



**NIUMINCO GROUP LIMITED  
And Controlled Entities**

**ABN 44 009 163 919**

**INTERIM REPORT FOR THE HALF YEAR  
ENDED  
31 DECEMBER 2015**

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## 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 2015.

### DIRECTORS

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

- Ian Plimer – Independent Non-Executive Director – appointed Chairman 26 November 2015
- Tracey Lake – Managing Director
- Neill Arthur – Independent Non-Executive Director (appointed 26 November 2015)
- Matthew Roberts – Independent Non-Executive Director (appointed 26 November 2015)
- Terence Willsted – Chairman (resigned 26 November 2015)

### 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 72.54% interest in TNT Mines Limited (TNT), a tin and tungsten exploration company with "brown-field" assets in Tasmania.

### OPERATING RESULTS

For the half year ended 31 December 2015 the consolidated loss of the group after income tax amounted to \$1,137,198 (2014: \$433,776) including non-cash items of exploration asset impairment (\$318,356) (2014: \$204,467) and depreciation and amortisation (\$53,687) (2014: \$76,206). Total revenues including sales revenue from gold and silver sales for the period was \$397,939 (2014: \$791,343).

### REVIEW OF OPERATIONS

#### *Exploration & evaluation*

#### *May River & Bolobip*

Camp maintenance and community affairs work was carried out in the tenements and applications for extensions were lodged for the primary Exploration Licences EL 1441 at May River and EL 1438 at Bolobip for a further two years through to September 2017. These were granted subsequent to the half year end on 10 March, 2016.

EL 2362 was granted at Bolobip and EL2365 was granted at May River during the half year.

#### *Edie Creek Mine*

Pilot mining and production continued during the half with 1,216.5 tonnes of ore processed to produce 8.38kg (269.5 ounces) of gold and 7.15kg (230 ounces) of silver at an average gold grade of 6.9 grams per tonne of processed ore. This resulted in total gold and silver sales of \$397,939 (K822,171). The lower gold production and sales compared to the prior half year were a result of lower grade ore and lower recovery of finer grained gold.

Steps to increase mining and production capacity and efficiency are being implemented and include the recent purchase and current installation of a jaw crusher, concentrator plant, slurry pump, sump pump and conveyor feed to complete the ball mill circuit. These purchases will assist in increasing the ore processing capacity from the current 6.5 tonnes per day to 20 tonnes per day (on a single shift basis), as well as potentially increasing gold recovery.

Subject to continuing successful gold/silver production and sales at or above levels of approximately 150 to 180 ounces per month, self-funded exploration and extension drilling will continue at Edie Creek over the coming months.

## DIRECTORS' REPORT

### *TNT Mines*

During the half year applications were made for extension of terms for EL 27/2004 at Rossarden-Royal George (the licence expired on 26 November 2015) and EL 63/2004 at Montana Flats (granted through to 7 February, 2016). RL10/1988 at Moina was relinquished as of 21 October, 2015.

On 2 September, 2015 an extension of term was granted for RL 2/ 2009 (Great Pyramid) for a further 2 years to 1 August, 2017.

### *Corporate*

\$1,130,646 was raised during the half year through an underwritten rights issue with \$994,997 received in cash and \$135,649 by way of conversion of debt to equity. A placement of 40,000,000 shares at 0.02 cents per share was made to Tracey Lake after approval at the AGM, and he converted \$80,000 of debt to equity.

### **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 \$1,021,734 (including non-cash items totalling \$372,543) and negative operating cash flows of \$591,751 for the six months ended 31 December 2015 and, as of that date the Group's current liabilities exceeded its current assets by \$2,086,845.

During the period, the Group raised \$1,210,646 through capital raisings; of which \$994,997 was paid in cash and \$215,649 was outstanding related party loans and other payables. Capital raising costs of \$71,314 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 dependent upon the Group being successful in:

- generating positive cash flows from Edie Creek mine through gold and silver sales in the order of \$250,000 to \$300,000 per month, which approximates production at a rate of 5oz to 6oz per day;
- raising additional equity or debt in the order of \$150,000 in the short term.

The Group has a successful track record over many years of raising new capital from both existing shareholders and strategic investors. However, if management is unsuccessful in achieving the above, alternative measures would be pursued which would include:

- 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

## DIRECTORS' REPORT

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 2015.

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 2015.

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



**TRACEY J LAKE**  
**MANAGING DIRECTOR**

Dated this 15<sup>th</sup> day of March, 2016



## Auditor's Independence Declaration

As lead auditor for the review of Niuminco Group Limited for the half-year ended 31 December 2015, 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  
15 March 2016

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

as at 31 December 2015

	NOTE	31/12/15 \$	31/12/14 \$
<b>REVENUE</b>			
Gold & silver sales		397,939	791,343
Interest received		250	--
Net proceeds on sale of fixed assets		--	1,782
Rental Income		--	18,135
		398,189	811,260
Other income:			
Foreign exchange gain		--	1,731
		398,189	812,991
<b>EXPENSES</b>			
Depreciation & amortisation expense	4	(53,687)	(76,206)
Foreign exchange loss		(1,541)	--
Finance costs		(44,997)	(22,221)
Impairment of exploration	3	(318,856)	(204,467)
Mining & exploration site costs (Edie Creek)	2	(658,641)	(542,357)
Exploration expensed		(44,489)	--
Other expenses from ordinary activities	2	(193,819)	(217,971)
Professional services fees		(207,778)	(176,708)
Travel & accommodation		(11,579)	(16,809)
<b>Loss for the half-year before tax</b>		<b>(1,137,198)</b>	<b>(443,748)</b>
Income tax benefit	5	--	9,972
<b>Loss for the half year</b>		<b>(1,137,198)</b>	<b>(433,776)</b>
<i>Loss for the half year is attributable to:</i>			
Owners of Niuminco Group Ltd		(1,021,734)	(350,395)
Non-controlling interests		(115,464)	(83,381)
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in foreign currency translation reserve		15,374	257,933
<b>Total comprehensive loss for the half year</b>		<b>(1,121,824)</b>	<b>(175,843)</b>
<i>Total comprehensive loss for the half year is attributable to:</i>			
Owners of Niuminco Group Ltd		(1,006,360)	(92,462)
Non-controlling interests		(115,464)	(83,381)
		(1,121,824)	(175,843)
<b>Loss per share attributable to the ordinary equity holders of the company</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(0.07)	(0.05)
Diluted loss per share		(0.07)	(0.05)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	NOTE	31/12/15 \$	30/06/15 \$
<b>CURRENT ASSETS</b>			
Cash & cash equivalents		31,400	13,150
Trade & other receivables		70,304	71,936
<b>Total Current Assets</b>		<b>101,704</b>	<b>85,086</b>
<b>NON-CURRENT ASSETS</b>			
Exploration & evaluation expenditure	3	4,962,233	5,146,230
Plant, property & equipment	4	759,702	760,118
Other non-current assets		8,153	9,147
<b>Total Non-Current Assets</b>		<b>5,730,088</b>	<b>5,915,495</b>
<b>TOTAL ASSETS</b>		<b>5,831,792</b>	<b>6,000,581</b>
<b>CURRENT LIABILITIES</b>			
Trade & other payables		2,048,493	2,189,805
Interest bearing loans and borrowings		140,056	571,072
<b>Total Current Liabilities</b>		<b>2,188,549</b>	<b>2,760,877</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings		386,031	--
<b>Total Non-Current Liabilities</b>		<b>386,031</b>	<b>--</b>
<b>TOTAL LIABILITIES</b>		<b>2,574,580</b>	<b>2,760,877</b>
<b>NET ASSETS</b>		<b>3,257,212</b>	<b>3,239,704</b>
<b>EQUITY</b>			
Contributed equity	6	43,666,182	42,526,850
Share based payment reserve	7	3,055,802	3,055,802
Foreign currency translation reserve		1,859,169	1,843,795
Accumulated losses		(45,582,116)	(44,560,382)
Capital & reserves attributable to owners of Niuminco Group Limited		2,999,037	2,866,065
Non-controlling interests		258,175	373,639
<b>TOTAL EQUITY</b>		<b>3,257,212</b>	<b>3,239,704</b>

*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 2015

		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 \$
<b>Balance at 1 July 2014</b>	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)
<b>Transactions with owners in their capacity as owners</b>							
Contribution of equity, net of transaction costs	367,251	--	--	--	367,251	--	367,251
<b>Balance at 31 December 2014</b>	42,260,925	3,055,802	2,079,066	(41,225,601)	6,170,192	708,954	6,879,146
<b>Balance at 1 July 2015</b>	42,526,850	3,055,802	1,843,795	(44,560,382)	2,866,065	373,639	3,239,704
Loss for the half-year	--	--	--	(1,021,734)	(1,021,734)	(115,464)	(1,137,198)
Other comprehensive income for the half-year	--	--	15,374	--	15,374	--	15,374
Total comprehensive income for the half-year	--	--	15,374	(1,021,734)	(1,006,360)	(115,464)	(1,121,824)
<b>Transactions with owners in their capacity as owners</b>							
Contribution of equity, net of transaction costs	1,139,332	--	--	--	1,139,332	--	1,139,332
<b>Balance at 31 December 2015</b>	43,666,182	3,055,802	1,859,169	(45,582,116)	2,999,037	258,175	3,257,212

*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 2015

	NOTE	31/12/15 \$	31/12/14 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from gold & silver sales		397,939	809,478
Other receipts from customers		-	-
Payments to suppliers & employees (inclusive of GST)		(250,491)	(180,082)
Costs of sales of gold and silver		(658,641)	(542,357)
Payment for mining and site costs		(44,489)	-
Interest received		250	-
Interest paid		(36,319)	(20,828)
<b>Net cash provided by/(used) in operating activities</b>		<b>(591,751)</b>	<b>66,211</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		(83,920)	1,782
Payment for property, plant & equipment	4	(83,920)	(247,468)
Payment for exploration & evaluation expenditure	3	(191,717)	(148,633)
<b>Net cash provided used in investing activities</b>		<b>(275,637)</b>	<b>(394,319)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of issue of shares		994,997	245,484
Proceeds from interest bearing loans		-	207,029
Repayment of interest bearing loans		-	(102,999)
Payment of share issue costs		(71,314)	-
Repayments by staff		676	-
Advances from chattel mortgages		508,923	-
Repayment of chattel mortgages		(547,388)	-
<b>Net cash inflow from financing activities</b>		<b>885,894</b>	<b>349,514</b>
Net increase in cash & cash equivalents		18,506	21,406
Cash & cash equivalents at the beginning of the period		13,150	4,721
Effect of exchange rate changes		(256)	4,752
<b>Cash &amp; cash equivalents at end of period</b>		<b>31,400</b>	<b>30,879</b>

*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 \$1,021,734 and negative operating cash flows of \$591,751 for the six months ended 31 December 2015 and, as of that date the Group's current liabilities exceeded its current assets by \$2,086,845.

During the period, the Group raised \$1,210,646 through capital raisings; of which \$994,997 was paid in cash and \$215,649 was outstanding related party loans and other payables. Capital raising costs of \$71,314 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 dependent upon the Group being successful in:

- generating positive cash flows from Edie Creek mine through gold and silver sales in the order of \$250,000 to \$300,000 per month, this approximates production at a rate of 5oz to 6oz per day;
- raising additional equity or debt in the order of \$150,000 in the short term.

The Group has a successful track record over many years of raising new capital from both existing shareholders and strategic investors. However, if management is unsuccessful in achieving the above, alternative measures would be pursued which would include:

- 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 2015.

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

	31/12/15	31/12/14
	\$	\$
Other Expenses from ordinary activities (related to COGS)	163,580	122,535
Mining & exploration site costs	658,641	542,357
	<b>822,221</b>	<b>664,892</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. EXPLORATION AND EVALUATION EXPENDITURE

	31/12/15	30/06/15
	\$	\$
Opening balance	5,146,228	7,485,553
Expenditure incurred during the period	191,717	412,319
Foreign currency translation	(56,856)	48,034
Less impairment	(318,856)	(2,799,678)
<b>Closing balance net of impairment</b>	<b>4,962,233</b>	<b>5,146,228</b>

(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.

Exploration expenditure for each area of interest is only recognised 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.

In circumstances where a specific exploration licence for an area of interest has expired during the period and the Group has submitted a valid application to renew the licence, the Group considers whether an impairment should be recognised. Judgement is applied by management to determine on a case by case basis whether the Group's expectation for renewal is founded. During the half year, exploration licences EL 1441 at May River, EL 1438 at Bolopip and EL 27/2004 at Rossarden-Royal George expired and applications for extension have been lodged with the relevant authorities. Subsequent to the half year end, extensions of term were granted for ELs 1438 and 144 and management has determined that EL 27 / 2004 will be extended by the relevant authority in the near future and therefore no impairment charge has been recognised on these tenements.

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 \$191,717 of exploration costs on the May River and Bolobip projects in PNG, and the TNT Mines Tasmanian projects.

The impairment charge mainly relates to exploration costs incurred on a Tasmanian tenement relinquished subsequent to the half year end.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. PROPERTY, PLANT & EQUIPMENT

NON-CURRENT	Mining equipment & vehicles \$
<b>At 30 June 2015</b>	
Cost or fair value	1,006,239
Accumulated depreciation	(246,121)
<b>Net book amount</b>	<b>760,118</b>
<b>Half Year ended 31 December 2015</b>	
Opening net book amount	760,118
Exchange differences	(30,649)
Additions	83,920
Disposals	--
Depreciation	(53,687)
<b>Closing net book amount</b>	<b>759,702</b>

### 5. INCOME TAX

#### (a) Income tax expense/(benefit)

	31/12/15 \$	31/12/14 \$
Deferred tax	--	(9,972)
	--	<b>(9,972)</b>

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

Loss from continuing operations	(820,283)	(443,743)
Tax at the Australian tax rate of 30%	(246,085)	(133,124)
Difference in overseas tax rates	(19,121)	1,942
Taxable losses not recognised	265,206	14,234
Permanent differences	--	108,776
Movement in unrecognized temporary differences	--	(1,800)
Income tax expense/(benefit)	--	<b>(9,972)</b>

#### (c) Unused Tax Losses

	31/12/15 \$	30/06/15 \$
Unused tax losses relating to the Australian entities for which no deferred tax asset has been recognised	10,704,556	10,351,077
Potential tax benefit at 30%	<b>3,211,367</b>	<b>3,105,323</b>
Unused tax losses relating to the PNG entities for which no deferred tax asset has been recognised	21,822,907	21,356,103
Potential tax benefit at up to 40%	<b>8,193,065</b>	<b>8,043,463</b>

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

### 6. CONTRIBUTED EQUITY

#### (a) Share capital

	31/12/15 Shares	31/12/15 \$	30/06/15 Shares	30/06/15 \$
Ordinary shares fully paid	1,453,306,999	43,666,182	847,984,515	42,526,850
<b>Total contributed equity</b>	<b>1,453,306,999</b>	<b>43,666,182</b>	<b>847,984,515</b>	<b>42,526,850</b>

#### (b) Movements in ordinary share capital

Date	Details	Shares	\$
01.07.15	Balance at beginning of period	847,984,515	42,526,850
25.11.15	Issue of shares under offer document dated 3 November 2015 for cash	497,496,339	994,997
25.11.15	Conversion of debt to equity offer document dated 3 November 2015	67,826,145	135,649
30.11.15	Conversion of debt to equity approved at AGM	40,000,000	80,000
	Less transaction costs arising on share issues		(71,314)
		<b>1,453,306,999</b>	<b>43,666,182</b>

#### (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.

### 7. SHARE-BASED PAYMENTS

#### (a) Movement in share based payment reserve

	31/12/15 \$	30/06/15 \$
Opening balance	3,055,802	3,055,802
<b>Closing balance</b>	<b>3,055,802</b>	<b>3,055,802</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7. SHARE-BASED PAYMENTS (continued)

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	Issued on conversion of debt to equity	Shares purchased or sold	Other Changes	Balance at end of the half year
T Willsted*	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
A Drummond	8,726,882	2,500,000	--	--	11,226,882
M Roberts**	--	--	395,729,900	--	395,729,900
	<b>119,776,101</b>	<b>107,826,145</b>	<b>398,729,900</b>	<b>(8,560,002)</b>	<b>617,772,144</b>

\*Mr Willsted resigned during the half year.

\*\*Mr Roberts acquired his shares indirectly through Australian Metals Group Limited. The shares were issued as a result of an underwriting agreement for a rights issue conducted during the half year.

#### (b) 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.

#### (c) 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.

### 8. SEGMENT INFORMATION

The Board of Directors has identified three reportable operating segments being mineral exploration in Papua New Guinea and Tasmania, and pilot 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 half year ended 31 December 2015 is as follows:

2015	Mining – PNG	Exploration – PNG	Exploration – Tasmania	Total
	\$	\$	\$	\$
Segment revenue	397,939	--	250	398,189
Other Income	--	--	--	--
Depreciation	53,687	--	--	53,687
Exploration expenditure written off	9,970	--	308,886	318,856
Mining production & site costs	822,221	--	--	822,221
Total segment assets	3,369,659	1,321,993	1,672,829	6,364,481
Total segment liabilities	15,851,009	2,047,580	754,555	18,653,144

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 8. SEGMENT INFORMATION (continued)

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:

	2015	2014
	\$	\$
Total segment revenue	398,189	811,260
Interest revenue of parent entity	--	--
Foreign exchange gains	--	1,731
Total revenue	<u>398,189</u>	<u>812,991</u>

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

	2015	2014
	\$	\$
Total segment assets	6,364,481	9,482,237
Current cash & receivables of parent entity	35,897	11,684
Intersegment eliminations	(568,586)	(152,263)
Total assets as per statement of financial position	<u>5,831,792</u>	<u>9,341,658</u>

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

	2015	2014
	\$	\$
Total segment liabilities	18,653,143	17,188,626
Intersegment eliminations	(16,422,534)	(15,184,079)
Current liabilities of parent entity	343,973	457,966
Total liabilities as per statement of financial position	<u>2,574,582</u>	<u>2,462,513</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 9. COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Chattel mortgage commitments

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

	31/12/15	30/06/15
	\$	\$
Within 1 year	206,151	364,750
Between 1 and 5 years	481,353	284,689
Total future mortgage payments	687,504	649,439
Less: future finance charges	(161,417)	(78,367)
Chattel mortgage liability	526,087	571,072
Represented by:		
Current chattel mortgage liability	140,056	571,072
Non-current chattel mortgage liability	386,031	--
Chattel mortgage liability	526,087	571,072

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

On 7 February, 2016 TNT Mines Limited relinquished tenement RL63/ 2004 (Montana Flats/Onah) and the capitalised exploration costs incurred on this tenement amounting to \$308,886 have been impaired as at 31 December 2015.

On 10 March, 2016 extension of terms were granted for exploration licences EL 1438 and EL 1441 to 17 September, 2017. During March, 2016 the installation of the concentrator plant was completed, with commissioning and test running currently being undertaken. The jaw crusher also arrived in Lae, PNG and was cleared from customs on 14 March, 2016 for transport to the Edie Creek mine.

#### *Corporate*

On 20 January 2016, 22,249,750 shares were placed at \$0.002 per share to extinguish \$44,500 of debt.

Since 31 December 2015, the Company has borrowed \$150,000 under a Redeemable Convertible Note facility from Australian Metals Group Limited (the Noteholder), 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 an 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 within 7 days of receipt of the Conversion Notice rather than issuing the 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.

No other matter or circumstance has arisen since 31 December, 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 periods.

## DIRECTOR'S 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 2015 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 15<sup>th</sup> day of March, 2016



## **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 2015, 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 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 half-year 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 2015 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:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

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2. 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 negative operating cash inflows during the period ended on 31 December 2015, currently has insufficient financial resources to fully fund its ongoing operations and, as of 31 December 2015 has current liabilities exceeding its current assets by \$2,086,845. 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.

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A handwritten signature in black ink, appearing to read 'Craig Thomason', written over a horizontal line.

Craig Thomason  
Partner

Sydney  
15 March 2016