, or entering into farm-in agreements with another party. While it is not their preferred option the Directors believe that, should it be necessary, that certain assets could be sold to realise funds to enable the Group to continue as a going concern.

The Directors believe that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated financial statements at 30 June 2016.

Accordingly no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Niuminco Group Limited ('Company' or 'parent entity') at 30 June 2016 and the results of all subsidiaries for the year then ended. Niuminco Group Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Niuminco Group Limited.

A list of the Group subsidiaries is presented in note 0 to the financial statements.

d. Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Niuminco Group Limited's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

iii. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

e. Revenue recognition

i. Sales revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the net proceeds receivable from the buyer.

Gold and silver revenue

Mining and production by the group at Edie Creek resulted in gold & silver revenues in the financial year. The revenues have been generated prior to the finalisation of technical feasibility evaluation process, and are not representative of the area of interest reaching a stage of development.

The revenues have not been generated in order to develop the area of interest to the condition necessary for it to be capable of operating in a manner intended by management. As a result, recognising revenues (and the costs of producing the saleable material) directly in the income statement is deemed to be the appropriate accounting treatment.

Revenue is recognised when gold and silver is delivered. Delivery occurs when the products have been shipped to the specified location upon completion of the refinery process. The sale transaction is completed upon delivery to a third party and an adjustment is made for final assayed outturn amounts. Revenues are recorded net of commissions paid and the transportation and refinery costs are expensed as cost of sales when incurred.

i. Interest income

Interest revenue is brought to account when earned, taking into account the effective yield on the financial asset.

All revenue is stated net of any goods and services tax (GST).

f. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

g. Exploration and evaluation costs

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and indirect costs having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. The carrying value of exploration and evaluation assets is assessed in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and the Group's impairment policy (note 1 h).

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

The Group has not yet completed the technical feasibility evaluation process over the areas of interest, and therefore, considers the classification of the capitalised exploration and evaluation costs appropriate. While revenues have been generated by Edie Creek, they are not representative of the mine reaching a stage of development, nor have they been generated in order to develop the area of interest to the condition necessary for it to be capable of operating in a manner intended by management.

h. Impairment of assets

The Group's assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment provision is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In respect of exploration and evaluation assets, some impairment indicators that the Group considers include, whether any of its right to explore has lapsed or is expected to lapse and is not expected to be renewed, the plans and budget that the Group has regarding future substantive expenditure, the results of its exploration activities and whether such results are not positive or are sufficient to demonstrate that a future successful development of an asset is unlikely.

i. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation on all assets is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

- Buildings	20 years
- Furniture, fittings & equipment	3-7 years
- Mining equipment and vehicles	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

j. Employee Benefits

i. Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as payables.

ii. Share-based payment
Share-based compensation benefits may be provided to employees via the Niuminco Group Limited Share Plan and Employee Share Option. Information relating to this plan is set out in note 22. No options were issued under this plan during the year to 30 June 2016.

k. Share-based payments

Equity instruments (shares and options) issued for the payments of goods and services other than employee services are recognised when the instruments are issued. The fair value of equity instruments granted is recognised in the statement of comprehensive income or directly in the statement of financial position depending on the nature of the share-based payment. The total amount to be recognised is determined by reference to the fair value of the equity instruments granted.

l. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

m. Investment and other financial assets

Classification
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 7) in the statement of financial position.

Recognition and de-recognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method. Details on how the fair value of financial instruments is determined are disclosed in note 25.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

i. Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

p. Convertible Notes

On issuance of the convertible notes, where the conversion is a fixed number of shares for a fixed value there is an equity component, otherwise the whole instrument is a financial liability.

When it is determined that the whole instrument is a financial liability and no equity instrument is identified, the conversion option is separated from the host debt and classified as a derivative liability. The carrying value of the host contract, at initial recognition is determined as the difference between the consideration received and the fair value of the embedded derivative. The host contract is subsequently measured at amortised cost using the effective interest rate method. The embedded derivative is subsequently measured at fair value at the end of each reporting period through the profit and loss. The convertible note and the derivative are presented as a single number on the balance sheet within interest-bearing loans and borrowings.

When it is determined that the instrument contains an equity component based on the terms of the contract, on issuance of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

q. Chattel Mortgages

The Group has financed the purchase of plant and equipment by chattel mortgages (note 10). The chattel mortgages are capitalised at the loan inception at the fair value of the mortgaged property. The corresponding mortgage obligations, net of finance charges, are included in other short term or long term payables.

Each mortgage payment is allocated between the liability and the finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment mortgaged are depreciated over the assets' useful lives.

r. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ii. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

s. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the amount of GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis, except for the GST component of cash flow arising from investing or financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

t. New accounting standards and interpretations

Amendments to AASBs and the new Interpretations that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new interpretation issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period on or after 1 July 2015.

The application of these amendments and interpretation does not have any material impact on the Group's consolidated financial statements.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 ‘Revenue from Contracts with Customers’ and AASB 2014-5 ‘Amendments to Australian Accounting Standards arising from AASB 15’	1 January 2018	30 June 2019
AASB 2014-3 ‘Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations’	1 January 2016	30 June 2017
AASB 2014-4 ‘Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation’	1 January 2016	30 June 2017
AASB 2014-6 ‘Amendments to Australian Accounting Standards – Agriculture: Bearer Plants’	1 January 2016	30 June 2017
AASB 2014-9 ‘Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements’	1 January 2016	30 June 2017
AASB 2014-10 ‘Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	1 January 2016	30 June 2017
AASB 2015-1 ‘Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle’	1 January 2016	30 June 2017
AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’	1 January 2016	30 June 2017
AASB 2015-5 ‘Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception’	1 January 2016	30 June 2017

Note that the following new Standards and Interpretations are not applicable for the Group but are relevant for the period:

AASB 14 ‘Regulatory Deferral Accounts’ and AASB 2014-1 ‘Amendments to Australian Accounting Standards – Part D: ’Consequential Amendments arising from AASB 14’ is not applicable to the Group as the Group is not a first-time adopter.

u. Parent entity financial information

The financial information for the parent entity, Niuminco Group Limited, disclosed in note 23 has been prepared on the same basis as the consolidated financial statements, except as set out below.

ii. Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Niuminco Group Limited less any impairment. Dividends received from associates are recognised in the parent entity’s profit or loss, rather than being deducted from the carrying amount of these investments.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

a. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Estimated impairment of property, plant and equipment
The Group's assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in note 1.h. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Further information is provided in note 10 of the financial statements.

ii. Capitalised exploration and evaluation expenditure
Certain exploration and evaluation expenditure is capitalised where it is considered likely that the expenditure will be recovered by future exploitation or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves. This process necessarily requires management to make certain estimates and assumptions as to future events and circumstances, including estimates and assumptions regarding future commodity prices and level of demand for those commodities and cost of production, which will affect whether economically viable extraction operations can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy it is concluded unlikely that the expenditure will be recovered by future exploitation or sale, the relevant amount capitalised is written off in the statement of comprehensive income. Further information is provided in note 8 of the financial statements.

3. GOLD & SILVER SALES

	2016 $	2015 $
Gross sales	1,153,106	1,706,232
Commissions paid on sales	(42,214)	(65,624)
Net sales proceeds	1,110,892	1,640,608

4. DIRECT MINING COSTS

	2016 $	2015 $
PNG administration costs	73,444	155,009
Building & equipment maintenance	139,228	166,649
Other mine site costs including wages	1,119,438	1,080,634
	1,332,110	1,402,292

5. INCOME TAX EXPENSE/(BENEFIT)

a) Income tax expense/(benefit)

	2016 $	2015 $
Deferred tax	--	(349,799)
	--	(349,799)

b) Numerical reconciliation of income tax expense to prima facie tax payable

	2016 $	2015 $
Loss from continuing operations	(1,676,785)	(4,103,872)
Tax at the Australian tax rate of 30% (2015 – 30%)	(503,036)	(1,231,162)
Difference in overseas tax rates	(21,690)	(121,903)
Income not taxable	--	(10,004)
Taxable losses not recognized or deductible	524,726	883,617
Losses recognized to offset tax expense	--	(61,939)
Movement in unrecognized temporary differences	--	191,592
Income tax benefit	--	(349,799)

c) Deferred tax assets

	2016 $	2015 $
Tax losses	--	579,948
	--	579,948
Offset against deferred tax liabilities	--	(579,948)
Net deferred tax assets	--	--

The deferred tax assets above relate to deferred tax assets of TNT Mines Limited assumed by the group upon acquisition of the company.

d) Deferred tax liabilities

	2016 $	2015 $
Capitalised exploration and evaluation costs	--	(579,948)
Provisions and accruals	--	--
	--	(579,948)
Offset against deferred tax assets	--	579,948
Net deferred tax liabilities	--	--

e) Unused tax losses

	2016 $	2015 $
Unused tax losses relating to the Australian entities for which no deferred tax asset has been recognised	11,424,973	10,351,077
Potential tax benefit at 30%	3,427,492	3,105,323
Unused tax losses relating to the PNG entities for which no	21,901,875	21,356,103

deferred tax asset has been recognised		
Potential tax benefit at up to 40%	8,236,884	8,043,463

The unused tax losses are not recognised as deferred tax assets due to the uncertainty about whether a future profit will be generated against which the unused tax losses can be utilized.

6. CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank and in hand	124,661	13,150
	124,661	13,150

a. Risk exposure

The Group's exposure to interest rate risk is discussed in note 24. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

7. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
CURRENT		
GST receivables	27,716	24,383
Staff advances	331	1,788
Deposits paid	31,511	36,003
Other debtors	--	9,762
	59,558	71,936
NON-CURRENT		
Staff advances	7,304	9,147
	7,304	9,147

Staff advances are cash advances on salaries lent to staff in Papua New Guinea, and are repaid by regular deductions from the employees' fortnightly pay.

8. EXPLORATION AND EVALUATION EXPENDITURE

	2016 $	2015 $
NON-CURRENT		
Costs carried forward in respect of areas of interest in the exploration and evaluation phase		
Opening balance	5,146,230	7,485,553
Expenditure incurred during the year (a)	275,684	412,319
Foreign currency translation	(142,205)	48,036
Less impairment (b)	(318,402)	(2,799,678)
	4,961,307	5,146,230

Exploration assets are carried forward in accordance with the accounting policy set out in note 1.g and are assessed for impairment in accordance with note 1.h.

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and indirect costs having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest, or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. The carrying value of exploration and evaluation assets is assessed in accordance with AASB6 *Exploration for and Evaluation of Mineral Resources* and the Group's impairment policy.

The ultimate recoupment of the book value of exploration assets relating to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest and the Group's ability to continue to meet its financial obligations to maintain the areas of interest.

(a) Expenditure incurred during the year

The Group has not yet completed the technical feasibility evaluation process over the areas of interest, and therefore, considers the classification of the capitalised exploration and evaluation costs appropriate. While revenues have been generated by Edie Creek, they are not representative of the mine reaching a stage of development, nor have they been generated in order to develop the area of interest to the condition necessary for it to be capable of operating in a manner intended by management. As a result of that matter, expenditure incurred on the Group's Edie Creek project which are not directly related to the evaluation process of the area are not considered to be exploration costs but rather mine development costs which have in effect been capitalised and expensed in the same year.

During the year all expenditure incurred on the Group's Edie Creek project amounting to $52,764 has been expensed and the Group has spent and capitalised $259,712 of exploration costs on the May River, and Bolobip projects in PNG, and $15,972 on the TNT Mines Tasmanian projects.

(b) Impairment of exploration expenditure

Exploration expenditure impaired relates to capitalised expenditure on EL63/2004 at Oonah in Tasmania which was relinquished during the year ($308,886), and in PNG the Laloki EL1292 tenement ($9,516) in accordance with accounting policy 1.h.

9. PROPERTY, PLANT & EQUIPMENT

NON-CURRENT	Buildings	Furniture & fittings	Mining equipment & vehicles	Total
	$	$	$	$
At 30 June 2015				
Cost or fair value	813,571	330,624	2,479,729	3,623,924
Accumulated depreciation	(207,005)	(250,928)	(1,889,105)	(2,347,038)
Net book amount	606,566	79,696	590,624	1,276,886
Year ended 30 June 2015				
Opening net book amount	606,566	79,696	590,624	1,276,886
Exchange differences	34,013	4,406	50,611	89,030
Additions	2,591	4,091	494,673	501,355
Impairment^	(611,098)	(67,115)	(256,489)	(934,702)
Depreciation	(32,072)	(21,078)	(119,301)	(172,451)
Closing net book amount	--	--	760,118	760,118
At 30 June 2016				
Cost or fair value	--	--	1,006,239	1,006,239
Accumulated depreciation	--	--	(246,121)	(246,121)
Net book amount	--	--	760,118	760,118
Year ended 30 June 2016				
Opening net book amount	**--**	**--**	**760,118**	**760,118**
Exchange differences	**--**	**--**	**(74,843)**	**(74,843)**
Additions	**--**	**--**	**80,098**	**80,098**
Disposals	**--**	**--**	**(7,137)**	**(7,137)**
Depreciation	**--**	**--**	**(103,637)**	**(103,637)**
Closing net book amount	**--**	**--**	**654,599**	**654,599**
At 30 June 2016				
Cost or fair value	**--**	**--**	**1,004,357**	**1,004,357**
Accumulated depreciation	**--**	**--**	**(349,758)**	**(349,758)**
Net book amount	**--**	**--**	**654,599**	**654,599**

^ The impairment relates to plant & equipment which was held at an amount which was considered to have exceeded its recoverable amount. The retained fixed asset value is deemed recoverable based on fair value less costs to dispose.

10. INTEREST BEARING LOANS AND BORROWINGS

CHATTEL MORTGAGES

CURRENT	2016 $	2015 $
Chattel mortgage liability	470,053	571,072
	470,053	571,072

Chattel mortgages are over plant & equipment in PNG. The average effective interest rate during the year was 14.2%. The outstanding liability is secured over the assets.

CONVERTIBLE NOTES

CURRENT	2016 $	2015 $
Convertible notes liability at amortised cost	260,236	--
Derivative on convertible note at fair value	57,117	
	317,353	--

The Company has borrowed $200,000 under a Redeemable Convertible Note facility from Australian Metals Group Limited, a related entity of Matthew Roberts and Neill Arthur. The Company has also entered into a Redeemable Convertible Note facility with Goward Pty Ltd, a company related to Tracey Lake, on identical terms for a principal amount of $50,000.

Under the terms of the Note interest is payable at 12.5% per annum. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issued shares. The conversion or strike price will be the lower of $0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

On issuance of the convertible notes, it was determined that the notes were a financial liability and the conversion options within these notes represent an embedded derivative. The embedded derivative has been recognised at fair value upon inception and at each subsequent reporting period.

11. TRADE AND OTHER PAYABLES

CURRENT	2016 $	2015 $
Payroll liabilities	1,047,650	930,579
Accrued expenses	230,701	178,944
Trade creditors	1,018,216	1,080,282
Loans from related parties	10,000	--
	2,306,567	2,189,805

12. CONTRIBUTED EQUITY
a. Share capital

	30/06/16 Shares	30/06/16 $	30/06/15 Shares	30/06/15 $
Ordinary shares fully paid	1,475,556,749	43,708,862	847,784,515	42,526,850
Total contributed equity	1,475,556,749	43,708,862	847,784,515	42,526,850

b. Movements in ordinary share capital

2015	Details	Shares	$
01.07.14	Balance at beginning of period	617,997,080	41,893,674
04.08.14^	Placement – conversion of debt to equity	8,400,000	42,000
04.08.14	Placement for cash	62,500,000	250,000
26.11.14^	Conversion of debt to equity approved at AGM	10,000,000	40,000
26.11.14^	Conversion of debt to equity approved at AGM	7,953,428	39,767
02.06.15	Issue of shares under off document dated 7 May 2015 for cash	85,492,368	170,986
02.06.15^	Conversion of debt to equity offer document dated 7 May 2015	55,441,639	110,883
			42,547,310
	Less transaction costs arising on share issues		(20,460)
30-Jun-15	**Balance**	847,784,515	42,526,850

2016	Details	Shares	$
01.07.15	Balance at beginning of period	847,784,515	42,526,850
25.11.15	Issue under offer document dated 3 November 2015 for cash	497,496,339	994,997
25.11.15^	Conversion of debt to equity offer document 3 November 2015	67,826,145	135,649
30.11.15^	Conversion of debt to equity approved at AGM	40,000,000	80,000
20.01.16^	Placement – debt to equity	22,249,750	44,500
			43,781,996
	Less transaction costs arising on share issues		(73,314)
30-Jun-16	**Balance**	1,475,556,749	**43,708,862**

^These items were non-cash operating and investing activities, 2016 $260,149 (2015 $232,650)

c. Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

d. Share options issued

At reporting date there were no options issued outstanding (2015: nil).

e. Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. As the equity market is constantly changing management may issue new shares to provide for future exploration and development activity.

13. OTHER RESERVES AND ACCUMULATED LOSSES

	Note	2016 $	2015 $
a. Other reserves			
Share based payments	22	3,055,802	3,055,802
Foreign currency translation		1,812,320	1,843,795
		4,868,122	4,899,597
i. Movements:			
Share based payments			
Opening balance		3,055,802	3,055,802
Options issued as remuneration for services for directors		--	--
Closing balance		3,055,802	3,055,802
Foreign currency translation			
Opening balance		1,843,795	1,821,133
Currency translation differences arising during the year		(31,475)	22,662
Closing balance		1,812,320	1,843,795

b. Accumulated losses

Movements in accumulated losses were as follows:

	2016 $	2015 $
Opening balance	(44,560,382)	(40,875,206)
Net loss for the year	(1,533,498)	(3,685,176)
Closing balance	(46,093,880)	(44,560,382)

c. Nature and purpose of other reserves

i. Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised;
- the grant date fair value of shares issued to employees; and
- the grant date fair value of shares issued to third parties in exchange for goods and services.

ii. Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1.d and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

14. RELATED PARTY TRANSACTIONS

a. Parent entity

The parent entity within the Group is Niuminco Group Limited.

b. Subsidiaries

Interests in subsidiaries are set out in note 0.

c. Key management personnel

Disclosures relating to key management personnel are set out in this note and the remuneration report on pages 8 to 12.

d. Transactions with related parties

On 25 November 2015, Inkex Pty Ltd (a company related to Ian Plimer) took up its rights in the rights issue by converting $22,000 owing in fees to equity at $0.002 per share.

On 25 November 2015, Goward Pty Ltd (a company related to Tracey Lake) took up its rights in the rights issue by converting $108,275 owing in fees to equity at $0.002 per share. Tracey Lake also took up rights in his own name in the rights issue and converted a further $374 of debt to equity at $0.002 per share.

On 25 November 2015, Andrew Drummond took up his rights in the rights issue and converted $5,000 owing in fees to equity at $0.002 per share.

In accordance with a resolution at the Company's AGM on 30 November 2015, Goward Pty Ltd converted $80,000 owing in fees to equity at $0.002 per share.

Under a lease dated 24 March 2014, Niuminco Group Limited pays Tracey Lake a monthly rent of $1,500 for office premises at Belrose, NSW. At 30 June 2016, $1,200 of rent was outstanding to Tracey Lake.

During the year, $24,820 was invoiced to Niuminco Group Limited by Fiona Russell, a related party of Tracey Lake, for bookkeeping services. At 30 June 2016 a balance of $30,204 was outstanding to Fiona Russell.

The Company has borrowed $200,000 under a Redeemable Convertible Note facility from Australian Metals Group Limited, a related entity of Matthew Roberts and Neill Arthur. The Company has also entered into a Redeemable Convertible Note facility with Goward Pty Ltd, a company related to Tracey Lake, on identical terms for a principal amount of $50,000.

Under the terms of the Note interest is payable at 12.5% per annum. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issuing the issued shares. The conversion or strike price will be the lower of $0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

In June 2016, Inkex Pty Ltd and Goward Pty Ltd both lent the Company $5,000 on a short term basis. No interest is payable on these loans and the money is due for repayment within 12 months.

e. Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2016 $	2015 $
Related to Mr Lake		
Goward Pty Ltd	108,549	101,700
Tracey J Lake	1,200	10,050
Fiona Russell	30,204	20,568
Related to Mr Roberts		
Matthew Roberts	25,000	--
Related to Mr Arthur		
Arthur Management Services	25,833	--
Related to Prof Plimer		
The Plimer Trust	62,496	45,050
Related to Mr Drummond		
Andrew Drummond & Associates Pty Ltd	48,665	53,665
	301,947	277,167

f. Loans from related parties

	2016 $	2015 $
Related to Mr Lake		
Goward Pty Ltd	57,380	--
Related to Mr Roberts & Mr Arthur		
Australian Metals Group Limited	207,856	--
Related to Prof Plimer		
The Plimer Trust	5,000	--
	270,236	277,167

g. Key management personnel compensation

	2016 $	2015 $
Short-term employee benefits	364,334	308,000
	364,334	308,000

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 12.

15. AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:

	2016 $	2015 $
PricewaterhouseCoopers		
Audit or review of financial statements	95,000	94,742
	95,000	94,742

Remuneration of the auditor of TNT Mines Ltd (an unrelated entity of PricewaterhouseCoopers):

	2016 $	2015 $
Bentleys		
Audit or review of financial statements	11,000	11,000
	11,000	11,000

16. COMMITMENTS

(a) Chattel mortgage commitments

The minimum repayments under chattel mortgage arrangements are set out in the following table.

	2016	2015
	$	$
Within 1 year	210,900	364,750
Between 1 and 5 years^	369,282	284,689
Total future mortgage payments	580,182	649,439
Less: future finance charges	(110,129)	(78,367)
Chattel mortgage liability	470,053	571,072
Represented by:		
Current chattel mortgage liability	470,053	571,072
Non-current chattel mortgage liability	--	--
Chattel mortgage liability	470,053	571,072

^ As at 30 June 2016 the Group did not have an unconditional right to defer settlement of the chattel mortgages resulting in the balance being classified as current. Payments between 1 and 5 years are reflective of anticipated cash flows from chattel mortgages.

(b) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2016	2015
	$	$
within one year	988,287	515,000
later than one year but not later than five years	99,807	665,000
	1,088,094	1,180,000

17. CONTINGENCIES

In relation to tenement acquisition agreements entered into by the Group, the following additional cash may be paid or shares issued dependent on future events:

PNG Tenements

(a) Edie Creek
ML144 – production royalty payable to Barrick (Niugini) Limited of PGK10 per ounce for the first 20,000 ounces and PGK7.5 per ounce in excess of 20,000 ounces produced.

(b) May River and Bolobip
5% net smelter royalty payable to Mincor Resources NL.

Tasmanian Tenements

(a) Tasmanian Tin and Tungsten Agreement

- $1,000,000 (or $1,100,000 of shares in TNT Mines Limited) upon commencement of mining operations, along with a 2.5% net smelter royalty.

(b) Minemakers Royalty Deed

Upon commencement of mining 1.5% net smelter royalty capped at $5,000,000 on either of the Tasmanian tenements.

18. SEGMENT REPORTING

The Board of Directors has identified three reportable operating segments being mineral exploration in Papua New Guinea and Tasmania, and mining operations in Papua New Guinea.

The Board determined the operating segments based on the reports that are used to make strategic decisions.

a. Segment results

The segment information provided to the Board for the reportable segments for the year ended 30 June 2016 is as follows:

2016	Edie Creek– PNG $	Bolobip ,May River and Laloki – PNG $	Exploration – Tasmania $	Total $
Total segment revenue	1,110,892	--	724	1,111,616
Depreciation	103,637	--	--	103,637
Impairment of mining leases	--	--	--	--
Impairment of fixed assets	--	--	--	--
Impairment of exploration assets	--	9,516	308,886	318,402
Exploration expensed in the year	52,764	--	--	52,764
Total segment assets	3,412,554	1,321,110	1,670,213	6,403,877
Total segment liabilities	16,031,661	2,085,459	853,257	18,970,377

2015	Edie Creek – PNG $	Bolobip ,May River and Laloki – PNG $	Exploration – Tasmania $	Total $
Total segment revenue	1,695,834	--	533	1,696,367
Depreciation	172,451	--	--	172,451
Impairment of mining leases	1,172,371	--	--	1,172,371
Impairment of fixed assets	934,702	--	--	934,702
Impairment of exploration assets	--	--	1,627,307	1,627,307
Exploration expensed in the year	--	50,601	--	50,601
Total segment assets	2,681,340	1,351,800	1,961,647	5,994,787
Total segment liabilities	15,292,189	1,753,653	921,290	17,967,132

b. Reconciliations

Segment revenue reconciles to total revenue in the statement of financial performance as follows:

	2016 $	2015 $
Total segment revenue	1,111,616	1,696,367
Interest revenue of parent entity	--	--
Foreign exchange gains	--	1,410
Total revenue	1,111,616	1,697,777

All gold sales transactions are with Italpreziosi South Pacific Ltd which operates as a buyer and exporter of gold and silver based in Port Moresby.

Reportable segments' assets are reconciled to total assets as follows:

	2016 $	2015 $
Total segment assets	6,403,877	5,994,787
Intersegment eliminations	(606,464)	--
Current cash & receivables of parent entity	10,016	5,794
Total assets as per statement of financial position	5,807,429	6,000,581

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2016 $	2015 $
Total segment liabilities	18,970,377	17,967,132
Intersegment eliminations	(16,782,885)	(15,784,426)
Current liabilities of parent entity	906,481	578,171
Total liabilities as per statement of financial position	3,093,973	2,760,877

19. SUBSIDIARIES

a. Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1(c).

Name of entity	Country of incorporation	Class of shares	Equity holding % 2016	Equity holding % 2015
Niuminco Pty Limited	Australia	Ordinary	100	100
Niuminco Exploration (PNG) Pty Ltd	Australia	Ordinary	100	100
TNT Mines Limited	Australia	Ordinary	72.54	72.54

Niuminco Pty Ltd has two wholly owned subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding % 2016	Equity holding % 2015
Niuminco Edie Creek Limited	Papua New Guinea	Ordinary	100	100
Niuminco Laloki Limited	Papua New Guinea	Ordinary	100	100

Niuminco Exploration (PNG) Pty Ltd has one wholly owned subsidiary:

Name of entity	Country of incorporation	Class of shares	Equity holding % 2016	Equity holding % 2015
Niuminco ND Limited	Papua New Guinea	Ordinary	100	100

20. RECONCILIATION OF OPERATING LOSS TO CASH FLOWS USED IN OPERATING ACTIVITIES

	2016 $	2015 $
Loss for the year	(1,676,785)	(4,103,872)
Non-cash flows items		
Debt to equity conversion	260,149	232,650
Depreciation	103,637	172,451
Impairment of property, plant and equipment	--	934,702
Impairment of capitalised exploration and mining leases	318,402	2,799,678
Loss on fair value of embedded derivative	57,117	--
Property, plant and equipment sold	1,610	--
Net exchange differences	1,484	(1,385)
Write back creditors	--	(23,599)
Changes in assets and liabilities		
Decrease in trade & term receivables	10,928	21,430
Decrease in deferred tax liabilities	--	(349,799)
Increase in trade payables and accruals	316,241	480,142
Net cash inflow/(outflow) from operating activities	(607,217)	162,398

21. LOSS PER SHARE

	2016 cents	2015 cents
a. Basic loss per share		
Total basic loss per share attributable to the ordinary equity holders of the Company	0.13	0.52
b. Diluted loss per share		
Total diluted loss per share attributable to the ordinary equity holders of the Company	0.13	0.52

c. Weighted average number of shares used as the denominator

	2016 No.	2015 No.
Weighted average number of shares used as the denominator in calculating basic and diluted loss per share	1,216,398,281	704,163,875

The dilutive loss per share is the same as the basic loss per share as there are no outstanding options.

22. SHARE-BASED PAYMENTS

a. Shares issued under a share based payment arrangement during the year

There were no shares issued during the year under a share based payment arrangement.

b. Employee options

There were no employee options issued during the year or outstanding at the end of the year.

c. Other share based payments options

There were no share based payments options issued during the year or outstanding at the end of the year.

d. Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period in share based payment expense but relating to directors' remuneration is $nil (2015: $nil).

23. PARENT ENTITY INFORMATION

The following information is for the legal parent entity Niuminco Group Limited

	2016 **$**	2015 $
Current assets	10,016	5,794
Non-current assets	1,120,954	991,866
Total assets	1,130,970	997,660
Current liabilities	906,481	578,171
Non-current liabilities	--	--
Total liabilities	906,481	578,171
Contributed equity	42,853,619	41,671,607
Share based payments	1,048,165	1,048,165
Retained earnings	(43,677,295)	(42,300,283)
Total equity	224,489	419,489
Loss for the year	(1,377,012)	(391,118)
Other comprehensive income net of tax for the year	--	--
Total comprehensive income net of tax for the year	(1,377,012)	(391,118)

The contributed equity of the parent differs to the contributed equity of the consolidated entity due to prior year accounting treatment arising on the reverse acquisition of Niuminco Pty Limited.

24. RISK MANAGEMENT

a. Financial risk management policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and borrowings.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

i. Financial risk exposures and management
The main risk the Group is exposed to through its financial instruments is liquidity risk.

Liquidity risk
The Group manages liquidity risk by monitoring forecast cash flows and making regular provision for outgoings. The Board reviews the cash forecasts of the Group on a regular basis to ensure that sufficient funds are available to meet the obligations of the Group as and when they fall due.

Financial instrument composition and maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months		6–12 months		12–24 months	
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Trade creditors	1,018,216	1,080,283	--	--	--	--
Borrowings	470,062	571,072	--	--	--	--
Convertible Notes	260,236	--	--	--	--	--
Accruals	1,288,351	1,109,522	--	--	--	--
Total	3,046,865	2,760,877	--	--	--	--

The weighted average effective interest rate of financial instruments held at balance date was:

Cash & cash equivalents: 0 % (2015: 0%)
Borrowings: 14.2% (2015: 14.2%)

Credit risk

Credit risk is managed on a Group basis. It arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2016 $	2015 $
Cash at bank	124,661	13,150
	124,661	13,150

Interest rate risk

The Group has chattel mortgage liabilities with fixed interest rates of 14% and 16%, and convertible notes with interest at 12.5% that are not sensitive to changes in interest rates. The Group's fixed rate borrowings are carried at amortised cost and they are therefore not subject to interest rate risk as defined in AASB 7, since the carrying amount will not fluctuate because of a change in market interest rates.

Foreign exchange risk

The Group is not exposed to foreign exchange risk from the PNG Kina as the PNG entities' functional currency is the PNG Kina. The PNG Kina denominated chattel mortgages are expected to be repaid with receipts from PNG Kina sales.

b. Financial instruments

i. Fair Values

The carrying values of all of the Group's financial instruments approximate their net fair value due to their short term nature.

25. EVENTS OCCURRING AFTER BALANCE DATE

On 16 September, 2016 the Group announced an Underwritten Share Purchase Plan to raise $750,000 which opened on 21 September, 2016 and closes on 7 October, 2016.

The Group has completed drilling the first 4 holes of the current 10 shallow hole drilling program on the Enterprise vein system at Edie Creek and at the date of this report is awaiting assay results.

No other matter or circumstance has arisen since 30 June 2015 which significantly affected or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Niuminco Group Limited
Directors' declaration
30 June 2016

In the directors' opinion:

(a) the financial statements and notes set out on pages 19 to 48 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Managing Director required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

Managing Director

Dated this 30th day of September, 2016

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Independent auditor's report to the members of Niuminco Group Limited

Report on the financial report

We have audited the accompanying financial report of Niuminco Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Niuminco Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1.a.i, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Auditor's opinion

In our opinion:

(a) the financial report of Niuminco Group Limited is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.a.i.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1 (b) in the financial report which indicates that the consolidated entity has experienced operating losses and has current liabilities exceeding its current assets by $2,909,754 as of 30 June 2016. The consolidated entity also had insufficient financial resources to fully fund its ongoing operations as of 30 June 2016.

The continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the consolidated entity being successful in raising additional funds through the completion of the Share Purchase Plan, being successful in generating positive cash flows from its mining operations at Edie Creek through all of the measures outlined in Note 1 (b) and obtaining the support from the creditors of the consolidated entity to sustain the corporate activity of the consolidated entity and its planned exploration efforts.

These conditions, along with other matters as set out in Note 1 (b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 13 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Niuminco Group Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Thomason
Partner

Sydney
30 September 2016

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DISTRIBUTION OF MEMBERS AND THEIR HOLDINGS AT 22 September2016

Name of 20 largest ordinary shareholders	Number of ordinary fully paid shares held	% held of issued ordinary capital
AUSTRALIAN METALS GROUP LTD *	395,729,900	26.82
VICTORIA PARK INVESTMENTS PTY*	180,033,051	12.20
GOWARD PTY LTD *	175,344,250	11.88
KURRABA INVESTMENTS PTY LTD*	76,700,000	5.20
INKEX PTY LTD	33,333,333	2.26
DR LEON EUGENE PRETORIUS	21,368,323	1.45
ACN 609 249 194 PTY LTD	19,100,000	1.29
HARCODE PTY LIMITED	15,842,263	1.07
MINEMAKERS LIMITED	15,619,524	1.06
MR GODFREY NORMAN MANTLE &	15,600,000	1.06
NEPEAN ENGINEERING SUPER FUND	12,534,608	0.85
WOLIN INVESTMENTS PTY LTD	12,302,114	0.83
STATE ONE STOCKBROKING LTD	9,165,510	0.62
MR ANDREW JAMES DRUMMOND &	9,121,430	0.62
PEECEEBEE PTY LTD	9,000,000	0.61
PATERMAT PTY LTD	8,560,002	0.58
MS AU SUK HAR	6,160,139	0.42
MR ZAC WARAT	5,369,714	0.36
ESCALARA CORPORATION PTY LTD	5,204,000	0.35
MR AARON FRANCIS QUIRK	5,000,000	0.34
MS PRABHEET SARAH KAUR	5,000,000	0.34

MARKETABLE PARCEL

At 22 September 2016, 3,064 shareholders held less than a marketable parcel.

VOTING RIGHTS – ORDINARY SHARES

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

SUBSTANTIAL SHAREHOLDERS

Shares held by substantial shareholders listed in the Company's register at 22 September 2016 are indicated by * above.

STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Ltd.

DISTRIBUTION OF SHAREHOLDERS

Spread of holdings

Holding			No. of Holders
1	-	1,000 shares	752
1,001	-	5,000 shares	1,126
5,001	-	10,000 shares	543
10,001	-	100,000 shares	876
100,001		and over	667
Total on register			**3,964**