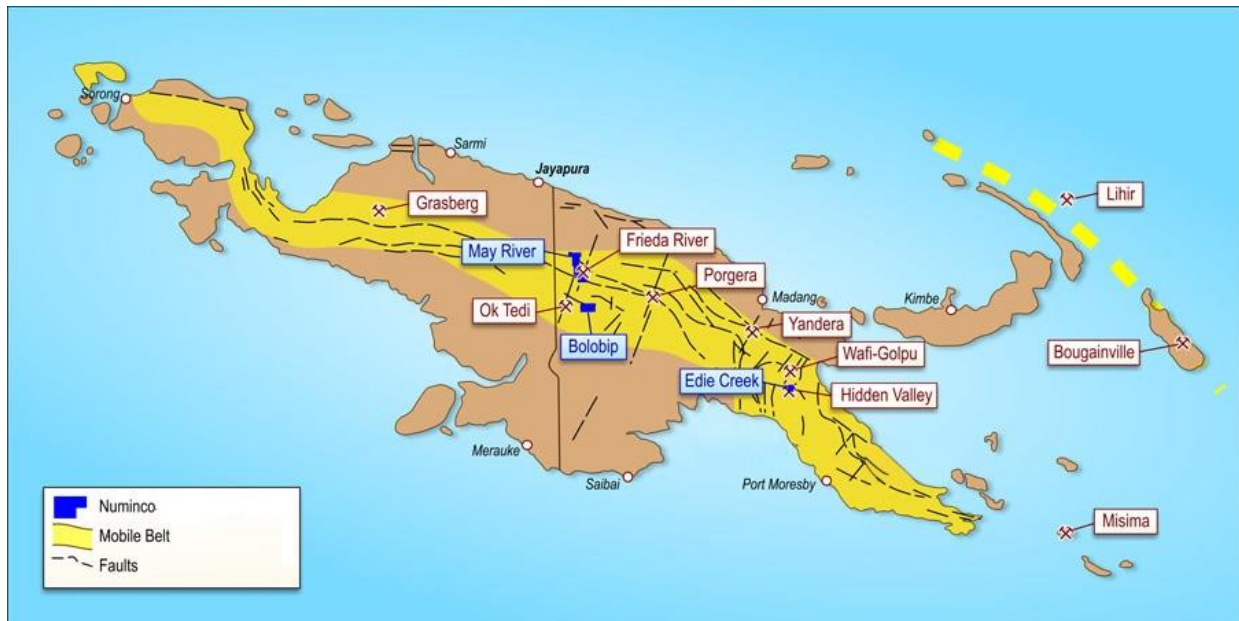




Niuminco Group Limited

SEPTEMBER 2017 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.

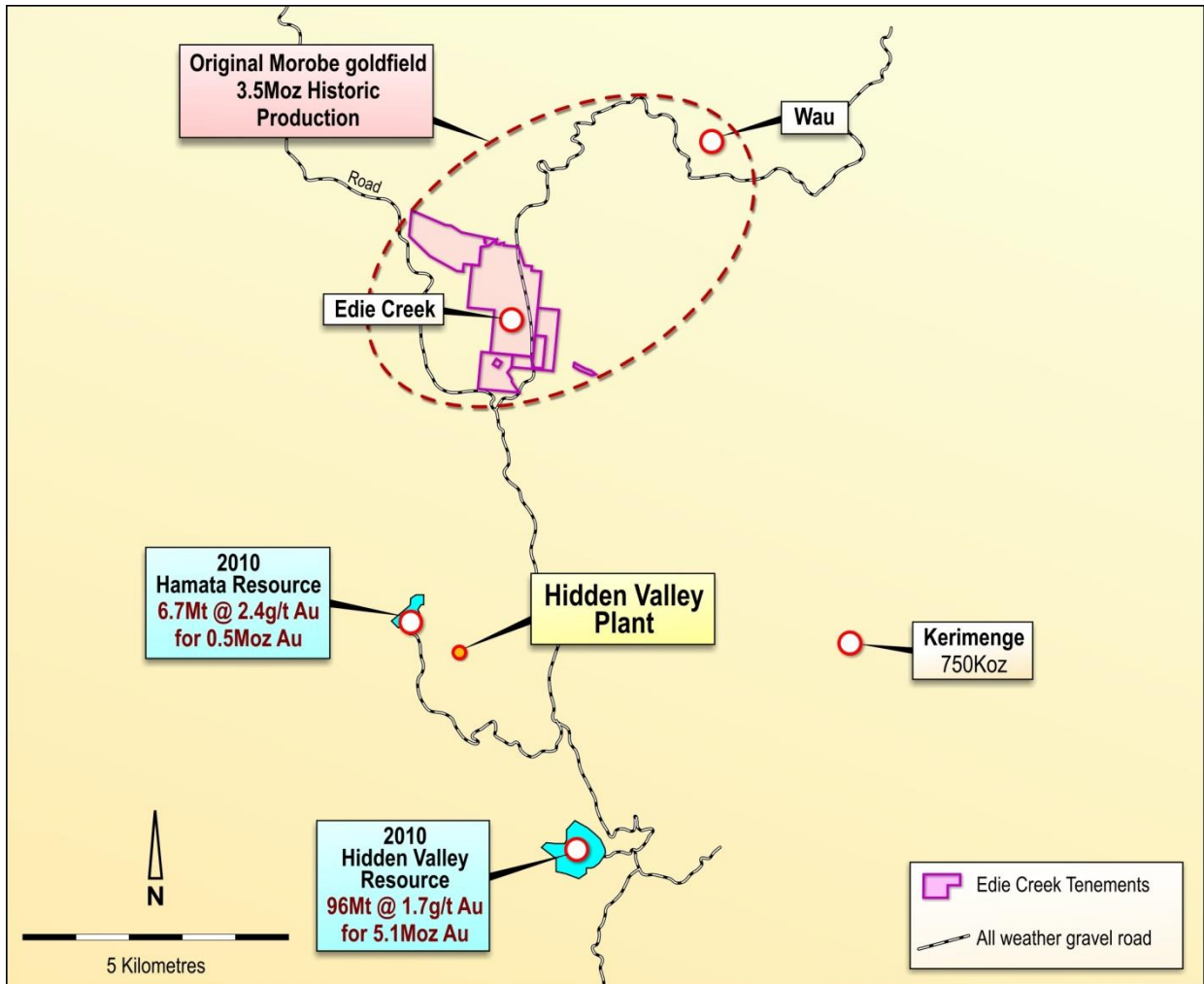


HIGHLIGHTS

- Continued **commissioning, testing and modification of new processing equipment and circuit**, to significantly increase throughput and consistency of operation
- **TNT Mines Limited \$5.5million IPO closed fully subscribed with Niuminco repaid \$775,000 subsequent to quarter end**, and retaining a 1.3% shareholding
- Agreement completed to **purchase remaining 17% of Edie Creek Mining Leases** on a two year deferred settlement basis for AUD150,000.
- **Renewal applications lodged** for May River (EL 1441) and Bolobip (EL 1438) exploration licences.
- **Drill-hole plans finalized for** initial 2-hole, 500m drill program at Skiraisa in **South May River** area.

PAPUA NEW GUINEA PROPERTIES

Edie Creek Mine Mining and Production Update



Edie Creek Mining Leases location relative to the Hidden Valley Mine and Wau

Production for the period 1 July to 30 September, 2017 was 1588g (51 ounces) of gold and 1490g (48 ounces) of silver for total sales of AUD\$81,834 (PGK205,872).

Whilst the new plant commissioning, testing and modification work continued, very limited mining and processing operations were carried out, using the amalgam barrels to process the very small tonnage, high grade material mined.

A total of 94 wet tonnes of ore was processed at an average grade of **17.1** grams per processed tonne of ore.

Following the installation and testing of the ore feed storage bin, vibrating feeder and conveyor belt, further modification work has been required and is being undertaken to the feed bin. A larger vibrating feeder and vibrator for the bin have been ordered to overcome lower than anticipated feed volumes, resulting from the "sticky" clay feed

material.

Mains power remained out (now for 14 consecutive months) which, combined with the feed constraints outlined above and downtime on the aging excavators and bull dozer, significantly slowed the planned ramp-up in processing operations during the Quarter.

To assist in overcoming these mining constraints the Company plans on purchasing at least one second-hand Komatsu D85 bulldozer, a second-hand 40 tonne articulated tip truck, a new generator and one new excavator.



Testing and modifications are underway on the newly installed mechanical ball mill feeding plant

Following the installation and commissioning of all the new processing plant and mining equipment, the Company remains confident of achieving significantly higher production rates of 40 to 60 tonnes per day, in a single 11 hour shift.

BOLOBIP AND MAY RIVER EXPLORATION LICENCES

During the Quarter renewal applications for extensions of term for a further 2 years were lodged for each of the May River and Bolobip exploration licences (EL 1441 and EL 1438 respectively), and final preparation and geological work for the exploration drilling programs was carried out.

The initial 2 drill-hole locations at Skiraisa in the South May River area were finalized (see Figures 1 to 3 below).

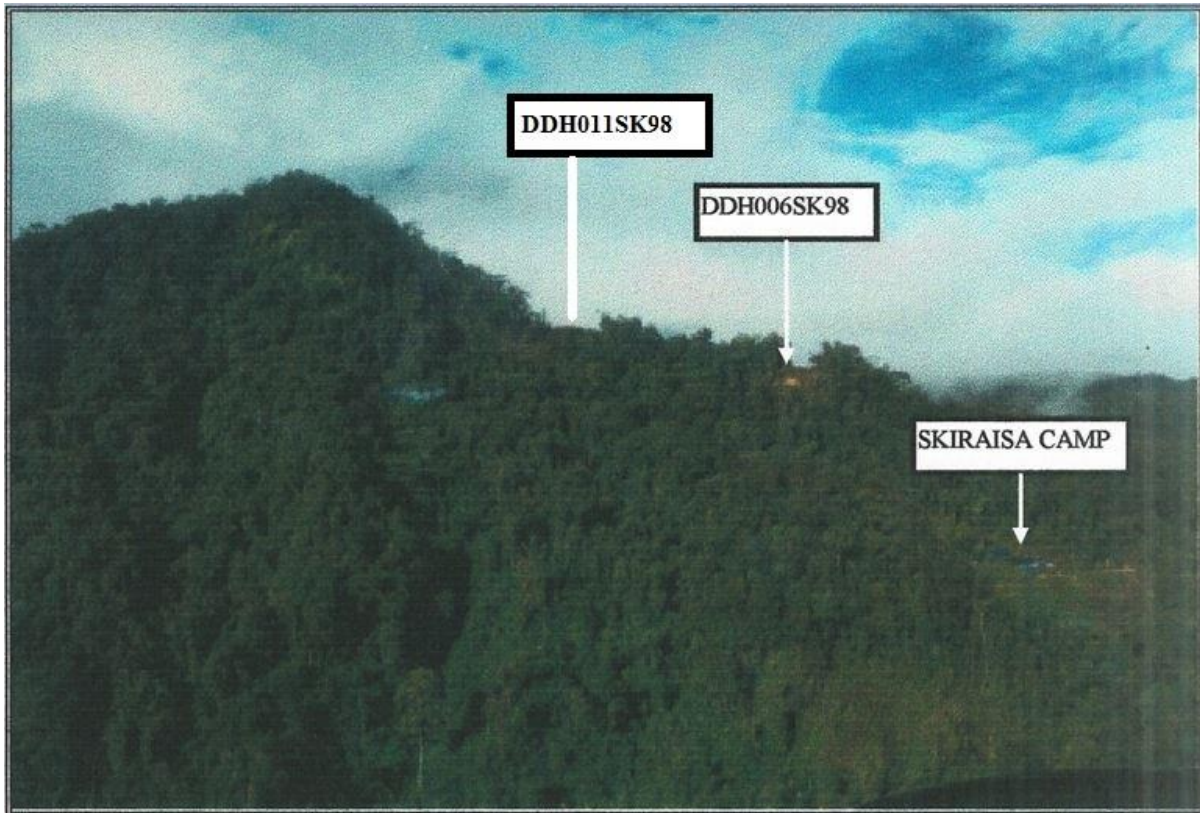


Figure 1: View of the central most prospective part of Skiraisa Diatreme looking south.

The drill site for the first two holes is the site of the previous Highlands Gold Ltd hole 011SK98 (see Figure 1 above, and Figures 2 and 3 below).

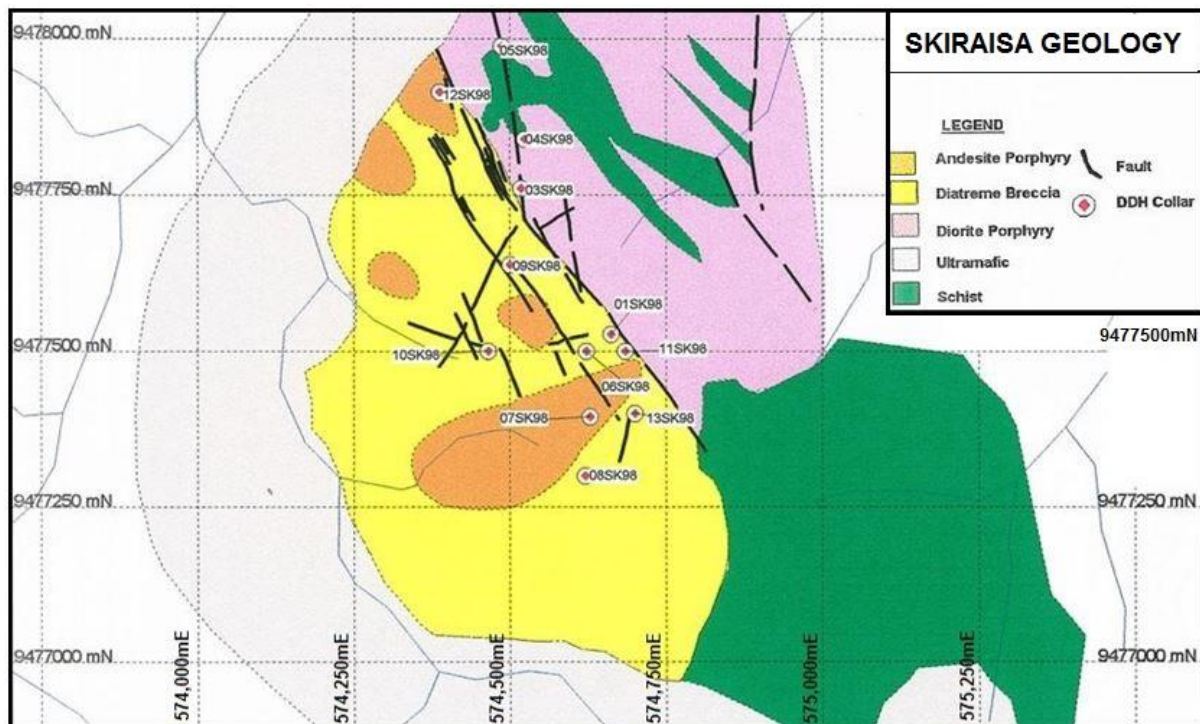


Figure 2: Skiraisa summary geology adapted from Highlands Pacific Ltd mapping (1991)

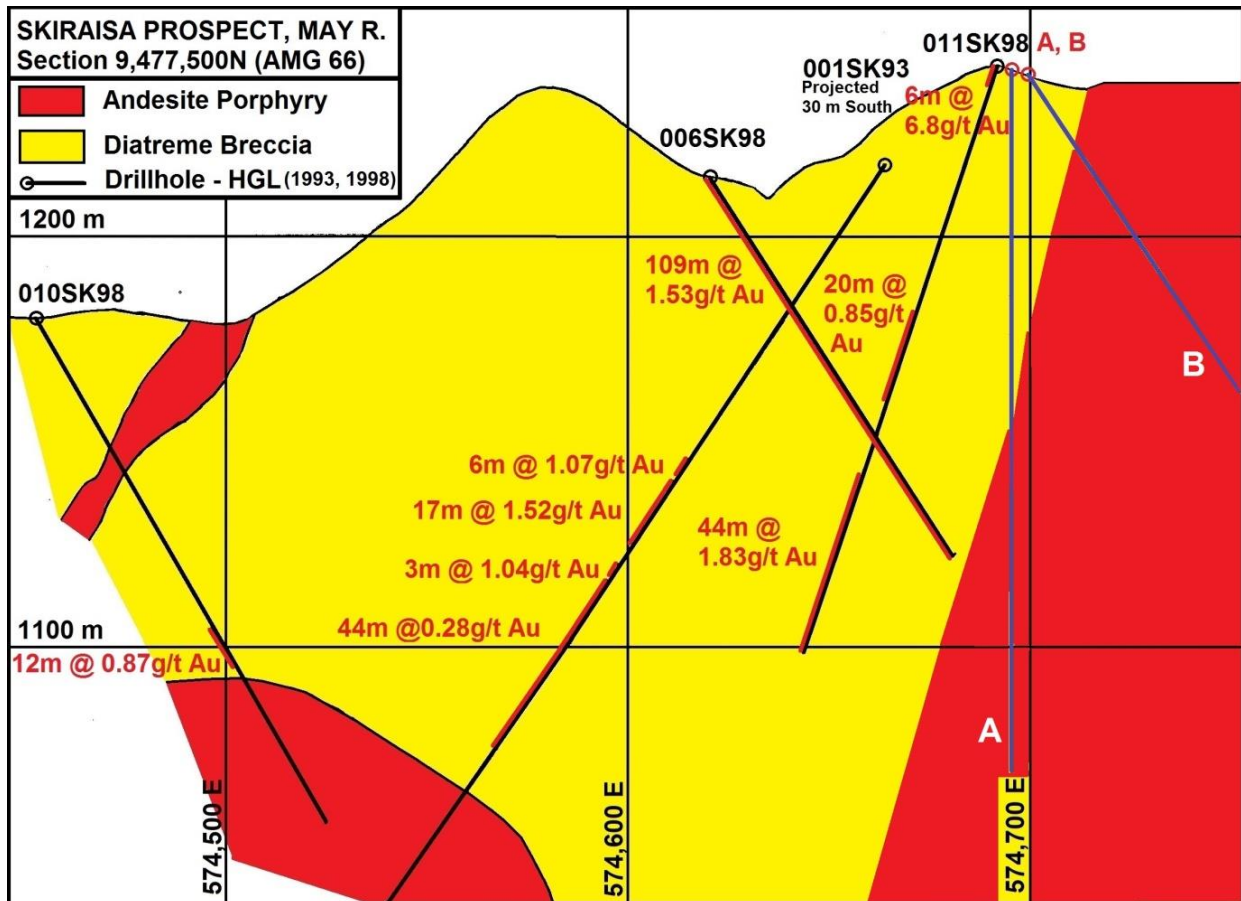


Figure 3: Section with DDHs 001SK93, 006SK98, 011SK98, 010SK98 and proposed drill-holes A and B.

As both 011SK98, and the adjacent hole 006SK98, terminated in potentially economic gold mineralization, and showed increasing gold grades with depth, the first hole (site A) is proposed to be vertical and to penetrate beyond the depth of these two previous holes to at least 200m. The second hole (site B) is intended to penetrate the diatreme breccia-porphry contact and extend to a depth of at least 200m.

In order to focus our exploration activities on our major exploration licences, two smaller, periphery licences, EL 2363 and EL 2364, were surrendered during the Quarter. Another small periphery licence, EL 2365 was also surrendered subsequent to Quarter end.

A successful Wardens Hearing was held on 11 October, 2017 for a new licence, ELA 2527, which adjoins our May River tenement. This tenement lies to the north and east of EL 1441 and adjoins PanAust/Highlands Pacific Ltd's Freida River tenements.

The photo below shows (from left) Niuminco's General Manager - PNG Operations Brian Koster and Senior Geologist Lewis Koesi with local village camp workers and villagers, along with the Mineral Resources Authority Warden at Hotmin village on the banks of May River for the 11 October hearing.



Niuminco team, local villagers and MRA Warden at Hotmin village, May River on 11 October, 2017

CORPORATE AND TNT MINES LIMITED

The \$5.5million TNT Mines Limited ("TNT") IPO closed fully subscribed on 14 September, 2017, with the ASX granting admission of the TNT shares to the Official List with quotation and trading commencing at 10.30am on 3 November, 2017. The loan balance of \$775,000, which was reduced to facilitate the TNT listing, was repaid to Niuminco on 31 October, 2017 and Niuminco will also retain a 1.3% shareholding in TNT Mines Limited.

On 4 August, 2017 Niuminco Group Limited and two of its subsidiary companies finalised the agreement with Mincor Resources NL to acquire (on a two-year deferred settlement basis) the ordinary shares of its PNG subsidiary, Mincor PNG Ltd (renamed Niuminco EC Ltd) for \$150,000. This company owns 17% of the Edie Creek mining leases, thereby giving Niuminco 100% ownership of these assets.

In PNG management continues to focus on increasing the quantity of ore mined and processed at Edie Creek, as well as rapidly advancing the highly prospective Bolobip and May River projects.

In line with this strategy, the Company has added significant operating and management strength and depth to the Group with the appointment of Mr Brian Koster as General Manager - PNG Operations and Mr Ivan Mori as Deputy Mine Manager at the Edie Creek Mine.

Brian is a highly experienced senior manager and international technical operator who has built a 30 year career across a variety of commodities and continents including Australia, Africa, Indonesia and Papua New Guinea where he worked from 2010 to 2014.

Ivan is a highly regarded Papua New Guinean Registered Mine Manager who has held senior mine positions in a number of PNG mines including Porgera, Simberi and Tolukuma mines.

Given the need to significantly upgrade our mining equipment, accelerate our two PNG exploration drilling programs, redeem convertible/redeemable notes, repay creditors/payables and replenish working capital, the Board considers it prudent at this time to raise additional capital.

All shareholders will be given the opportunity to participate in the upcoming capital raising with details to be announced shortly.



Mark Ohlsson
Company Secretary

31 October, 2017

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	EL 2363	Hotmin	Niuminco (ND) Limited	Nil	Surrendered during Qtr
Exploration licence	EL 2365	Ama	Niuminco (ND) Limited	100	
Exploration licence	EL 2364	Wameimin	Niuminco (ND) Limited	Nil	Surrendered during Qtr
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	Acquired in Qtr
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	Acquired in Qtr
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	Acquired in Qtr
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	Acquired in Qtr
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	Acquired in Qtr
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	Acquired in Qtr
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 had a 72.1% interest in TNT Mines Limited at 30 September, 2017.

