



Niuminco Group Limited

QUARTERLY ACTIVITIES REPORT DECEMBER QUARTER 2015

HIGHLIGHTS AND SIGNIFICANT EVENTS

- Edie Creek production for the Quarter was 2,918.8 grams (93.9 ounces) of gold and 2,465.5 grams (79.3 ounces) of silver for sales of AUD\$138,000 (PGK239,350)

- Successful Rights Issue completed raising AUD 1,130,646 before issue expenses

- Ore processing averaged 6.6 tonnes per day, and the average gold grade for the Quarter dropped to 4.8 grams per processed tonne of ore.

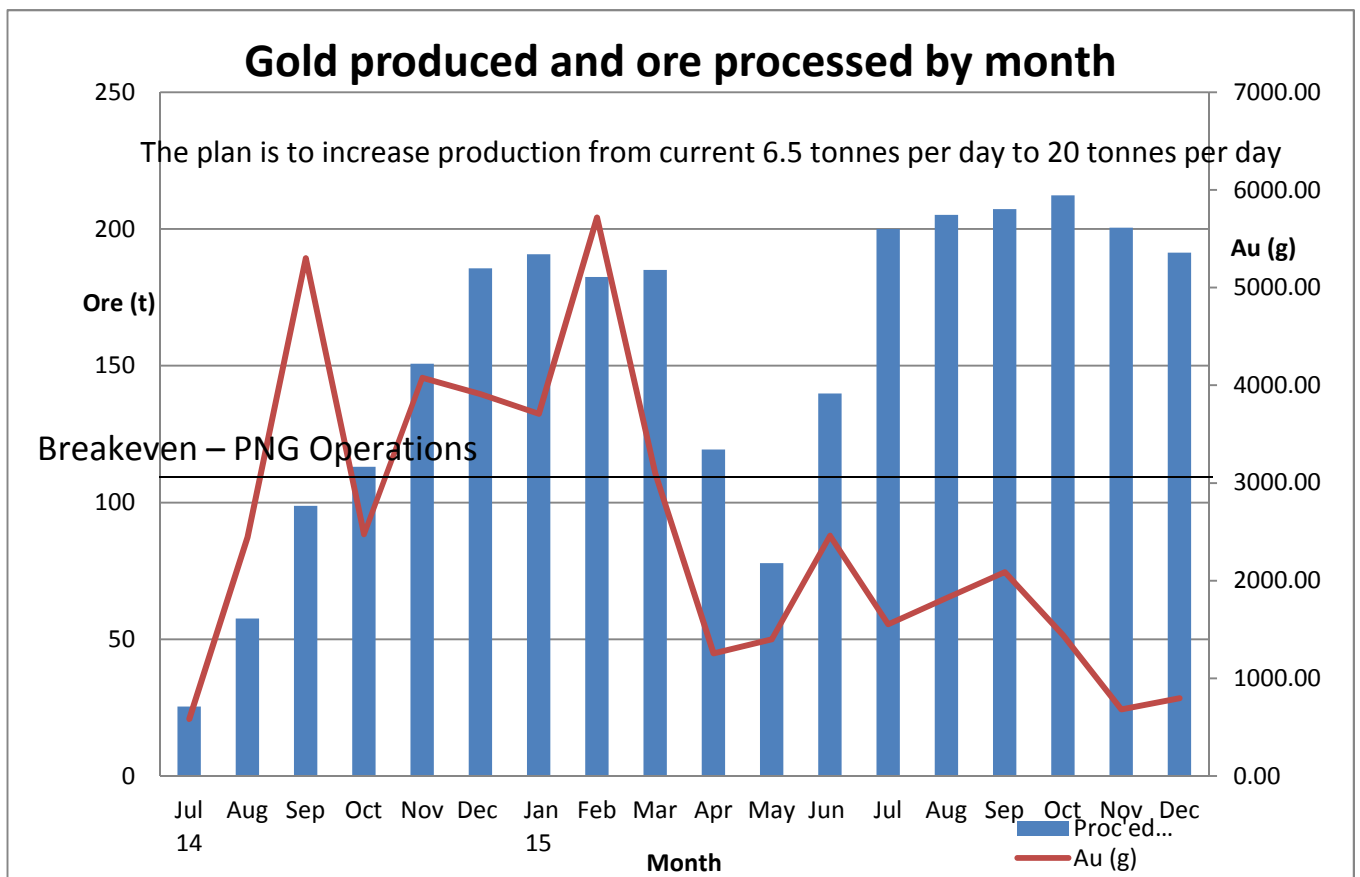
- Additional processing equipment purchased and concentrator plant, sump pump and slurry pump delivered.

- Assay results received for drill hole EDD 017. This drill hole identified two zones of mineralisation:
 - 1 m @ 2.4 g/t Au, 6.2 g/t Ag from 14.4 m depth; and
 - 2 m @ 8.9g/t Au, 77.7 g/t Ag from 114.4 m depth.

PAPUA NEW GUINEA PROPERTIES

Edie Creek Mine

Mining and production Update



Production for the period 1 October to 31 December, 2015 was 2,918.8g (93.9 ounces) of gold and 2,465.5g (79.3 ounces) of silver for total sales of AUD\$138,000 (PGK 239,350)

A total of 604.2 wet tonnes of ore was processed at an average grade of 4.8 grams per processed tonne of ore.

Despite production levels averaging approximately 6.6 tonnes per day during the December Quarter, significantly lower ore grades (4.8 g/t) have continued through the Quarter, resulting in disappointing gold production and sales levels

The concentrator plant, a new slurry pump and a new sump pump were delivered in December and are now being installed. The crusher, which was also purchased in December, is currently being shipped from China with delivery due shortly.

These items will enhance the gold room's capacity to increase the rate of ore processed from 6.5 tonnes per day to approximately 20+ tonnes per day which will importantly, compensate for the eventuality of continuing relatively lower grade ore should this occur.

Drilling Programme Update

Assay results from recently completed drill hole EDD017 identified two zones of gold mineralisation;

- **1m @ 2.41g/t Au, 6.2g/t Ag from 14.4m downhole**
- **2m @ 8.9g/tAu, 77.7g/t Ag from 114.5m hole depth.**

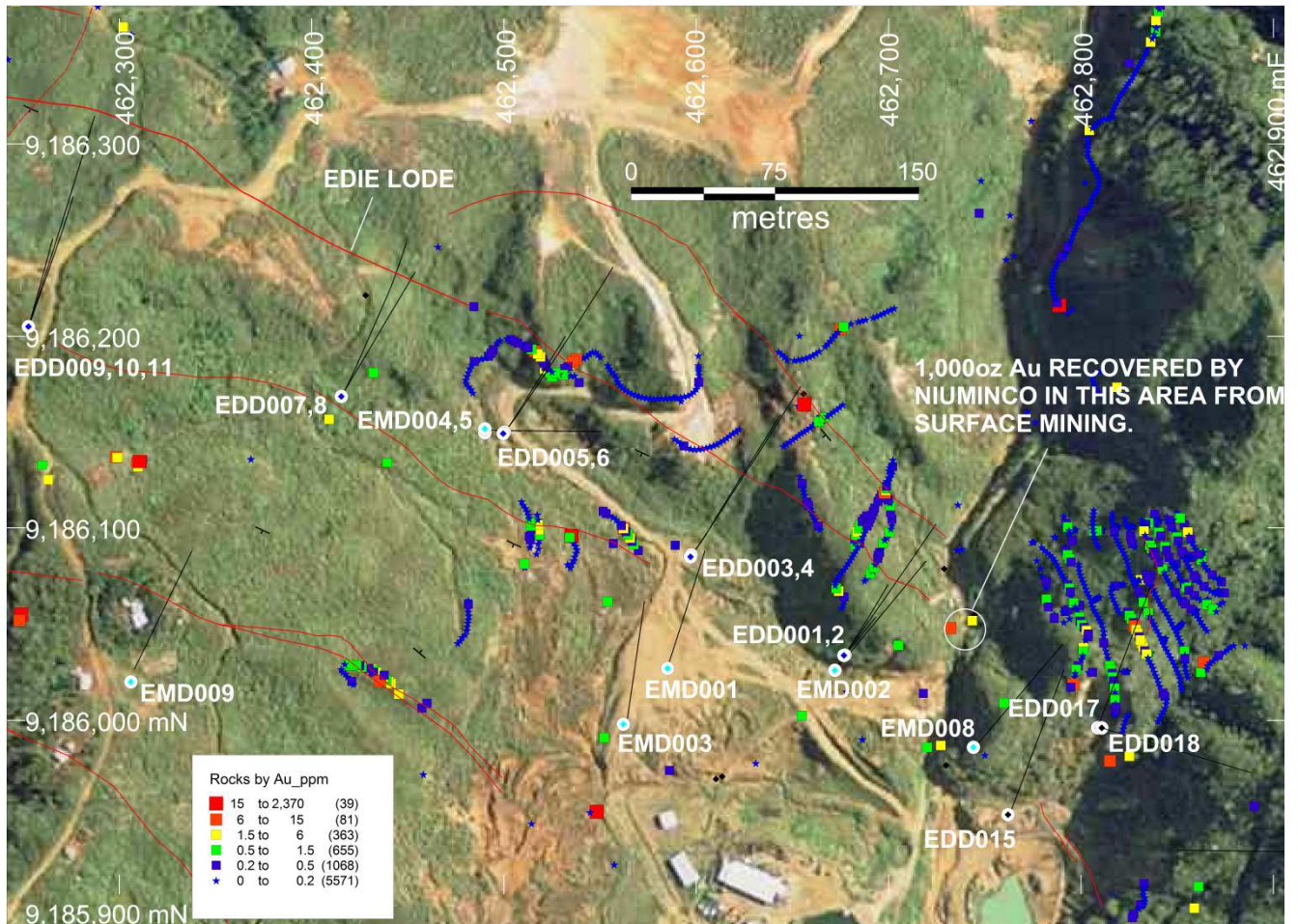
Niuminco previously announced (24/07/15) that it has re-commenced an exploration diamond drilling program testing geochemical anomalies and known veins on its Edie Creek Mining Leases in the Morobe Goldfield of PNG. Surface exploration undertaken on the leases in the past consisted of geological mapping, geophysics, soil and rock geochemical sampling. The multiple veins on the leases have a 3km strike length. Selected areas of the veins currently being mined by Niuminco were mined to a depth of 100m below surface in the past, and have been tested by 42 exploration drill holes by four companies. Significant drill core intersections of gold were made (ASX release 1/7/2013), but the drilling results are of insufficient detail to enable any resource statement to be made.

COMPANY	DATE	HOLES	HOLE ID
RENISON CONSOLIDATED GOLDFIELDS	1988	2	EC 1 - 2
WAYBURN RESOURCES/EDIE CREEK MINING JV	1997	12	ENT 1 - 12
NIUMINCO	2010-11	13	EDD 1 - 13
NIUMINCO / MINCOR JV	2012-13	12	EMD 1 - 12
NIUMINCO	2013	3	EDD 14 - 16

There are multiple objectives to the current exploration drill program. They are;

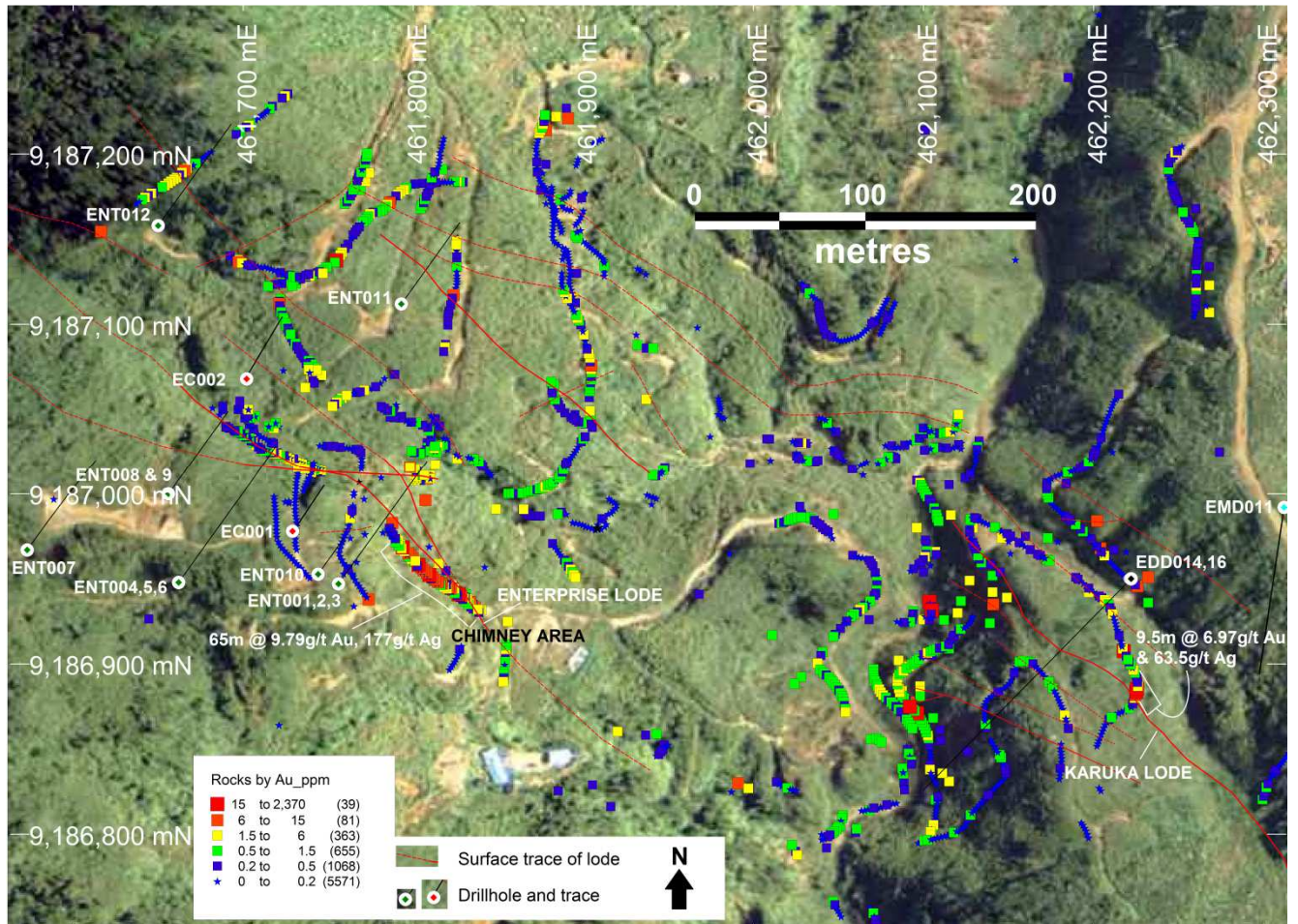
- test shallow portions of the veins to assist in locating material suitable for processing through the plant that is currently operating,
- test for extensions to the known veins,
- in-fill drilling to test for the continuity and distribution of mineralisation within known veins,
- test undrilled rock anomalies, soil anomalies and veins.

EDD 017, the first hole of the current exploration drill program was drilled on the eastern part of the Edie Lode (Alpha - East area), targeting the vein under the current surface mining operations. Approximately 1,000oz of gold was extracted from 720 tonnes of surface vein material between August 2014 and April 2015 in this area (Alpha-West). EDD 017 lies 65m east of EMD 008 which intersected 0.43m @ 16.9 g/t Au & 25.1 g/t Ag from 94.6m downhole, and lies 135m east along strike of EDD 002 which intersected 2.75m @ 65.69 g/t Au & 708 g/t Ag from 89.8m downhole.



Drill hole EDD018, the last hole planned on the eastern part of the Edie Lode has been completed, but assays are not yet available. The hole targeted a zone of intersecting structures located 35m east of EDD017. Drilling of the western part of the Edie Lode near EDD 010, which intersected 1m at 37g/t Au & 67g/t Ag from 137.6m, will be postponed until after the next phase of drilling on veins in the Enterprise Lode and Karuka Lode areas. The Enterprise - Karuka drilling phase is being brought forward to locate other sources of near surface gold mineralisation as feed for the processing plant.

The first priority in the Enterprise area is a WNW striking, moderate SW dipping vein known as the Chimney Area. Mapping and channel sampling of the exposed 65m length of the vein averaging 1.0m true width in this area, yielded an average grade of 9.79g/t Au and 177g/t Ag. Results from six drill holes over a 125m along strike to the WNW of the exposed portion of the vein indicate comparable widths and grades to 60m down dip. The vein is open to the WNW, ESE and down dip. Several veins lying sub-parallel to this vein have been mapped and are anomalous in gold.



The drilling target in the Karuka area is centred on the old Karuka lode mine workings. Surface channel sampling across the lode gave 9.5m @ 6.97 g/t Au and 63.5 g/t Ag including higher grade zones of 1.5m @ 19.21g/t Au and 161g/t Ag, and 1.5m @ 17.95g/t Au and 65.1g/t Ag. The lode has been intersected down dip by drilling. A 21m long downhole mineralised intercept from 63m in hole EDD 014 assayed 1.18g/t Au and 7.2g/t Ag. EDD 016 had a 20m mineralised intercept assaying 1.4g/t Au and 17g/t Ag from 62m down the hole (ASX release 1/7/2013).

Bolobip and May River Exploration Licences

Successful Warden's Hearings were held at both May River and Bolobip in early October and renewals for these tenements are presently awaited.

EL 2362 (Ama) was granted at May River and EL 2365 (Fagobip) was granted at Bolobip. These tenements adjoin the primary exploration licences at May River and Bolobip respectively.

Further camp maintenance was carried out on the Bolobip tenement during the quarter in preparation for the proposed drilling program.

TNT MINES LIMITED

Niuminco Group Limited owns 72.54% of and manages, TNT Mines Limited (TNT). TNT holds a suite of advanced exploration areas in northern Tasmania prospective for tin and tungsten.

During the Quarter an application for an extension of term for the Aberfoyle tenement EL 27/2004 was lodged with Mineral Resources Tasmania.

EXPENDITURE AND FUTURE FUNDING

The Board and Management continue to pursue suitable and appropriate funding strategies and options to advance the Group's Papua New Guinea and TNT Mines Limited projects, in what continues to be a difficult mining environment. To this end, the Company successfully completed a partially underwritten 2 for 3 rights issue at \$0.002 to raise \$1,130,646 gross, before issue costs.

Management's focus remains concentrated on increasing the quantity of ore mined and processed, with consequential gold production and sales increases at Edie Creek. This is to be achieved through completion of the ball mill circuit, and the development of a number of known vein systems to ensure reliable sources of medium to high grade ore. To assist in this, the Company will continue with its extension drilling program at Edie Creek during the current quarter.



Mark Ohlsson
Company Secretary
29 January, 2016

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

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 appl'n	ELA 2363	Hotmin	Niuminco (ND) Limited	100	
Exploration licence	EL 2365	Ama	Niuminco (ND) Limited	100	
Exploration licence appl'n	ELA 2364	Wameimin	Niuminco (ND) Limited	100	
Exploration licence	EL 2362	Fagobip	Niuminco (ND) Limited	100	
Exploration licence	EL 1441	May River	Niuminco (ND) Limited	100	
Mining lease	ML 144	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
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	
Exploration licence	EL63/2004	Oonah	Geoinformatics	75	Joint venture

* Niuminco Group Limited has a 72.54% interest in TNT Mines Limited.