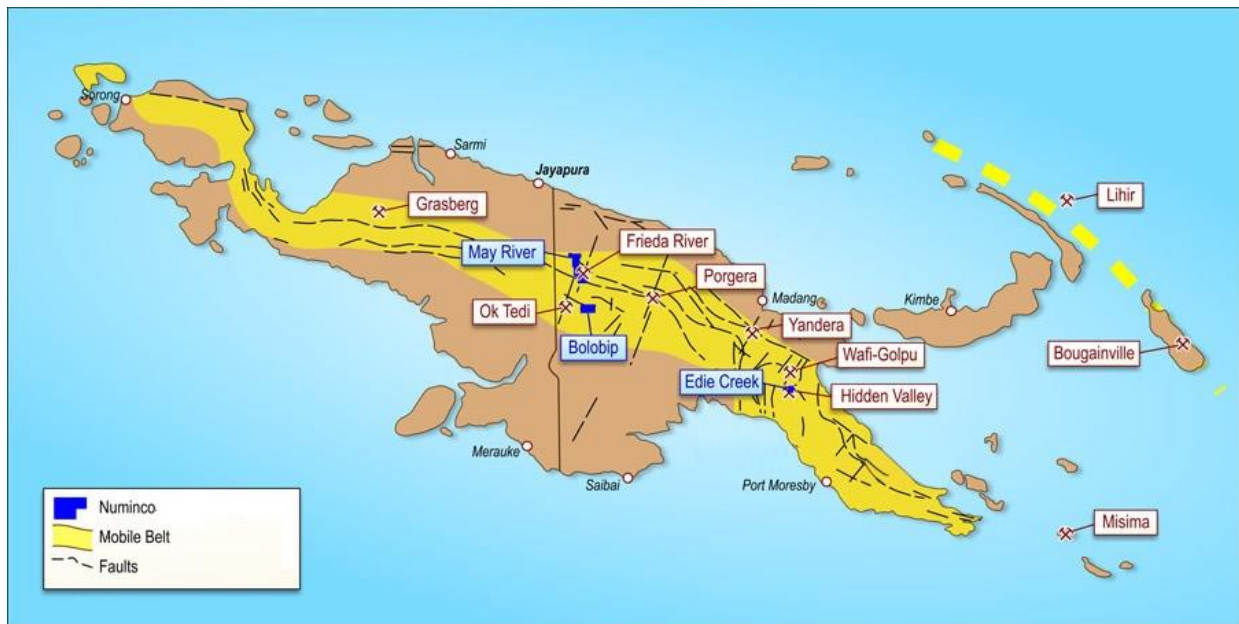




Niuminco Group Limited

MARCH 2018 QUARTERLY ACTIVITIES REPORT

Niuminco Group Limited's objective is to establish a substantial resource base in Papua New Guinea and Australia whilst developing its Edie Creek Mine into a successful and profitable mining operation.



HIGHLIGHTS

- **Testing of, and modifications to, the new processing equipment and circuit continued** at Edie Creek, including the ordering of a new, larger vibrating feeder.
- **A second-hand 440 kVA Cummins generator** was installed and commissioned to provide greater and more reliable power to the Edie Creek mine.
- **Agreement negotiated to take delivery of two more Komatsu D85 bulldozers** and one 40 tonne articulated tip truck from adjacent Hidden Valley mine.
- **\$200,000 gross cash raised from share** placements.
- **Drill-camp works continued** for both the 3-hole, 1000m drill program at Bolobip and the 2-hole program at May River with airstrip works undertaken at the Hotmin camp site.

PAPUA NEW GUINEA PROPERTIES

Edie Creek Mine Mining and Production Update

Again this Quarter, with the processing plant testing/ modification and electrical upgrade works continuing, only very limited mining and processing operations were carried out. The amalgam barrels were used to process the small tonnage, high-grade material mined.

A total of only 94.6 wet tonnes of ore was processed at an average grade of 10.5 grams per processed tonne of ore. Production for the period 1 January to 31 March, 2018 was 990g (31.8 ounces) of gold and 841g (27 ounces) of silver for total sales of AUD\$53,072 (PGK132,681).

A larger vibrating feeder was ordered following further testing of a variety of ore materials from different sources within the leases, with delivery taken subsequent to Quarter-end, and installation and commissioning currently being undertaken.

A second-hand 440 kVA Cummins generator was purchased, delivered and installed during the Quarter, providing a greater and more reliable power supply going forward. The existing, smaller 270 kVA generator is now being utilized as a reliable, back-up power supply.

A new PLC was installed into the Gekko ISP concentrator plant and following the failure of one Variable Speed Drive (VSD), a new VSD has been purchased, installed and successfully tested subsequent to Quarter-end.



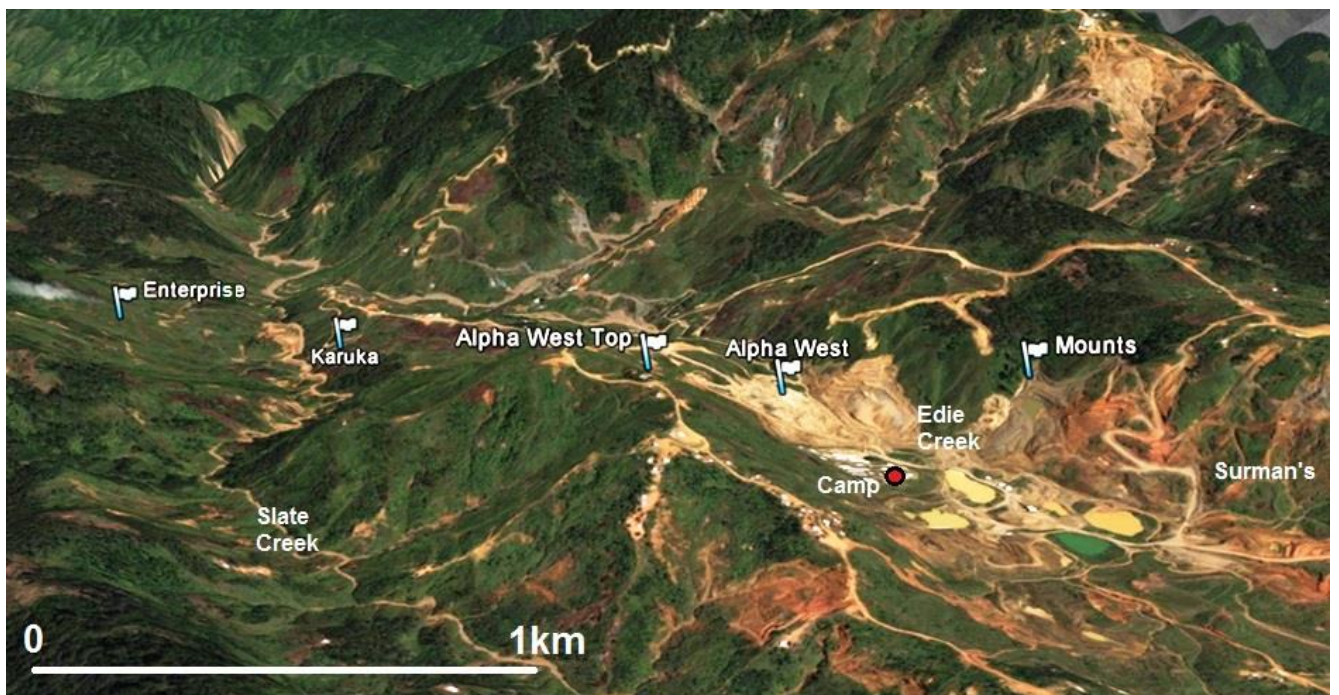
440kVA Cummins Genset installed during the quarter

Repair works were carried out on most mining plant items and negotiations were concluded in respect of the delivery of two more, second-hand Komatsu D85 bulldozers and a 40 tonne, articulated tip-truck from the Hidden Valley mine.



Ore being mined from Alpha West for stockpiling during the Quarter

Following delivery of the new, larger vibrating feeder subsequent to Quarter-end, the mine is currently ramping up the quantity of ore mined and processed to the targeted 40-60 tonnes per day, as installation, commissioning and test-running of the new feeder and ore feed set-up is carried out.



Edie Creek oblique Google Earth view showing location of infrastructure, vein systems and main targets.

Extensive survey works were also undertaken during the Quarter to allow finalization of an upgraded mine plan for most of the main, known vein systems including, Karuka, Alpha West (main Edie lode) and the entire area south of Alpha East through to Surmans. This will in turn allow the mining of all areas between Alpha East and Surmans in the near future.

BOLOBIP AND MAY RIVER EXPLORATION LICENCE

Subsequent to the end of the Quarter the Company received consent to the granting of a new exploration licence, EL 2527 at May River. This tenement, which adjoins our EL 1441 to the north and east, also adjoins PanAust/Highland's Pacific's Frieda River tenements.

One of the Company's LongYear 38 drill rigs is in Kiunga (Western Province) awaiting completion of the drill camp upgrade works before being helicopter lifted to the Bolobip drill site.

A second company LongYear 38 drill rig is presently in Lae, awaiting sea shipment to Wewak and then by road to Pagwei, a port on the Sepik River before river passage to the mouth of the May River. Camp work is also continuing at Hotmin.

CORPORATE

At the Annual General Meeting on 28 November, 2017 the sitting non-executive Board members, Chairman Professor Ian Plimer and director Mr Mark Ohlsson, were re-elected and, as a result of a second, consecutive vote against the Remuneration Report, a "spill" resolution was put and passed. As a result, a General Meeting was held on 18 January, 2018, at which the two sitting non-executive directors were again re-elected along with one of the three nominees, Mr Neill Arthur.

On 2 February, 2018 Mr Mark Ohlsson resigned as a Director of the Company, but has continued in his role as Company Secretary.

On 9 March, 2018 Mr John Nethery and Mr Lawrence Chartres were appointed to the Board as Directors, following the resignation of Mr Neill Arthur on 8 March, 2018. Mr Nethery and Mr Chartres bring a wealth of geological, mining and commercial experience and knowledge to the Board.

The Company raised \$200,000 (gross) from share placements to sophisticated investors during the Quarter.

In PNG management continues to focus on increasing the processing plant throughput and maintaining and upgrading mining equipment at Edie Creek, whilst advancing as

rapidly as possible the highly prospective Bolobip and May River projects.

The Board resolved during the Quarter to take reduced fees over calendar 2018, with the Chairman and Managing Director taking 33.3% reductions, and the newly appointed Directors to accrue \$24,000 per annum each in annual fees, with payment only when cash flow permits, and in any case not before 30 June, 2018.

A handwritten signature in dark ink, appearing to read 'M Ohlsson', written in a cursive style.

Mark Ohlsson
Company Secretary
30 April, 2018

The information in this report that relates to exploration results is based on Information reviewed by John Nethery (BSc Dip Ed.) who is a Fellow of the Australasian Institute of Mining and Metallurgy (Chartered Professional) and a Fellow of the Australian Institute of Geoscientists. Mr Nethery has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

SCHEDULE OF TENEMENTS

Permit Type	Permit Number	Location	Held Via	Beneficial %	Agreement Type
NIUMINCO GROUP LIMITED – PAPUA NEW GUINEA ASSETS					
Exploration licence	EL 1438	Bolobip	Niuminco (ND) Limited	100	
Exploration licence	ELA 2527	May River	Niuminco (ND) Limited	100	Granted subsequent
Exploration licence	EL 1441	May River	Niuminco (ND) Limited	100	
Mining lease	ML 144	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	

