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HIGH GRADE GOLD INTERCEPTS IN ENTERPRISE DRILLING PROGRAM ADD TO EDIE CREEK MINING INVENTORY

High grade intercepts confirm potential high grade ore sources.

- **Diamond core drilling, testing the known mineralisation veins at the Enterprise vein system, has given a high degree of confidence to add to the high grade Edie Creek mining inventory.**
- **Results underline a further source of high-grade material to feed an upgraded processing circuit with significantly increased throughput capacity.**
- **The Enterprise vein system is shown to have a strike length of at least 500 metres, a true width of 1.0m to 1.5m and being continuous and open to a depth of 60 metres.**
- **Deeper drilling of the potential bulk-tonnage Karuka/Enterprise stock-work and diatreme has shown initial encouraging results from the first 48 metres assayed and drilling, presently at 103m, is continuing.**
- **Significant intercepts at the Enterprise vein system include:**
 - **EDD 022: 3.0m @ 4.61g/t Au and 100.3g/t Ag from 38m (including 1.0m @ 8.98g/t Au and 88.5g/t Ag);**
 - **EDD 019: 5.4m @ 2.97g/t Au and 94g/t Ag from 8m; and**
 - **EDD 021: 3.4m @ weighted average of 2.03g/t Au and 143g/t Ag from 35m**

Niuminco Group Limited (“Niuminco” or “the Company”) has now completed six (6) cored drill holes in its drilling program at the Enterprise vein system (Chimney Area) at the Edie Creek mine.

The program was designed to drill a total of approximately 350 to 500 metres in ten (10) angled diamond core drill holes spread over five (5) drill platforms utilizing one of Niuminco’s drill rigs and crew. All coring was triple-tubed in HQ size rods and drilling muds and polymers were used to enhance core recovery.

This very shallow drilling program was also designed to define a JORC resource in the near surface highly oxidised outcropping quartz vein system and importantly, to define potential sources of high grade material to feed an upgraded wet gravity concentrating plant at the rate of 40 to 60 tonnes per day.

To date every hole has intersected gold bearing vein material but also backfilled mine openings which occur adjacent to each of these intersections. Drill hole EDD022 penetrated a backfilled mine opening from 39m to 40m adjacent to and between two of the high grade vein intersections listed below.

Despite using HQ drill rods and appropriate drilling techniques, the fractured ground and continuous, cavernous veins resulted in the Enterprise drilling yielding less than 50% core recovery of the oxidised veins and an inferred large gold loss.

However, the Company believes that the results from the drilling program indicate that the veins at the Enterprise system grade at 9-10g/t Au, and are continuous and cavernous over a 500m strike.

Assay results on the six completed drill holes EDD019, EDD020, EDD021, EDD022, EDD022a (not sampled) and EDD023 are as follows:

Each of the holes contained a higher grade vein section conforming to the predicted west-dipping vein model:

- **EDD 019 intersected 5.4m @ weighted average of 2.97g/t Au and 94g/t Ag from 8m depth, including:**
 - **2m @ 6.89g/t Au and 195g/t Ag from 10m.**
- **EDD 020 intersected 9m @ weighted average of 1.07g/t Au and 62g/t Ag from 12m, including:**
 - **1m @ 4.06g/t Au and 21g/t Ag from 13m.**
- **EDD 021 intersected 3.4m @ weighted average of 2.03g/t Au and 143g/t Ag from 35m, including**
 - **2.1m @ 3.04g/t gold and 167g/t Ag from 35m.**

- EDD 022 intersected 1.0m @ 13.4g/t Au and 473g/t Ag from 32m and 3.0m @ weighted average of 4.61g/t Au and 100.3g/t Ag from 38m, including:
 - 1.0m @ 8.98g/t Au and 88.5g/t Ag from 38m.
- EDD 023 intersected 4.4m @ 1.66g/t Au from 43.4m and 0.30m @ 6.07g/t Au from 53.5m (a footwall remnant), including:
 - 1.4m @ 3.2g/t Au from 43.4m.





All 6 holes were drilled, as expected, in highly oxidised rock with a stock-work of numerous narrow veinlets of mineralised quartz, iron oxide and manganese oxide.

Complete core was slabbed in half with one half bagged at generally one metre intervals and submitted for assay by Fire Assay to Intertek Laboratories in Lae.

As reported previously on 25 August 2016, the Enterprise Mine was developed immediately prior to World War II, but no production occurred. Detailed underground sampling was reported in 1940 prior to abandonment due partly to the Japanese invasion of New Guinea and partly to a flooding incident at the nearby Edie Mine. The mine saw substantial level development but no stoping and production, so that there is ore defined by sampling that was never exploited.

Calculations by Mincor Resources NL in 2013 established potential for **35,000 ounces** in 4 adjacent blocks. The reliability of the underground sampling is not questioned, however this sampling cannot be used to compile a JORC compliant resource. The immediate target at Enterprise is the shallow exposure at the southeast end of the lode in a Block described as EP-1a where potential for 1,000 ounces was calculated by Mincor Resources NL. This was based on surface channel sampling over a 60m section, and a 100m section on the Level 1 development drive. The surface sampling involved 30 lines of samples on 2m spaced lines with 3 samples per line. Each line of 3 samples comprised a hanging wall selvedge sample, a sample of the lode itself and a footwall sample. The channel samples of lode averaged 9g/t.



The completed six drill holes EDD 019, EDD 020, EDD 021, EDD 022, EDD 022A and EDD 023 had the following parameters:

Site	Hole_ID	WGS84 E	WGS84 N	Azimuth (Mag)	Inclination
A	EDD019	461,773	9,186,964	045°	-45°
A	EDD020	461,772	9,186,963	045°	-60°
B	EDD021	461,779	9,186,953	045°	-45°
B	EDD022	461,796	9,186,926	045°	-60°
B	EDD022A	461,794	9,186,925	045°	-60°
B	EDD023	461,792	9,186,924	045°	-79°

However, despite using HQ drill rods and appropriate drilling techniques, the fractured ground and cavernous veins resulted in the Enterprise drilling yielding less than 50% core recovery of the oxidised veins and an inferred large gold loss.

Both the surface and underground sampling referred to above, showed that the veins grade at 9-10g/t, are continuous and cavernous. The Enterprise drilling also confirmed that the veins are continuous with high grade gold and silver intercepts, despite less than 50% core recovery.

Therefore, given the repeated confirmation of the vein grade and continuity and the nature of the ground, Niuminco's geological team of Professor Ian Plimer, John Nethery and Lewis Koesi agreed that it was not possible to obtain a JORC reserve or resource for this system and that a mining inventory could be established for future mining. This will be added as a source of high grade material for feeding the upgraded processing circuit, with the vein having a strike length of at least 500 metres, a true width of 1.0m to 1.5 m and being continuous to, and open at, a depth of 60 metres.

No further drilling will be done in this Enterprise "Chimney Area" vein system, and the rig has been moved to drill the potential bulk tonnage stock-work proximal to the Karuka/Enterprise breccia diatreme.

The first of these 10 deeper (200-300m) holes, planned to test for a larger, low grade bulk-tonnage target, is presently at 103m and initial assay results from the first 48 metres of drilling show an encouraging average grade of 0.55g/t.



Mark Ohlsson
Company Secretary

The information in this report that relates to exploration results is based on Information reviewed by Ian Plimer (BSc [Hons], PhD) who is a Fellow of the Australasian Institute of Mining and Metallurgy. Professor Plimer is a director of Niuminco Group Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.