



**NIUMINCO GROUP LIMITED
And Controlled Entities**

ABN 44 009 163 919

**INTERIM REPORT FOR THE HALF YEAR
ENDED
31 DECEMBER 2014**

TABLE OF CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	5
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONSOLIDATED STATEMENT OF CASH FLOWS.....	9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	10
DIRECTORS' DECLARATION	17
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	18

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Niuminco Group Limited ("the Company") and the entities it controlled (together, "the Group"), at the end of, or during the half-year ended 31 December 2014.

DIRECTORS

The following people were Directors of the Company during the half year and up to the date of this report unless otherwise stated:

- Terence Willsteed - Chairman
- Tracey Lake – Managing Director
- Ian Plimer – Independent Non-Executive Director

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 has also acquired a controlling interest in TNT Mines Limited (TNT), a tin, tungsten, fluorspar and magnetite exploration company with assets in Tasmania.

OPERATING RESULTS

For the half year ended 31 December 2014 the consolidated loss of the group after income tax amounted to \$433,776 (2013: Profit of \$135,666). Total revenues including sales revenue from gold and silver sales for the period was \$811,260 (2013: \$172,317).

REVIEW OF OPERATIONS

Exploration & evaluation

May River & Bolobip

Camp maintenance and community affairs work was carried out in the tenements and the primary Exploration Licences were granted extension of terms for a further two years through to September 2015.

Edie Creek Mine

The ramp up of mining and production continued during the half with 730 tonnes of ore processed to produce 18.8kg (605 ounces) of gold and 16.1kg (517 ounces) of silver at an average gold grade of 25.8 grams per tonne of processed ore.

The increase was achieved through the introduction of a second excavator and two additional gold barrels (small rod mills) along with a re-arrangement of employee rosters and improvements in work methods. These increases were accommodated within the single day shift operation and with a minimal increase in staffing.

Plans to further increase mining and production capacity and efficiency include the proposed purchase of a second hand bulldozer (using equipment finance) and the recent cash purchase of a small (1.8m x 0.9m) ball mill. These purchases will have the potential to increase the rate of ore processing from the current 7 tonnes per day to 20-30 tonnes per day, with a consequential significant increase in gold/silver production and sales.

This can be accommodated within a single day shift and again with minimal staff increases.

Subject to continuing successful gold/silver production and sales at or above the current levels, self-funded exploration, including drilling, will commence at Edie Creek, Bolobip and May River over the next 6 months.

To assist in achieving these exploration objectives, four (4) second-hand diamond core drill rigs, including extensive accessories and spare parts, were acquired subsequent to balance date, again using equipment finance.

DIRECTORS' REPORT

TNT Mines

On 26 August 2014, TNT Mines Limited completed the drilling of a 145 m deep diamond drill hole on its Oonah EL 63/2004 exploration licence near Zeehan in north-western Tasmania in conjunction with its joint-venture partner Clancy Exploration Ltd. Preliminary non-definitive scanning of the core by XRF instrument has indicated only weak levels of mineralisation. The more mineralised intervals will be sampled, independently assayed and reported on in due course.

During the half year applications were made for extension of terms for EL 27/2004 at Rossarden-Royal George (granted on 21 January, 2015 to 26 November, 2015), EL 63/2004 at Montana Flats (granted through to 7 February, 2015 with a further extension application lodged on 4 February 2015) and for RL10/1988 at Moina (granted through to August, 2015). RL1/2009 at Lottah (the Anchor tenement) was relinquished resulting in \$204,467 of capitalised exploration expenditure being impaired.

Corporate

\$371,767 was raised through the placement of 88,853,428 shares at \$0.004 and \$0.005.

GOING CONCERN

The condensed consolidated interim 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.

The Group has incurred operating losses of \$443,748 and total net cash inflows of \$66,211 for the six months ended 31 December 2014 and, as of that date the Group's current liabilities exceeded its current assets by \$1,791,345.

During the period, the Group raised \$371,767 through capital raisings, of which \$250,000 was paid in cash and \$121,767 was outstanding related party loans and other payables. Capital raising costs of \$4,516 were also paid during the half year.

However, consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds may 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 state in the financial report.

The continuing viability of the Group and its ability to continue as a going concern and to meet its commitments as and when they fall due is also dependent upon the Group being successful in one or some of the following:

- generating positive cash flow from gold and silver production at Edie Creek mine at a rate of 3 to 3.5oz per day;
- raising additional equity or debt;
- curtailing materially, if necessary, the Group's ongoing operating costs to suit available resources and the timing of anticipated equity or debt raisings;
- considering options that might include the sale of assets, or entering into a new farm-in agreement with another party;

The Directors note that for the half year period the Eddie Creek mine produced a positive cash flow and believe that the Group will be successful in managing the above matters and accordingly, they have prepared the interim financial report on a going concern basis. At this time the Directors are of the opinion that no asset is likely to be

DIRECTORS' REPORT

realised for an amount less than the amount at which it is recorded in the interim condensed consolidated report at 31 December 2014.

Accordingly no adjustments have been made to the interim 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.

AUDITOR'S DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 December 2014.

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



TRACEY J LAKE
MANAGING DIRECTOR

Dated this 3rd day March, 2015



Auditor's Independence Declaration

As lead auditor for the review of Niuminco Group Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Craig Thomason', with a long horizontal flourish extending to the right.

Craig Thomason
Partner
PricewaterhouseCoopers

Sydney
3 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

as at 31 December 2014

	NOTE	31/12/14 \$	31/12/13 \$
REVENUE			
Gold & silver sales		791,343	--
Interest received		--	2,059
Net proceeds on sale of fixed assets		1,782	136,447
Equipment hire		--	35,870
Rental Income		18,135	--
		811,260	174,376
Other income:			
Foreign exchange gain		1,731	23,530
Gain on re-finance of lease liabilities		--	91,682
Gain on acquisition of TNT Mines Limited		--	1,566,202
		812,991	1,855,790
EXPENSES			
Depreciation & amortisation expense	5	(76,206)	(69,392)
Finance costs		(22,221)	(15,181)
Impairment of fixed assets		--	(36,390)
Impairment of exploration	3	(204,467)	(240,000)
Mining & exploration site costs	2	(542,357)	(599,431)
Other expenses from ordinary activities	2	(217,971)	(183,801)
Professional services fees		(176,708)	(309,244)
Share based payment expense		--	(10,500)
TNT Mines Limited acquisition costs		--	(262,451)
Travel & accommodation		(16,809)	(14,766)
(Loss)/Profit for the half-year before tax		(443,748)	114,635
Income tax benefit	4	9,972	21,031
(Loss)/Profit for the half year		(433,776)	135,666
<i>(Loss)/Profit for the half year is attributable to:</i>			
Owners of Niuminco Group Ltd		(350,395)	161,174
Non-controlling interests		(83,381)	(25,508)
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in foreign currency translation reserve		257,933	(798,900)
Total comprehensive (loss)/income for the half year		(175,843)	(663,234)
<i>Total comprehensive (loss)/income for the half year is attributable to:</i>			
Owners of Niuminco Group Ltd		(92,462)	(637,726)
Non-controlling interests		(83,381)	(25,508)
		(175,843)	(663,234)
(Loss)/Profit per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic (loss)/profit per share		(0.05)	0.0002
Diluted (loss)/profit per share		(0.05)	0.0002

This consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

	NOTE	31/12/14 \$	30/06/14 \$
CURRENT ASSETS			
Cash & cash equivalents		30,879	4,721
Trade & other receivables		61,695	89,799
Prepayments		12,011	--
Total Current Assets		104,585	94,520
NON-CURRENT ASSETS			
Exploration & evaluation expenditure	3	7,679,023	7,485,553
Plant, property & equipment	5	1,533,858	1,276,886
Other non-current assets		24,192	22,795
Total Non-Current Assets		9,237,073	8,785,234
TOTAL ASSETS		9,341,658	8,879,754
CURRENT LIABILITIES			
Trade & other payables		1,784,252	1,639,841
Interest bearing loans and borrowings		111,678	131,583
Total Current Liabilities		1,895,930	1,771,424
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings		226,755	70,793
Deferred tax liability	4	339,827	349,799
Total Non-Current Liabilities		566,582	420,592
TOTAL LIABILITIES		2,462,512	2,192,016
NET ASSETS		6,879,146	6,687,738
EQUITY			
Contributed equity	6	42,260,925	41,893,674
Share based payment reserve	7	3,055,802	3,055,802
Foreign currency translation reserve		2,079,066	1,821,133
Accumulated losses		(41,225,601)	(40,875,206)
Capital & reserves attributable to owners of Niuminco Group Limited		6,170,192	5,895,403
Non-controlling interests		708,954	792,335
TOTAL EQUITY		6,879,146	6,687,738

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2014

	Attributable to owners of Niuminco Group Limited						
	Contributed Equity \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$	Non- Controlling Interests \$	Total Equity \$
Balance at 1 July 2013	40,129,300	3,055,802	3,084,943	(33,792,197)	12,477,848	--	12,477,848
Profit for the half-year	--	--	--	161,174	161,174	(25,508)	135,666
Other comprehensive income for the half-year	--	--	(798,900)	--	(798,900)	--	(798,900)
Total comprehensive income for the half-year	--	--	(798,900)	161,174	(637,726)	(25,508)	(663,234)
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	1,150,717	--	--	--	1,150,717	--	1,150,717
Contribution of equity to acquire TNT Mines Limited	460,488	--	--	--	460,488	--	460,488
Non-controlling interests on acquisition of subsidiary	--	--	--	--	--	833,550	833,550
Acquisition of treasury shares on acquisition of subsidiary	(153,359)	--	--	--	(153,359)	--	(153,359)
Share based payments	10,500	--	--	--	10,500	--	10,500
Balance at 31 December 2013	41,597,646	3,055,802	2,286,043	(33,631,021)	13,308,469	808,042	14,116,511
Balance at 1 July 2014	41,893,674	3,055,802	1,821,133	(40,875,206)	5,895,403	792,335	6,687,738
Loss for the half-year	--	--	--	(350,395)	(350,395)	(83,381)	(433,776)
Other comprehensive income for the half-year	--	--	257,933	--	257,933	--	257,933
Total comprehensive income for the half-year	--	--	257,933	(350,395)	(92,462)	(83,381)	(175,843)
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	367,251	--	--	--	367,251	--	367,251
Balance at 31 December 2014	42,260,925	3,055,802	2,079,066	(41,225,601)	6,170,192	708,954	6,879,146

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2014

	NOTE	31/12/14 \$	30/06/14 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		809,478	39,622
Payments to suppliers & employees (inclusive of GST)		(722,439)	(488,473)
Payment for exploration & evaluation expenditure		--	(599,431)
Transaction costs relating to acquisition of subsidiary		--	(262,451)
		<u>87,039</u>	<u>(1,310,733)</u>
Interest received		--	2,059
Interest paid		(20,828)	(13,803)
		<u>66,211</u>	<u>(1,322,477)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired on acquisition of subsidiary		--	30,132
Proceeds from sale of property, plant & equipment		1,782	210,329
Payment for property, plant & equipment	5	(247,468)	(56,392)
Payment for exploration & evaluation expenditure	3	(148,633)	(51,695)
		<u>(394,319)</u>	<u>132,374</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares net of issue costs		245,484	937,517
Repayments by staff		--	2,657
Proceeds from interest bearing loans		207,029	56,392
Repayment of interest bearing loans		(102,999)	(174,155)
		<u>349,514</u>	<u>822,411</u>
Net increase in cash & cash equivalents		21,406	(367,692)
Cash & cash equivalents at the beginning of the period		4,721	559,551
Effect of exchange rate changes		4,752	(46,477)
		<u>30,879</u>	<u>145,382</u>
Cash & cash equivalents at end of period		30,879	145,382

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

This condensed consolidated interim financial report is for Niuminco Group Limited ("the Company") and its controlled entities (together "the Group"), in respect of the interim half-year reporting period ended 31 December 2014, and has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Niuminco Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) Going Concern

The condensed consolidated interim 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.

The Group has incurred operating losses of \$443,748 and total net cash inflows of \$66,211 for the six months ended 31 December 2014 and, as of that date the Group's current liabilities exceeded its current assets by \$1,791,345.

During the period, the Group raised \$371,767 through capital raisings; of which \$250,000 was paid in cash and \$121,767 was outstanding related party loans and other payables. Capital raising costs of \$4,516 were also paid during the half year.

However, consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds may 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 state in the financial report.

The continuing viability of the Group and its ability to continue as a going concern and to meet its commitments as and when they fall due is also dependent upon the Group being successful in one or some of the following:

- generating positive cash flow from gold and silver production at Edie Creek mine at a rate of 3 to 3.5oz per day;
- raising additional equity or debt;
- curtailing materially, if necessary, the Group's ongoing operating costs to suit available resources and the timing of anticipated equity or debt raisings;
- considering options that might include the sale of assets, or entering into a new farm-in agreement with another party;

The Directors believe that the Group will be successful in managing the above matters and accordingly, they have prepared the interim 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 interim condensed consolidated report at 31 December 2014.

Accordingly no adjustments have been made to the interim 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.

2. COST OF SALES OF GOLD & SILVER

	31/12/14	31/12/13
	\$	\$
Other Expenses from ordinary activities (related to COGS)	122,535	--
Mining & exploration site costs	542,357	--
	664,892	--

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. EXPLORATION AND EVALUATION EXPENDITURE

	31/12/14	30/06/14
	\$	\$
Opening balance	7,485,553	11,856,787
TNT Mines Limited exploration expenditure at fair value on acquisition	--	3,350,304
Expenditure incurred during the period	148,633	236,284
Foreign currency translation	249,303	(1,163,785)
Less exploration expenditure written off	(204,467)	(6,794,037)
Closing balance net of impairment	7,679,023	7,485,553

(a) Summary of accounting policy

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 depreciation and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Expenditure during the half year relates to expenditure capitalised on exploration at Bolobip, May River in PNG and on the Tasmanian tenements.

Exploration expenditure written off relates to capitalised expenditure on RL2/2009 at Anchor in Tasmania which was relinquished during the half year.

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.

During the half year all expenditure incurred on the Group's Edie Creek project has been expensed and the Group has spent and capitalised \$148,633 of exploration costs on the May River and Bolobip projects in PNG, and the TNT Mines Tasmanian projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. INCOME TAX

(a) Income tax expense/(benefit)

	31/12/14	31/12/13
	\$	\$
Current tax	19,903	(49,881)
Deferred tax	(29,875)	28,850
	(9,972)	(21,031)

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

Loss from continuing operations	(443,748)	114,635
Tax at the Australian tax rate of 30%	(133,124)	34,390
Difference in overseas tax rates	1,942	(5,042)
Income not taxable	--	511,100
Taxable losses not recognised	14,234	(676,812)
Permanent differences	108,776	--
Income tax benefit of TNT Mines prior to acquisition not recognised		74,188
Movement in unrecognized temporary differences	(1,800)	--
Previously unrecognized PNG losses used to reduce PNG current tax expense	--	41,145
Income tax expense/(benefit)	(9,972)	(21,031)

(c) Deferred Tax Assets

	31/12/14	30/06/14
	\$	\$
Provisions	(1,200)	--
Tax losses	664,852	684,754
	666,052	684,754
Offset against deferred tax liabilities	(666,052)	(684,754)
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

Capitalised exploration and evaluation costs	(1,005,879)	(1,032,753)
Provisions and accruals	--	(1,800)
	(1,005,879)	(1,034,553)
Offset against deferred tax assets	666,052	684,754
Net deferred tax liabilities	(339,827)	(349,799)

(e) Unused Tax Losses

Unused tax losses relating to the Australian entities for which no deferred tax asset has been recognised	7,923,031	7,726,910
Potential tax benefit at 30%	2,376,909	2,318,073

Unused tax losses relating to the PNG entities for which no deferred tax asset has been recognised	20,631,692	19,578,586
Potential tax benefit at up to 40%	7,769,822	7,360,705

Tax returns for the PNG entities are not yet complete, and the amounts are subject to finalisation of the tax returns for those entities.

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 utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. PROPERTY, PLANT & EQUIPMENT

NON-CURRENT	Buildings	Furniture & fittings	Mining equipment & vehicles	Total
	\$	\$	\$	\$
At 30 June 2014				
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
Half Year ended 31 December 2014				
Opening net book amount	606,566	79,696	590,624	1,276,886
Exchange differences	36,509	4,425	44,776	85,710
Additions	--	--	247,468	247,468
Disposals	--	--	--	--
Depreciation	(15,421)	(9,979)	(50,806)	(76,206)
Closing net book amount	627,654	74,142	832,062	1,533,858

6. CONTRIBUTED EQUITY

(a) Share capital

	31/12/14 Shares	31/12/14 \$	30/06/14 Shares	30/06/14 \$
Ordinary shares fully paid	706,850,508	42,260,925	617,997,080	41,893,674
Total contributed equity	706,850,508	42,260,925	617,997,080	41,893,674

(b) Movements in ordinary share capital

Date	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
		706,850,508	42,265,441
	Less transaction costs arising on share issues		(4,516)
		706,850,508	42,260,925

(c) Share options issued to equity holders

No share options were issued during the half year.

(d) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. SHARE-BASED PAYMENTS

(a) Movement in share based payment reserve

	31/12/14	30/06/14
	\$	\$
Opening balance	3,055,802	3,055,802
Closing balance	3,055,802	3,055,802

(b) Shares

Shares issued for other than cash during the half year are set out in the table below:

		2014	2014
Half year ended 31 December 2014	Number	Fair value per share	Total fair value \$
Conversion of debt to equity	10,000,000	\$0.004	40,000
Conversion of debt to equity	16,353,428	\$0.005	81,767
	26,353,428		121,767

The number of shares in the Company held during the half 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:

	Balance at start of half year	Received as remuneration	Issued on conversion of debt to equity	Shares purchased or sold	Balance at end of the half year
T Willstead	6,420,001	--	--	--	6,420,001
I Plimer	7,671,572	--	7,953,428	--	15,625,000
T Lake	50,904,912	--	10,000,000	212,000	61,116,912
A Drummond	2,817,857	--	--	--	2,817,857
	73,723,367	--	17,953,428	212,000	85,979,780

(c) Employee options

No options over ordinary shares in the Company have been provided in the prior period as remuneration to the directors and the key management personnel (current and previous) of the Company.

(d) Option issued for payment of goods and services

No options over ordinary shares in the Company have been issued in the prior period for payment of goods and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. SEGMENT INFORMATION

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.

In 2013, there were no mining operations in Papua New Guinea nor exploration tenements held in Tasmania and the Board reviewed internal management reports consistent with the statement of comprehensive income, statement of financial position and statement of cash flows.

a. Segment results

The segment information provided to the Board for the reportable segments for the year ended 30 June 2014 is as follows:

2014	Mining – PNG	Exploration – PNG	Exploration – Tasmania	Total
	\$	\$	\$	\$
Segment revenue	811,260	--	--	811,260
Other Income	1,731	--	--	1,731
Depreciation	76,206	--	--	76,206
Exploration expenditure written off	--	--	204,467	204,467
Mining production & site costs	664,892	--	--	664,892
Total segment assets	5,180,687	922,103	3,379,447	9,482,237
Total segment liabilities	14,738,334	1,630,706	819,586	17,188,626

b. Reconciliations

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

	2014
	\$
Total segment revenue	811,260
Interest revenue of parent entity	--
Foreign exchange gains	1,731
Total revenue	812,991

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

	2014
	\$
Total segment assets	9,482,237
Current cash & receivables of parent entity	11,684
Intersegment eliminations	(152,263)
Total assets as per statement of financial position	9,341,658

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

	2014
	\$
Total segment liabilities	17,188,626
Intersegment eliminations	(15,184,079)
Current liabilities of parent entity	457,966
Total liabilities as per statement of financial position	2,462,513

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Lease commitments

The minimum lease payments under finance lease arrangements are set out in the following table.

	31/12/14	30/06/14
	\$	\$
Within 1 year	207,288	148,690
Between 1 and 5 years	188,626	87,084
Total future lease payments	395,514	235,774
Less: future finance charges	(57,081)	(33,398)
Lease liability	338,433	202,376
Represented by:		
Current lease liability	111,678	131,583
Non-current lease liability	226,755	70,793
Lease liability	338,433	202,376

There has been no material change to the exploration commitments since the last annual reporting date.

There is no contingent liability for termination benefits under service agreements with directors or senior executives.

10. EVENTS SUBSEQUENT TO REPORTING DATE

In February, 2015 Niuminco Pty Ltd acquired four(4) diamond core drill rigs plus extensive accessories and spare parts for K250,000 (AUD\$116,250) using equipment finance, and a small (1.8m x 0.9m) ball mill for AUD\$18,500 cash.

Niuminco Pty Ltd also agreed to purchase a second hand D65 Komatsu bulldozer using equipment finance.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 16 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 31 December 2014 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that Niuminco Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



TRACEY J LAKE
MANAGING DIRECTOR

Dated this 3rd day March, 2015



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Niuminco Group Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Niuminco Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Niuminco Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Niuminco Group Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au



- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1 (a) in the half-year financial report which indicates that the consolidated entity has experienced operating losses and minimal operating cash inflows during the period ended on 31 December 2014. As a result the consolidated entity is dependent upon being successful in generating positive cash flows from its mining operations at Edie Creek and being successful in raising additional funds to support the corporate activity of the Group and its planned exploration efforts. These conditions, along with other matters as set out in Note 1 (a), 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 half-year financial report.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Craig Thomason', with a long horizontal flourish extending to the right.

Craig Thomason
Partner

Sydney
3 March 2015