TNT MINES LIMITED

ACN 107 244 039

Target's Statement

in response to the Offer by Niuminco Group Limited ACN 009 163 919 to acquire all of your TNT Shares

The Independent TNT Directors unanimously recommend that you ACCEPT the Offer to acquire all of your TNT Shares in the absence of a superior proposal.

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document, you should consult your financial or other professional adviser immediately.

Important notices

Nature of this document

This document is a Target's Statement issued by TNT Mines Limited ACN 107 244 039 (**TNT**) in accordance with the Corporations Act in response to the Bidder's Statement issued by Niuminco Group Limited ACN 009 163 919 (**NIU**) in respect of the Offer. The Bidder's Statement issued by NIU dated 19 September 2013 is a replacement bidder's statement, replacing the original bidder's statement lodged with ASIC on 5 September 2013. This Target's Statement is dated 19 September 2013.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are defined in Section 7 of this Target's Statement (Definitions and interpretation). That Section also sets out some rules of interpretation which apply to this Target's Statement.

Investment decision

The Independent TNT Directors recommend that you read this Target's Statement and the Bidder's Statement in full and seek independent advice if you have any queries in respect of the Offer. This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of any TNT Shareholder. You may wish to seek independent financial, taxation and legal advice before making a decision whether or not to accept the Offer.

Forward-looking statements

This Target's Statement may contain forward-looking statements, which include statements other than statements of historical fact. TNT Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of TNT. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

None of TNT, the TNT Directors, officers or advisers, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Target's Statement will actually occur. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements in this Target's Statement only reflect views held as at the date of this Target's Statement.

ASIC

A copy of this Target's Statement was lodged with ASIC on 19 September 2013. Neither ASIC nor any of its officers takes any responsibility for the content of this Target's Statement.

Responsibility for information

The information in this Target's Statement concerning NIU and the NIU Shares has been prepared by TNT using publicly available information (including that contained in the Bidder's Statement) and has not been independently verified by TNT. TNT does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Independent Expert's Report

The Independent Expert's Report set out in Annexure "A" of this Target's Statement has been prepared by the Independent Expert for the purposes of this Target's Statement and the Independent Expert takes full responsibility for that report.

TNT does not accept or assume any responsibility for the accuracy or completeness of the Independent Expert's Report, other than factual information provided by TNT to the Independent Expert for the purposes of preparing the Independent Expert's Report.

Maps and Diagrams

Any diagrams and maps appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Notice to Foreign Shareholders

The distribution of this Target's Statement may, in some jurisdictions, be restricted by law or regulation. Accordingly, persons who come into possession of this Target's Statement should inform themselves of, and observe, those restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the law and regulations of any jurisdiction outside Australia.

No account of Personal Circumstances

This Target's Statement does not constitute financial product advice or take into account the individual investment objectives, financial situation and particular needs of each TNT Shareholder and does not contain personal financial or taxation advice. TNT encourages you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your TNT Shares.

Contents

Key dates

Date of Bidder's Statement	19 September 2013 (replacing original Bidder's Statement dated 5 September 2013)
Date of this Target's Statement	19 September 2013
Date of Offer	23 September 2013
Scheduled close of Offer (unless extended or withdrawn)	7pm Sydney time on 22 October 2013

Further information

Any questions regarding this Target's Statement should be directed to Mr. Michael Beer on +61 3 9600 3599 Monday to Friday between 9:00 am and 5.00 pm (AEST).

Letter from the Managing Director

19 September 2013

Dear TNT Shareholder

On 30 July 2013, Niuminco Group Limited (**NIU**) announced an intention to make an offer for all of the ordinary shares in TNT Mines Limited (**Offer**). NIU is an ASX-listed mining company with mining leases and exploration licences in Papua New Guinea. TNT Shareholders who accept the Offer will receive one NIU Share for every TNT Share held.

The Independent TNT Directors unanimously recommend that you accept the Offer, in the absence of a superior proposal.

A copy of the Bidder's Statement from NIU has been separately distributed to you and sets out the detailed terms of the Offer. A copy of the Bidder's Statement is also available from the website of the Australian Securities Exchange at www.asx.com.au (under the code "NIU"). This Target's Statement sets out the Independent TNT Directors' formal response to the Offer, including the reasons why they unanimously recommend that you accept the Offer, in the absence of a superior proposal. In summary, the Independent TNT Directors recommend you accept the Offer, in the absence of a superior proposal, because:

1. TNT is an unlisted public company. The Offer provides TNT Shareholders with the opportunity to hold NIU Shares which will be listed on ASX.

2. The Offer provides access to equity capital markets for the Combined Group. TNT is currently a public unlisted Company.

3. The Offer will enable TNT to become part of NIU, which has exploration assets in PNG, whilst at the same time retaining exposure to TNT's brownfields tin, tungsten and fluorspar assets in northern Tasmania.

4. For TNT to continue its business in the absence of a merger with NIU, a listed entity, will require TNT to secure additional equity funding. Equity markets for small resources companies have been very difficult for several years, and the challenges of raising new equity for unlisted small resource companies have been even more challenging.

Each of these reasons is explained in greater detail in the following pages. You should note that each of the Independent TNT Directors intends to accept the Offer in respect of all of the TNT Shares which they own or control, in the absence of a superior proposal. The Independent Directors believe that the major shareholders are likely to support the Offer, subject to receipt and review of the actual Offer, and in the absence of a superior proposal.

NIU also proposes to undertake a Share Purchase Plan as soon as practicable after, and if, it attains a greater than 50% equity in TNT. This will allow those TNT Shareholders who accept the NIU Offer and who otherwise would own a non-marketable parcel of NIU Shares, to top up to a marketable holding.

The Offer is scheduled to close at 7:00 pm (Sydney time) on 22 October 2013 unless extended. To accept the Offer, simply follow the instructions outlined in the Bidder's Statement and the relevant Acceptance Form. No action is required if you decide not to accept the Offer.

I encourage you to read this document carefully and if you need any more information I recommend that you seek professional advice.

Yours sincerely
Mr Michael Beer
Managing Director

1. Reasons why you should accept the Offer

This Section 1 summarises the key reasons why the Independent TNT Directors unanimously recommend to the TNT Shareholders that they accept the Offer, in the absence of a superior proposal.

Under the Offer, TNT Shareholders are being offered one NIU Share for every TNT Share held.

1.1 The Independent Expert has concluded that the offer is not fair, however they consider the Offer to be reasonable in the absence of a superior offer

The principal reason for the Independent Expert reaching the opinion that the Offer is not fair is that the Independent Expert valued the TNT Shares before the Offer, on a control basis, in a range of $0.029 to $0.040 per TNT Share and they valued the NIU Shares on a minority basis, assuming the Offer is successful, in a range of $0.011 to $0.025 per NIU Share. As the current control value of the TNT Shares exceeds the minority value of the NIU Shares following implementation of the takeover Offer, the Independent Expert considers that the offer is not fair. However, based on a number of advantages and disadvantages that are more fully described in section 10.2 of the Independent Expert's Report, the Independent Expert has determined that the Offer is reasonable.

You should review the Independent Expert's Report (set out in Annexure "A" of this Target's Statement) carefully as it contains important information explaining how the Independent Expert has formulated its opinion.

1.2 The Offer is unanimously recommended by the Independent TNT Directors

The Independent TNT Directors have carefully considered the Offer and unanimously recommend that, in the absence of a superior proposal, TNT Shareholders accept the Offer. Each of the TNT Directors intends to accept the Offer, in the absence of a superior proposal, in relation to the TNT Shares held or controlled by them.

No proposal that is superior to the Offer has been received by TNT since NIU announced its intention to make the Offer on 30 July 2013.

1.3 Participation in the Combined Group

NIU is an ASX-listed mining company focused on developing projects at Edie Creek, Bolobip and May River in Papua New Guinea.

As a Shareholder in the combined NIU / TNT group of companies (**Combined Group**), TNT Shareholders will receive a number of benefits including improved liquidity and greater access to equity capital.

1.4 CGT rollover relief

In the event that NIU becomes entitled to 80% of all TNT Shares, then TNT Shareholders accepting the Offer may be entitled to CGT rollover relief. In summary, rollover relief means that the effective sale of your TNT Shares will not crystallise a taxation event, and any potential tax liability will be deferred until such time as you sell your NIU Shares.

TNT Shareholders should refer to section 7 of the Bidder's Statement and consult their professional advisers in regard to how accepting the Offer will affect their individual circumstances.

1.5 Other matters

In considering whether to accept the Offer, the TNT Directors encourage you to:

(a) read both this Target's Statement and the Bidder's Statement in their entirety;

(b) consider the future prospects of TNT, NIU and the Combined Group compared to the future prospects of TNT as a stand-alone entity;

(c) have regard to your individual risk profile, portfolio strategy, tax considerations and financial circumstances; and

(d) obtain financial advice from your own broker or financial advisor regarding the Offer and obtain taxation advice on the effect of accepting the Offer.

If you choose not to accept the Offer, there are certain potential consequences of which you should be aware:

- the emergence of another bidder may be unlikely;
- TNT will not have access to NIU's ability to raise capital or funding, meaning that TNT may remain without a funding solution in relation to its expenditure commitments for its projects;
- if NIU obtains less than a 51% holding in TNT, and should there be no alternative offer from a third party, it is likely to be difficult for TNT to be able to raise sufficient funds to meet administration costs and minimum expenditure commitments for its various tenements. In this case, it is likely that at some time in the future, the TNT Directors may have to consider the ability of TNT to continue as a going concern. By contrast, refer to section 6.3 of the Bidder's Statement for information about NIU's intentions to fund TNT's business plan in the event that it obtains more than 51% but less than 90% of TNT Shares.

2. Important matters for TNT Shareholders to consider

In making a decision whether to accept the Offer you should carefully consider your personal circumstances and have regard to the following matters.

2.1 Information on TNT

(a) **Overview of TNT**

TNT is a public unlisted company focused on the evaluation and development of tin, tungsten and fluorspar projects in Tasmania.

(b) **Capital structure**

As at the date of this Target's Statement, TNT has 109,541,285 TNT Shares on issue plus 200,000 unlisted TNT Options exercisable at 30 cents on or before 28 February 2015.

NIU is a major holder of TNT Shares and, as at the date of this Target's Statement, holds approximately 19.99% of all issued and outstanding TNT Shares.

Minemakers Limited is also a major holder of TNT Shares and, as at the date of this Target's Statement, holds approximately 14.26% of all issued and outstanding TNT Shares.

(c) **Corporate structure**

TNT has the following Subsidiaries:

- TNT Mines (Moina) Pty Ltd

2.2 Overview of TNT's activities all based in Northern Tasmania

Projects Overview

This section contains a brief summary of TNT's projects.

TNT Shareholders are referred to the Independent Geologist's Report which is an attachment to the Independent Expert's Report in Annexure A, where the projects and intended exploration programs are described in more detail.

The projects are all located in northern Tasmania as set out below.

Location of Projects

(a) **Moina (RL10/1988)**

Moina hosts the largest known undeveloped fluorspar deposit in Australia and one of the larger undeveloped fluorspar deposits in the world.

The Moina deposit comprises two styles of mineralisation; replacement skarn and fissure veins. The seven separate fissure veins identified to date were discovered in 1893 and mined for tin and bismuth until 1919 when a fire destroyed the processing plant.

The deposit is a magnetite-fluorspar skarn and has a JORC Inferred Resource estimate of 26.5Mt at 16% CaF2 (fluorspar), 0.1% Sn (tin), 0.1% WO3 (tungstate) and 17.2% Fe (iron) with associated bismuth, molybdenum some gold and zinc.

The skarn, which outcrops, has remained undeveloped due to its complex metallurgy. The mineralisation is very fine grained and requires fine grinding and further treatment to liberate the various components. Development of the project would include an open cut mining operation with a very low strip ratio.

Recent preliminary metallurgical studies carried out by TNT have demonstrated that potentially saleable fluorspar, magnetite and scheelite concentrates are able to be separated using conventional processing techniques. Further metallurgical test work is required to optimise the recoveries and improve the quality of product to meet industry standards. If a robust metallurgical extraction process is determined, TNT anticipates proceeding to a full feasibility study, preferably with the addition of an industry partner. The proximity of power and infrastructure, high demand for fluorspar from aluminium smelters and chemical companies, and high commodity prices all help the economics of development.

(b) **Oonah (EL63/2004)**

TNT has a 75% interest in the Oonah (Montana Flats) tenement pursuant to a joint venture with Geoinformatics Tasmania Pty Ltd. The tenement hosts a large number of

old workings west of the town of Zeehan. The most promising, Oonah, was mined from 1890-1899 and again from 1905-1910.

Around 2,000,000 ounces of silver was extracted from the Galena Lode at Oonah. The mine also holds tin in the form of stannite (Cu2FeSnS4) in the sub-parallel Stannite Lode. The stannite was previously difficult to treat but which should now be amenable to treatment by a tin fuming process or potentially by bacterial oxidation.

A high priority magnetic anomaly (Anomaly 370) was identified by RGC Exploration in 1989 and deemed to be in a favourable geological and structural setting for cassiterite-sulphide replacement mineralisation. The anomaly lies beneath swampy ground and remains untested. TNT has undertaken a ground magnetic survey over the anomaly and determined the source to be relatively shallow.

(c) **Aberfoyle-Lutwyche (EL27/2004)**

The Aberfoyle mine produced 2.1Mt at 0.91% tin and 0.28% tungstate for a recovered 19,110t of tin and 5,880t of tungstate. The mine was developed from small beginnings in 1926 to a larger operation in the 1970s. It closed in 1982.

Tin mineralisation is known to occur both north and south of the Aberfoyle No.1 Fault System and also in the nearby Lutwyche and Kookaburra prospects.

Because of the low tin price since the collapse of the international tin cartel in the 1980s, in common with many historic tin mining areas, Aberfoyle and the area immediately surrounding it have received little modern exploration.

During the period before the collapse of the tin price in the early 1980s, Aberfoyle Tin Limited conducted a study into the economics of mining the nearby Lutwyche vein system. The work consisted of tunnelling a 650m drive at the 13 Level to connect the Aberfoyle underground development with Lutwyche, construction of a vent rise (shaft) to the surface, drives along and into the Lutwyche mineralisation, underground bulk sampling, underground and surface diamond drilling and mapping of the surface expression of the Lutwyche system.

Based on Aberfoyle's study, there is an Exploration Target of 1.0-1.2Mt at 0.9-1.1% combined metal (tin + tungstate) along a strike length of 350 metres and over a vertical range of 400 metres. The drill-indicated strike length of the entire Lutwyche mineralisation is approximately 800 metres.

Another mineralised vein system, the Kookaburra, lies between Lutwyche and Aberfoyle and was encountered in the connecting drive approximately 400m below surface. Mineralisation believed to be the surface expression of Kookaburra extends over a considerable strike length. The system has not been drilled.

Aberfoyle Tin investigated the possibility of open cut mining the upper levels of the Aberfoyle deposit and this idea was further investigated by Wheal Lutwyche in the 1990s. The main vein swarm is approximately 550 metres long and 45 metres wide. TNT has an Exploration Target of 4-5Mt at a grade of 0.15-0.25% tin and 0.02-0.03% tungstate down to approximately 110m below surface, centred over and south of the old workings.

There are approximately 0.9-1.1Mt of coarse and fine tailings located in four separate areas around the Aberfoyle and Storeys Creek mines. A wide range of grades have been ascribed to the tailings and further work is required to better constrain the values. TNT's exploration aims are to undertake modelling of the extensive underground data set, surface mapping and ultimately both exploration and resource drilling at Lutwyche

and Kookaburra. In conjunction with resource drilling, mining studies would determine the economics of undertaking an open pit mining operation. A further aim is to determine whether the concurrent development of adjacent mineralised systems at Lutwyche and Kookaburra would provide a significant boost to the project economics of an open pit at Aberfoyle. If development were to go ahead, it is envisaged that any ore sourced from mining of the Storeys Creek or Royal George systems would be treated in that one central facility.

(d) **Storeys Creek (EL27/2004)**

Past mining operations at Storeys Creek extracted high grade tungsten ore from wide veins. Past production comprised 1.1Mt at a recovered grade of 1.09% tungstate and 0.18% tin. Most of this type of ore has been mined out. Previous miners could not mine the narrower veins economically and, for the most part, did not bother to assess them. Mine production records show that the ratio of tin to tungsten decreased with depth but that the earliest mined material, near surface, had similar grades of tin and tungsten. RC and diamond drilling by Minemakers/TNT confirmed the higher tin grades near surface.

The exploration aim at Storeys Creek is to assess the potential to undertake an open pit operation to bulk mine shallow, narrow vein-hosted tin and tungsten mineralisation.

(e) **Royal George (EL27/2004)**

Past mining and exploration drilling at Royal George have highlighted the potential for tin mineralisation beyond the extents of the historic open cut and underground workings. Mineralisation limits have not been defined to the north due to a previous inability to access that land for mining. Land access has subsequently been resolved. Previous drilling was predominantly narrow diameter diamond with no RC drilling ever having been undertaken.

Based on previous exploration, there is an Exploration Target of 0.6-0.9Mt at a grade of 0.35-0.45% tin.

(f) **Anchor (RL1/2009)**

The Anchor Project is centred on the historic Anchor Mine in north-east Tasmania. Approximately 1.9Mt of ore was treated at a recovered grade of 0.2% tin (for 3,800t of contained tin). Alluvial and eluvial mining commenced in the early 1880s and in 1884 hard rock mining by open pit technique commenced. The period of greatest activity lasted from 1895 to 1915 with sporadic working since other than a more sustained effort between 1934 and 1945. Various explorers, notably Renison Limited, have subsequently undertaken considerable amounts of evaluation work, including extensive drilling programmes in the late 1970s to early 1980s. Based on this work, an Exploration Target of 8-9Mt at 0.15 - 0.19% tin has been estimated, with a higher grade target of 3-4Mt at 0.2 – 0.3% tin.

To properly evaluate the economics of development, further drilling will be required to confirm the resource estimate and define a reserve, and to source material for follow-up metallurgical test work for treatment circuit design.

The majority of the known mineralisation lies on mining lease 55M/1989 for which a sale agreement with Spectrum Resources has been completed. An application to transfer the mining lease to TNT has had to be withdrawn due to Mineral Resources Tasmania (MRT) requirements not having been met. It is hoped that ongoing discussions with MRT will resolve the situation and either a transfer will be completed or the area of 55M/1989 will be resumed into RL1/2009.

(g) **Great Pyramid (RL2/2009)**

The Great Pyramid project is centred on a potentially large, vein swarm tin deposit located on a prominent conical hill. Any development would benefit from a low stripping ratio and hence relatively lower mining costs in the event of an open-cut operation. The project is attractively located with respect to infrastructure.

The mineralisation was discovered more than a century ago and has been explored in several phases. Early exploration in the period 1909-1914 included the driving of numerous adits into the hill to assess the potential of the mineralisation. However, many appear to have been driven in parallel to the preferential direction of the northeast to southwest striking fractures that host the mineralisation and consequently have been at a less than optimal orientation to test the mineralisation.

Aberfoyle, BHP and Shell undertook significant amounts of work including diamond and percussion drilling over a 20 year period between the 1960s and 1980s. Although confirming the tin mineralisation, the erratic grade distribution prevented robust resource estimates.

TNT used historical data from percussion drilling to establish a maiden JORC Inferred Resource of 5Mt @ 0.2% tin. Deeper, widely-spaced drilling (not used in the JORC estimate) indicates that the mineralisation is open at depth. A deep diamond hole drilled in 1984 encountered mineralisation of a similar tenor at much greater depth, indicating that the system has the potential to be quite large.

2.3 Information in relation to NIU

NIU is a company registered in Australia and is making the Offer. NIU is incorporated in Australia. NIU is an ASX-listed mining company with mining leases and exploration tenements at Edie Creek, and exploration prospects at Bolobip and May River, all in Papua New Guinea.

Section 3 of the Bidder's Statement provides background and financial information regarding NIU.

2.4 Profile of the Combined Group

For details of the Combined Group, TNT Shareholders should refer to section 5 of the Bidder's Statement.

2.5 Superior proposal

If you accept the Offer, then unless you are able to withdraw your acceptance in the circumstances described in Section 5.7 of this Target's Statement you will forego the opportunity to benefit from any superior proposal by another party for your TNT Shares should such proposal eventuate. As at the date of this Target's Statement, the Independent TNT Directors are not aware of any plans for a superior proposal.

If NIU varies the Offer to increase the consideration it is offering for your TNT Shares, you will be entitled to receive the increased consideration even if you have already accepted the Offer, unless one of the defeating conditions attached to the revised offer is triggered and NIU does not waive that condition, in which case the revised offer will lapse and you will retain your TNT Shares.

2.6 TNT funding requirements

As at the date of this Target's Statement, TNT has minimal cash reserves. In order to fulfil its funding commitments in respect of its projects and otherwise maintain TNT's operations, TNT

requires additional capital. In view of current equity market conditions, the Independent TNT Directors consider that this will be difficult to attain in sufficient quantities and, if attained, will be quite dilutive. The Independent TNT Directors are not aware of any alternative opportunities to sell TNT mineral tenements assets, and sale of any tenements would lead to a shrinking project base.

Should TNT be unable to meet annual minimum expenditure commitments, it may be required to relinquish some of its exploration tenements.

NIU's intentions in relation to funding requirements are set out in section 5.2 of the Bidder's Statement. NIU has indicated that it is likely to undertake a share purchase plan to raise additional capital to support the ongoing activities of the Combined Group.

2.7 Likelihood of the conditions being satisfied

The Offer is subject to a number of conditions, which are outlined in section 10 of Annexure A of the Bidder's Statement.

Whilst the TNT Directors believe that the conditions are likely to be satisfied, you should be aware that there is a risk that some of the conditions may not be satisfied. If this occurs, and NIU does not waive the conditions, the Offer will lapse and you will retain your TNT Shares.

2.8 NIU's intentions with respect to the Offer and TNT

You should read section 6 of the Bidder's Statement which details NIU's intentions in respect of the businesses, assets and employees of TNT.

2.9 Risk factors

Section 8 of the Bidder's Statement outlines the risks that TNT Shareholders may face when investing in NIU Shares. Please read this information carefully. If you require further information regarding such risks in order to make a decision as to whether or not to accept the Offer, please contact your professional adviser.

Neither TNT nor any of its officers or advisers accepts any liability or responsibility in respect of movement in the price of NIU Shares before, during or following the close of the Offer.

2.10 Taxation

The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances.

Shareholders should refer to section 7 of the Bidder's Statement which contains a discussion of certain possible tax implications for TNT Shareholders. It is not intended to be an authoritative or complete statement of the tax position applicable to any given TNT Shareholder.

You should note that scrip-for-scrip capital gains tax roll-over relief may be available if you accept the Offer. The tax consequences for you will depend on your individual circumstances. You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offer.

Foreign shareholders are encouraged to seek their own advice in relation to any financial or taxation consequences in their home country that may arise as a consequence of accepting the Offer.

Neither TNT nor any of its officers or advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

2.11 TNT Shareholders with a registered address outside Australia

NIU is not making the Offer to TNT Shareholders that are "Ineligible Foreign Shareholders" (as that term is defined in the Bidder's Statement). If you are considered an "Ineligible Foreign Shareholder" then, unless determined otherwise by NIU, you will not be entitled to receive the Offer Consideration and would instead receive the cash proceeds from a sale of the NIU Shares to which you would otherwise have been entitled. Refer to section 9.19 of the Bidder's Statement for details on the treatment of "Ineligible Foreign Shareholders".

If you are a TNT Shareholder with a registered address outside of Australia and its external territories or New Zealand and you require confirmation of your entitlement to Offer Consideration upon an acceptance the Offer, you should contact the company secretary of NIU:

Mr Mark Ohlsson 0400 801 814

3. TNT Directors' recommendations and interests

3.1 Details of TNT Directors

The TNT Directors as at the date of this Target's Statement are:

(a) Professor Ian Plimer (Chairman)

(b) Mr Michael Beer (Managing Director)

(c) Mr Tracey Lake (Non-executive Director)

(d) Mr Andrew Drummond (Non-executive Director)

3.2 TNT Directors' interests in TNT Securities

At the date of this Target's Statement, the TNT Directors have the following direct and indirect interests in TNT Securities:

TNT Director	Number of TNT Shares
Professor Ian Plimer	625,000
Mr Tracey Lake	Nil
Mr Michael Beer	Nil
Mr Andrew Drummond	2,851,254

Professor Ian Plimer holds a directorship and shares in each of TNT and NIU. Professor Plimer has not voted at TNT's Board meetings, or been involved in any negotiations relating to the Offer or the adoption of this Target's Statement on behalf of TNT. Professor Plimer has been involved in the preparation of the Target's Statement to the extent only that his involvement has been required in undertaking the due diligence investigations necessary to prepare and verify the Target's Statement.

Mr Tracey Lake holds shares in NIU, and is a non-executive director of TNT and the Managing Director of NIU. Mr Lake has not voted at TNT's Board meetings, or been involved in any negotiations relating to the Offer or the adoption of this Target's Statement on behalf of TNT. Mr Lake has been involved in the preparation of the Target's Statement to the extent only that his involvement has been required in undertaking the due diligence investigations necessary to prepare and verify the Target's Statement.

Each company has sought and received its own independent legal advice with respect to the Offer.

For the reasons outlined above, both Professor Plimer and Mr Lake are of the opinion that it is not appropriate to make a recommendation to the TNT Shareholders in relation to the Offer, and as such, each of them have abstained from making such recommendation.

3.3 Recommendation of TNT Directors

Each Independent TNT Director recommends that TNT Shareholders accept the Offer in respect of their TNT Shares, for the reasons set out in this Target's Statement in the absence of a superior proposal.

3.4 TNT Directors' intentions in relation to personal holdings

Each TNT Director who holds or controls TNT Shares intends to accept the Offer, in the absence of a superior proposal.

3.5 TNT Directors' relationship to NIU

Andrew Drummond owns 2,700,000 NIU Shares.

Ian Plimer owns 615,000 NIU Shares and 2,500,000 NIU Options. Professor Plimer has also applied for 2,000,000 NIU Shares via NIU's August 2013 rights issue provision to apply for over-subscriptions. Acceptance of that application will require approval of NIU Shareholders at a General Meeting.

Tracey Lake owns 16,927,084 NIU shares and 6,000,000 NIU Options.

3.6 No agreement with any TNT Director in connection with the Offer

Except as set out in this Target's Statement, there is no agreement or arrangement made between any TNT Director and any other person in connection with or conditional on the outcome of the Offer.

3.7 Benefits

NIU has committed to appointing Mr Andrew Drummond to the NIU board of directors if the Offer is successful.

TNT does not propose and, except as otherwise disclosed in this Target's Statement, is not aware of any proposal in connection with the Offer that will confer a benefit:

(a) on any person in connection with the retirement of that person from a board or managerial office of TNT or related body corporate of TNT; or

(b) that will or may be given to any person in connection with the transfer of the whole or any part of TNT's undertaking or property.

None of Professor Plimer, Mr Drummond and Mr Lake has received any remuneration at any time, in either cash or scrip, for their directorship duties for TNT.

4. Your choices as a TNT Shareholder

If you are a TNT Shareholder, you have 3 choices available to you:

- accept the Offer;
- sell your TNT Shares; or
- do nothing.

The TNT Directors encourage you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your TNT Shares.

4.1 Accept the Offer

Each of the Independent TNT Directors recommends that you accept the Offer.

Each of the TNT Directors intends to accept the Offer in respect of all the TNT Shares they own or control.

Details of how to accept the Offer are set out in section 2 of the Bidder's Statement. Your acceptance of the Offer must be completed before 7:00 pm (Sydney time) on 22 October 2013 unless the Offer Period is extended.

If you accept the Offer, you will not be able to sell your TNT Shares to anyone else, or accept any superior proposal that might emerge, unless the Offer is unsuccessful or the Offer is extended by a period of more than one month while still conditional.

The taxation implications of accepting the Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the Australian tax consequences of accepting the Offer is set out in section 7 of the Bidder's Statement. You should seek your own specific professional advice regarding the taxation consequences for you of accepting the Offer.

4.2 You may sell your TNT Shares

If you do not wish to accept the Offer and do not wish to retain your TNT Shares, you may seek to sell your TNT Shares. However, as TNT Shares are not listed on any stock exchange, there is currently no ready market for TNT Shares.

4.3 You may do nothing and remain a TNT Shareholder

If you do not wish to accept the Offer and wish to retain your TNT Shares, you do not need to take any action.

If you do not accept the Offer and NIU becomes entitled to compulsorily acquire your TNT Shares under the Corporations Act (as it intends to do), you may receive your consideration later than TNT Shareholders who choose to accept the Offer. Refer to Section 5.10 of this Target's Statement for details on compulsory acquisition.

Further, if the Offer is successful (i.e. each of the defeating conditions attached to the Offer is satisfied or not triggered as appropriate, or are waived) but NIU does not become entitled to compulsorily acquire your TNT Shares, you will remain a minority TNT Shareholder.

4.4 TNT Options

Prior to the date of this Target's Statement and pursuant to agreements with TNT Optionholders to cancel their TNT Options for no consideration, the Board of TNT has cancelled all outstanding

TNT Options, with the exception of one holding of 200,000 TNT Options. The TNT Board intends to enter into an agreement with the remaining TNT Optionholder to cancel the outstanding TNT Options for nil consideration.

5. Important information about the Offer

5.1 Offer Consideration

NIU announced an intention to make a takeover offer on 30 July 2013 for all TNT Shares.

The Offer Consideration is one NIU Share for every TNT Share held.

5.2 Offer is conditional

The Offer is subject to a number of conditions as set out in Section 10 of Annexure A of the Bidder's Statement.

The majority of the conditions are outside TNT's control and your Independent Directors are therefore unable to provide any indication as to whether those conditions will be satisfied.

As at the date of this Target's Statement, TNT is not aware of any act, omission, event or fact that would result in the breach or non-satisfaction of a condition to the Offer and that has not been waived by NIU. While the TNT Directors have no reason to believe that the conditions to the Offer will not be satisfied, TNT is not in a position to state whether the conditions to the Offer will be satisfied.

5.3 Implications of conditions not being satisfied

Any conditions of the Offer which are not satisfied (or are triggered, as appropriate) may be waived by NIU at any time.

If any condition is unsatisfied (or has been triggered) and has not been waived, NIU will have a choice either to proceed with the acquisition of TNT Shares under the Offer or to allow the Offer to lapse with unsatisfied conditions.

5.4 Offer Period

The Offer will be open for acceptance from 23 September 2013 until 7:00 pm (Sydney time) on 22 October 2013, unless extended or withdrawn.

5.5 Extension of the Offer Period

NIU may extend the Offer Period for the Offer at any time before giving the Conditions Notice (as described in Section 5.9 below) while the Offer remains subject to conditions. However, if the Offer is unconditional (that is all the conditions of the Offer are satisfied or waived), NIU may extend the Offer Period for the Offer at any time before the end of the Offer Period. The Offer Period cannot be longer than 12 months.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

(a) NIU improves the consideration under the Offer; or

(b) NIU's voting power in TNT increases to more than 50%.

If either of these events occur, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

5.6 Withdrawal of the Offer

NIU may not withdraw the Offer if you have already accepted it.

Before you accept the Offer, NIU may withdraw the offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

5.7 Withdrawal of your acceptance

Once you accept the Offer (even while it remains subject to defeating conditions) you will not be able to sell or otherwise deal with your TNT Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

TNT Shareholders may only withdraw their acceptance of the Offer if:

(a) the Offer conditions are not satisfied or waived by the end of the relevant Offer Period. In that situation, you will be free to deal with your TNT Shares; or

(b) NIU varies the relevant Offer in a way that postpones the time when NIU is required to satisfy its obligations by more than one month, for example if NIU extends the relevant Offer Period by more than one month, while the relevant Offer is still conditional. TNT Shareholders who accept the Offer (even while it is still subject to conditions) will give up their rights to sell or otherwise deal with their TNT Shares, until withdrawal rights are exercised.

5.8 When you will receive the Offer Consideration

If you accept the Offer, and the Offer becomes unconditional, you will receive the Offer Consideration to which you are entitled not later than one month after the later of the date you accept the Offer and the date the Offer becomes unconditional.

There are, however, certain exceptions to the above time frames for receiving the Offer Consideration. Refer to sections 8 and 9 of Annexure A of the Bidder's Statement for full details of when you will receive the Offer Consideration.

5.9 Notice of status of conditions

The Bidder's Statement indicates that NIU will give a notice of status of conditions for the Offer (the **Conditions Notice**) to ASIC and TNT on 14 October 2013.

NIU is required to set out in the Conditions Notice:

(a) whether the Offer is free of any or all of the conditions of the Offer;

(b) whether, so far as NIU knows, any of the conditions have been fulfilled; and

(c) NIU's then current voting power in TNT.

If the Offer Period is extended before the time by which that notice is to be given, the date that NIU must give its Conditions Notice will be taken to be postponed for the same period. In the event of such an extension, NIU is required, as soon as reasonably practicable after the extension, to give a notice to ASIC and TNT that states the new date for giving the Conditions Notice.

In addition, if a condition of the Offer is fulfilled during the Offer Period but before the date on which the Conditions Notice is required to be given, NIU must, as soon as practicable, give ASIC and TNT a notice that states that the particular condition has been fulfilled.

5.10 Compulsory acquisition

NIU has stated in section 6 of the Bidder's Statement that it intends to compulsorily acquire all outstanding TNT Shares if it is entitled to do so.

The two types of compulsory acquisition under Chapter 6A of the Corporations Act are discussed below.

"Follow on" compulsory acquisition

Under Part 6A.1 of the Corporations Act, if, at the end of the Offer Period, NIU has (together with its Associates):

(a) a Relevant Interest in at least 90% (by number) of TNT Shares; and

(b) acquired at least 75% (by number) of TNT Shares for which it has made the Offer,

then NIU will be entitled to compulsorily acquire any outstanding TNT Shares and for which it did not receive acceptances, on the same terms as the Offer.

If these thresholds are met, NIU will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to TNT Shareholders who have not accepted the Offer. TNT Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant TNT Shareholders to establish to the satisfaction of a court that the terms of the Offer do not represent "fair value".

TNT Shareholders should be aware that if they do not accept the Offer and their TNT Shares are compulsorily acquired, those TNT Shareholders will face a delay in receiving the Offer Consideration compared with TNT Shareholders who have accepted the Offer, however they will be paid the last price offered by NIU for TNT Shares before compulsory acquisition began.

NIU must offer to buy out remaining TNT Shares held by TNT Shareholders if NIU (and its Associates) has a Relevant Interest in at least 90% of TNT Shares (by number) at the end of the Offer Period. The terms of the buy-out offer must be set out in a notice given within one month of the end of the Offer Period and the TNT Shareholders (that have not accepted the Offer) must accept the buy-out offer within one month of receiving the notice.

General compulsory acquisition

TNT Shareholders should also be aware that if NIU does not become entitled to compulsorily acquire TNT Shares in accordance with Part 6A.1 of the Corporations Act, NIU may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act.

6. Additional information

6.1 Subscription and Implementation Deed

TNT and NIU entered into a Subscription and Implementation Deed on 19 June 2013. For information relating to the Subscription and Implementation Deed, refer to Section 9.17 of the Bidder's Statement.

6.2 Litigation

As at the date of this Target's Statement, the TNT Directors have no knowledge or expectation of any litigation or dispute that may have a material impact on your decision to accept the Offer.

6.3 Consents

This Target's Statement contains statements made by, or said to be based on statements made by, TNT Directors. Each of TNT's Directors has consented to the inclusion of each statement he or she has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Target's Statement.

Clayton Utz have consented to being named in this Target's Statement as legal adviser to TNT in the form and context in which they are named and have not withdrawn their consent as at the date of this Target's Statement. Clayton Utz have not authorised or caused TNT to issue this Target's Statement and take no responsibility for any part of this Target's Statement other than references to their name.

DMR Corporate Pty Ltd have consented to being named in this Target's Statement as Independent expert in the form and context in which they are named and have not withdrawn their consent as at the date of this Target's Statement. DMR Corporate Pty Ltd do not make, or purport to make any statement in this Target's Statement other than those statements contained within their Independent Expert report.

Mining One Pty Ltd have consented to being named in this Target's Statement as Independent technical expert in the form and context in which they are named and have not withdrawn their consent as at the date of this Target's Statement. Mining One Pty Ltd do not make, or purport to make any statement in this Target's Statement other than those statements contained within their Independent Technical report which is included in the Independent Expert's Report.

6.4 Effect of the Offer on TNT's material contracts

The Option to Purchase Agreement in relation to the Moina Project (**Option to Purchase**) provides TNT with certain rights in respect of the Moina project, including an option to purchase an 80% interest in the rights, title and interests in the relevant tenement. The Option to Purchase provides that if TNT is not listed on the ASX by 30 March 2014, the parties to that agreement will meet to prepare an appropriate new agreement. If the Offer is successful, it is very unlikely that TNT will be listed on the ASX by 30 March 2014 (other than as a subsidiary of NIU). It is therefore likely that, in the event of a successful Offer, the Option to Purchase will need to be renegotiated by the parties.

6.5 No other material information

This Target's Statement is required to include all the information that TNT Shareholders and their respective professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but only to the extent to which it is reasonable for TNT Shareholders and their respective professional advisers to expect to find this information in this Target's Statement, and only if the information is known to any TNT Director.

The Independent TNT Directors are of the opinion that the information that TNT Shareholders and their respective professional advisers would reasonably require to make an informed assessment whether to accept the Offer is in:

(a) the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);

(b) documents lodged by TNT with ASIC before the date of this Target's Statement; and

(c) the information contained in this Target's Statement.

The Independent TNT Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate. However, the TNT Directors and their advisers do not take any responsibility for the contents of the Bidder's Statement, and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Independent TNT Directors have had regard to:

- the nature of TNT Shares;
- the matters that TNT Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisers of TNT Shareholders; and
- the time available to TNT to prepare this Target's Statement.

7. Definitions and interpretation

7.1 Definitions

$	Australian dollars unless otherwise stated
Acceptance Form	an acceptance form enclosed within the Bidder's Statement
AEST	Australian Eastern Standard Time
Announcement Date	the date on which the Offer was announced, being 30 July 2013
ASIC	the Australian Securities and Investments Commission
Associate	has the meaning given in section 12 of the Corporations Act
ASX	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it
Bidder's Statement	NIU's replacement bidder's statement dated 19 September 2013 (replacing the original bidder's statement dated 5 September 2013)
Business Days	has the meaning given to that term in the ASX Listing Rules
CGT	Capital Gains Tax
Combined Group	has the meaning given in Section 1.3
Corporations Act	Corporations Act 2001 (Cth) (as modified or varied by ASIC)
Independent TNT Directors	all directors of TNT, other than Professor Ian Plimer and Mr Tracey Lake
Listing Rules	the official listing rules of ASX, as amended from time to time
NIU	Niuminco Group Limited ACN 009 163 919
NIU Option	an option to subscribe for an NIU Share
NIU Share	a fully paid ordinary share in the capital of NIU
NIU Shareholders	a holder of NIU Shares
Offer	the offer by NIU to acquire TNT Shares on the terms contained in the Bidder's Statement
Offer Consideration	the consideration to be offered to TNT Shareholders under the Offer, being one NIU Share for every TNT Share held
Offer Period	the period from 23 September 2013 until 7:00 pm (Sydney time) on 22 October 2013, unless the Offer is extended
Relevant Interest	has the meaning given in section 9 of the Corporations Act
Section	a section of this Target's Statement

Subsidiary	has the meaning given in the Corporations Act
Target's Statement	this document, being TNT's target's statement
TNT	TNT Mines Limited ACN 107 244 039
TNT Director	a director of TNT
TNT Option	an option to subscribe for a TNT Share
TNT Optionholder	a holder of TNT Options
TNT Securities	TNT Shares and TNT Options
TNT Shareholders	a holder of TNT Shares
TNT Share	a fully paid ordinary share in the capital of TNT
TNT Shareholder	a person who is registered in the TNT share register as a holder of TNT Shares

7.2 Interpretation

In this Target's Statement, unless the context requires otherwise:

(a) all words and phrases in this Target's Statement have the meaning given to them, if any, in the Corporations Act;

(b) the singular includes the plural and vice versa;

(c) a gender includes all genders;

(d) a reference to a person includes a corporation, other body corporate, unincorporated body, partnership, joint venture or association and vice versa;

(e) headings are for ease of interpretation and do not affect meaning or interpretation;

(f) where a term is defined, its other grammatical forms have a corresponding meaning; and

(g) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.

8. Approval of Target's Statement

This Target's Statement is dated 19 September 2013 (being the date on which this Target's Statement was lodged with ASIC) and has been approved by a resolution of the TNT Directors.

Signed for and on behalf of **TNT Mines Limited**:

Mr. Michael Beer
Managing Director

Corporate Directory

TNT Directors

Professor Ian Plimer

Mr Michael Beer

Mr Tracey Lake

Mr Andrew Drummond

Legal Adviser

Clayton Utz
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Share Registry*

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000
Australia

Auditor*

Bentleys
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West Perth WA 6005
Australia

* For informational purposes only. Entity has not been involved in the preparation of this Target's Statement.

Annexure A - Independent Expert's Report

DMR CORPORATE

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INDEPENDENT EXPERT'S REPORT and FINANCIAL SERVICES GUIDE

19 September 2013

The Directors
TNT Mines Limited
20 Kings Park Road,
West Perth
WA 6005

Dear Sirs,

1. Introduction

You have requested DMR Corporate Pty Ltd ("DMR Corporate") to prepare an independent expert's report in respect of an offer by Niuminco Group Limited ("Niuminco") to acquire all of the shares in TNT Mines Limited ("TNT" or "the Company"). Under the offer TNT shareholders will receive 1 Niuminco share for every 1 TNT share.

Niuminco is a company whose shares are listed on the Australian Securities Exchange ("ASX").

The directors of TNT are to issue a Target's Statement, in response to the Bidder's Statement from Niuminco, which will include their recommendation as to whether the TNT shareholders should accept the offer.

Our report has been commissioned by the TNT directors to assist the TNT shareholders in forming an opinion as to whether they should accept or reject the Niuminco offer. The report is to be included as an Appendix to the Target's Statement to be issued to shareholders by TNT.

2. Terms of the Niuminco Takeover Offer

2.1 Terms of the Offer

On 30 July 2013 Niuminco released an ASX announcement that it will be making an off-market offer for all of the fully paid ordinary shares in the capital of TNT in which it does not already have a relevant interest. Under the offer TNT shareholders will receive 1 Niuminco share for every 1 TNT share ("the Offer").

2.2 Condition of the Offer

It is a condition of the Offer that the holders of all options over ordinary TNT shares agree to the cancellation of such options for no consideration, such cancellation to be effective by no later than the end of the offer period.

Apart from the above, the Offer is subject to the usual no material adverse change and no prescribed occurrences conditions.

2. Opinions

We have concluded that the Offer **made to the TNT shareholders is not fair, however we consider it to be reasonable in the absence of a superior offer.**

Our principal reason for reaching the above opinion is that we have valued the TNT shares before the Offer, on a control basis, in a range of $0.029 to $0.040 per share and we valued the Niuminco shares on a minority basis, assuming the Offer is successful, in a range of $0.011 to $0.025 per share. As the current control value of the TNT shares exceeds the minority value of the Niuminco shares following implementation of the takeover Offer we consider that the offer is not fair.

Although the Offer has been determined to be not fair, in Section 10.2 we evaluated a range of other factors and concluded that the Offer is **reasonable**. The key factor in reaching this conclusion is our assessment that no single shareholder controls **TNT** and individual shareholders hold minority shares. When assessed on a minority basis (i.e. after eliminating the premium for control), the TNT shares are valued in a range of $0.022 to $0.030, however these values assume liquidity and the TNT shares are illiquid. Shares in unlisted companies are less valuable because they are not marketable. After reducing the value of TNT shares by a typical marketability discount of 20% to 30%, the TNT share values are reduced to a range of $0.015 to $0.024. This means that the TNT shareholders are effectively swapping their minority TNT shares valued in a range of $0.015 to $0.024 (after taking into account their illiquidity) for Niuminco shares valued after the acquisition of TNT in a range of $0.011 to $0.025. On that basis the Offer could be seen as being fair.

3. Structure of this Report

This report is divided into the following sections:

4. Purpose of the Report

Section 640 of the Corporations Act 2001 ("the Act") states that a Target's Statement made in response to a takeover offer must be accompanied by an independent expert's report if:

- the bidder's voting power in the target is 30% or more; or
- a director of the bidder is also a director of the target company.

In terms of the current Offer, Professor Ian Plimer and Mr Tracey Lake are directors of both TNT and Niuminco and accordingly the TNT directors have engaged DMR Corporate to prepare an independent expert's report for the purposes of the Act. The independent expert's report is to set out the opinion of DMR Corporate as to whether the Offer is fair and reasonable and to state the reasons for this opinion.

The DMR Corporate report is a general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual TNT shareholders. Because of that, before acting in relation to their investment, shareholders should consider the appropriateness of the advice in relation to their own objectives, financial situation or needs. Shareholders should read the Bidder's Statement issued by Niuminco and the Target's Statement issued by TNT in relation to the Offer.

Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 ("RG111") defines the words "fair" and "reasonable" as:

Fair	-	"an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison."
Reasonable	-	"an offer is 'reasonable' if it is fair. It may also be 'reasonable' if, despite not being 'fair' but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer."

The RG111 definitions of "fair" and "reasonable" as set out above are designed to ensure that the shareholders of a target receive a fair premium for gaining control of their company from the bidder.

Niuminco announced on 30 July 2013 that it intends to make a takeover bid for all of the issued shares in TNT. The terms of the offer detailed in Section 1 above, involve the issue of Niuminco shares for TNT shares.

If the Offer is successful, the TNT shareholders will become shareholders in the expanded capital of Niuminco. We therefore need to consider whether the proposal is a control transaction and whether a premium for control should form part of the offer consideration. In making this assessment we have considered the following:

- shareholders in TNT and Niuminco will hold shares in the merged entity in the approximate proportions of 16.8% and 83.2% respectively following the merger.

- no one shareholder will control more than 22.4% of the Niuminco shares immediately following the implementation of the Offer.

- 1 TNT director will be appointed to the Niuminco board of directors following the merger making a total of 4 Niuminco directors. The current Niuminco directors will control the Board following the implementation of the Offer.

On the basis of the above, and bearing in mind the requirements of RG111, we consider that this transaction should be viewed as a takeover rather than as a merger of equals.

In framing the methodology that we have used to form an opinion as to whether the Offer is fair and reasonable to the TNT shareholders, we have:

(i) In determining whether the Offer is fair, we have:

- valued TNT and its shares on a control basis;

- valued Niuminco on a control basis;

- assessed the value of Niuminco shares after the acquisition of TNT on a minority basis;

- compared the value of a TNT share on a control basis before the takeover with the value of a Niuminco share after completion of the takeover on a minority basis.

(ii) In determining whether the Offer is reasonable, we have analysed the advantages and disadvantages of accepting the Offer and not accepting the Offer.

5. TNT - Key Information

5.1 Overview

TNT was incorporated as a proprietary company on 2 December 2003, at which point the Company was named Allstrong Investments Pty Ltd.

In May 2007 the Company changed its name to Minemakers TTT Pty Ltd and it became a subsidiary of Minemakers Limited ("Minemakers"), an ASX listed company. In November 2010 Minemakers announced that it was going to spin off the Company via an in specie distribution. As part of this process the Company changed its status to that of a public company and adopted its current name. The demerger from Minemakers was completed in July 2011.

Since July 2011 TNT has been an unlisted public company that has been pursuing further exploration activities of its tenements, all of which are located in Tasmania.

At present TNT is focusing on a number of projects prospective for tin, tungsten and fluorspar, all of which are located in Tasmania.

TNT currently has an interest in the following tenements:

Tenement	Project	Prospective Mineral	TNT Interest
RL1/2009	Anchor	Tin	100%
RL2/2009	Great Pyramid	Tin	100%
EL27/2004	Aberfoyle-Lutwyche	Tin	100%
EL27/2004	Royal George	Tin	100%
EL63/2004	Oonah	Tin/Silver	75%
RL10/1988	Moina (Note 1)	Fluorspar	N/A

Note 1 TNT holds an option to acquire an 80% interest in this project

Full description of the tenements and the projects are set out in Attachment I.

5.2 Share Capital

As at 20 June 2013, TNT had on issue 109,541,285 fully paid ordinary shares. TNT's 10 major shareholders are presented in Table 1 below and they held 42.51% of the issued fully paid ordinary shares.

Table 1

Shareholder Name	Shares	%
Niuminco Group Limited	21,908,250	20.00%
Minemakers Limited	15,619,524	14.26%
Dr Leon Eugene Pretorius	2,500,000	2.28%
Mr A J Drummond & Mrs S M Drummond	1,754,543	1.60%
Mr Paul Winston Askins	1,193,741	1.09%
HSBC Custody Nominees <Australia> Limited	944,486	0.86%
Mr James Ian Stewart	809,164	0.74%
Ian Plimer <Inkex Superannuation Fun A/C>	625,000	0.57%
Zelia Pty Ltd <Krill Super Fund A/C>	625,000	0.57%
Citicorp Nominees Pty Limited	585,014	0.53%
	46,564,722	42.51%

In addition to the issued shares TNT also had 19,175,000 options on issue as at 30 June 2013. The options were exercisable at $0.30 per share and were due to expire on 28 February 2015.

It is a condition of the Offer that these options be cancelled. TNT is contacting all option holders and seeking their permission to cancel the options.

5.3 Directors

TNT currently has 4 directors and their names are:

Professor Ian Plimer - Chairman
Michael Beer – Managing Director
Andrew Drummond – Non-executive Director
Tracey Lake – Non-executive Director

5.4 Operating Performance

TNT's audited Statements of Comprehensive Income for the financial years ended 30 June 2011, 2012 and 2013 are set out in Table 2 below:

Table 2 Consolidated Statement of Comprehensive Income	Year ended 30 June 2011 $ Audited	 2012 $ Audited	 2013 $ Audited
Revenue			
Interest Income	855	54,764	6,305
Gain on financial liabilities forgiven	-	1,521,159	-
Grant income	-	93,007	12,844
Expenditure			
Depreciation expense	-	(2,949)	(4,249)
Salaries and employee benefits expense	(73,306)	(156,441)	(23,076)
Corporate expenses	(72,814)	(142,152)	(75,732)
Administration expenses	(13,288)	(45,822)	(51,377)
Other expenses	(37,532)	(13,885)	(3,326)
Consulting fees	(280,948)	(126,549)	(330,204)
Travel and accommodation expenses	(59,625)	(50,705)	(26,048)
Interest expense	(38,450)	-	-
Exploration costs written off	-	(183,682)	(245,865)
Impairment of available-for-sale financial assets	-	-	(503,889)
Share based payment expense	-	(81,914)	-
Profit/(loss) before income tax	(575,108)	864,831	(1,244,617)
Income tax benefit/(expense)	(471,521)	131,108	220,864
Profit/(loss) for the year	(1,046,629)	995,939	(1,023,753)

Source: TNT's 2012 and 2013 Annual Reports.

5.5 Statements of Financial Position

TNT's audited Statements of Financial Position as at 30 June 2011, 2012 and 2013 are set out in Table 3 below:

Table 3

Consolidated Statement of Financial Position	30-Jun-11 $ Audited	30-Juu-12 $ Audited	30-Jun-13 $ Audited
Current assets			
Cash and cash equivalents	301,102	725,103	89,826
Trade and other receivables	86,974	258,148	135,059
Total current assets	388,076	983,251	224,885
Non-current assets			
Available-for-sale financial assets	-	-	153,358
Plant and equipment	-	25,592	21,343
Capitalised exploration and evaluation expenditure	2,492,686	3,183,554	3,275,279
Total non-current assets	2,492,686	3,209,146	3,449,980
Total assets	2,880,762	4,192,397	3,674,865
Current liabilities			
Trade and other payables	358,650	129,664	52,628
Provisions	7,731	10,423	-
Borrowings	1,000,000	-	-
Total current liabilities	1,366,381	140,087	52,628
Non current liabilities			
Deferred tax liabilities	737,536	606,428	385,564
Total non-current liabilities	737,536	606,428	385,564
Total liabilities	2,103,917	746,515	438,192
Net assets/(liabilities)	776,845	3,445,882	3,236,673
Equity			
Issued capital	2,096,678	3,687,862	4,502,406
Reserves	-	81,914	81,914
Accumulated losses	(1,319,833)	(323,894)	(1,347,647)
Total equity	776,845	3,445,882	3,236,673

Source: TNT's 2012 and 2013 Annual Reports.

5.6 Cash Flow Statements

TNT's audited Statements of Cash Flow for the financial years ended 30 June 2011, 2012 and 2013 are set out in Table 4 below:

Table 4 Consolidated Statement of Cash Flows	Year ended 30 June 2011 Audited $	 2012 Audited $	 2013 Audited $
Cash flows from operating activities			
Interest received	855	16,314	6,305
Payments to suppliers and employees	(386,004)	(476,749)	(475,230)
Research and development tax receipt	-	-	105,616
Expenditure on mining interests	(248,231)	(594,016)	(446,311)
Net cash used in operating activities	(633,380)	(1,054,451)	(809,620)
Cash flows from investing activities			
Purchase of plant and equipment	-	(28,541)	-
Payments for security deposits	(67,775)	(84,191)	-
Receipts from security deposits	-	-	17,046
Loans from related parties	1,000,000	-	-
Net cash used in investing activities	932,225	(112,732)	17,046
Cash flows from financing activities			
Proceeds from issue of shares	-	1,591,184	157,297
Net cash provided by financing activities	-	1,591,184	157,297
Net increase in cash held	298,845	424,001	(635,277)
Cash at beginning of financial period	2,257	301,102	725,103
Cash at end of financial period	301,102	725,103	89,826

Source: TNT's 2012 and 2013 Annual Reports.

6. Valuation of TNT Shares

6.1 Value Definition

DMR Corporate's valuation of TNT has been made on the basis of fair market value, defined as the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length.

6.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- net present value of future cash flows;
- asset based methods;
- alternate acquirer;
- capitalisation of future maintainable earnings; and
- comparable market transactions.

Each of the above methodologies is described and where possible applied in the balance of this Section 6.

6.3 Share Price History

The share price history valuation methodology values a company based on the past trading in its shares. For a company listed on the ASX we normally analyse the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

As TNT is an unlisted public company its shares are not readily tradable.

In January 2013 TNT issued an Offer Information Statement inviting shareholders to subscribe for up to 16 million shares at $0.030 per share, seeking to raise up to $480,000. TNT received subscriptions for 5,243,245 shares, raising $157,297 (before costs).

Based on the available evidence the TNT shares have a market value of $0.030 per share, however in our opinion only limited weight should be placed on the share price history in view of the unlisted nature of TNT's shares.

The above value is a minority value and this has to be increased by a premium for control in order to value the equity of TNT as a whole.

A recent published survey of control premiums in Australia[1] reported that the average and median takeover premiums in the metals and mining sector were 35.5% and 31.7% respectively. If these levels of control premium were added to the minority value of $0.030 per share, the share price values, on a control basis would be:

Table 5	Control Premium	
Minority Value	**31.7%**	**35.5%**
$0.030	$0.040	$0.041

After applying a typical level of control premium, the share price history values on a control basis will be in a range of $0.040 to $0.041 per TNT share.

6.4 Net Present Value of Future Cash Flows

An analysis of the net present value of the future cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period.

As TNT does not have any projects with committed and approved mining plans, we consider that the capitalisation of future cash flows is not an appropriate methodology to use to value TNT and its shares.

[1] RSM Bird Cameron Control Premium Study – June 2013.

6.5 Asset Based Methods

6.5.1 This methodology is based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) **Net Assets**

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realization costs.

(b) **Orderly Realisation of Assets**

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) **Liquidation of Assets**

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

6.5.2 **Net Assets**

The net assets of TNT as at 30 June 2013, per the audited annual report, were $3,236,673 or $0.030 per share.

The $0.030 per share is not a value that shareholders should necessarily expect to receive for their shares and it has not been included in our summary of values as the orderly realisation of assets valuation methodology supersedes this valuation methodology.

6.5.3 **Orderly Realisation of Assets**

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets or business segments on the basis of an assumed orderly realisation. Consequently, this method may ignore the ability of the businesses asset base to generate ongoing future earnings at a level sufficient to justify a value in excess of the value of its assets in an orderly realisation. Costs associated with the sale of the assets or business segments are deducted as part of the assessment.

TNT's main assets are its mineral exploration rights. We appointed Mining One Pty Ltd ("Mining One") to independently conduct a technical review and to prepare a valuation of all tenement holdings of both TNT and Niuminco.

We have reviewed the valuation report prepared by Mining One and discussed the valuation with Messrs. Stuart Hutchin and Tim Summons as they were responsible for preparation of the Mining One report.

A copy of the Mining One report dated September 2013 is set out as Attachment 1 to this report and the Executive Summary contains the following summary valuation of TNT's projects:

"TNT Mines Ltd Mineral Assets

TNT Mines have six mineral projects in Tasmania as follows:

1) The Oonah Project – includes several Advanced Exploration Areas

2) The Moina Project – classed as Pre-Development Project

3) The Aberfoyle-Storeys Creek Project - includes several Advanced Exploration Areas

4) The Royal George Project – classed as an Advanced Exploration Area

5) The Anchor Project - classed as an Exploration Area

6) The Great Pyramid Project - classed as an Advanced Exploration Area

The Technical Valuation ranges derived for all properties (excluding Moina) are as follows:

- Modified Kilburn Rating: $0.877M - $4.277M, and;
- Comparable Transactions: $3.353 - $4.887M

The TNT Mines mineral assets in Tasmania are considered to have a **Preferred Technical Value of $4.0M"**

For the purpose of assessing the value of TNT shares we have adopted the comparable transaction values, as the mid point of these values approximates the preferred technical value determined by Mining One.

Our assessment of the orderly realisation of TNT's net assets is set out in Table 6 below:

Table 6 Orderly Realisation of Net Assets	Note	30-Jun 2013 Audited $	Estimated Realisable Values Low $	High $
Current assets				
Cash and cash equivalents		89,826	89,826	89,826
Trade and other receivables	1	135,059	108,047	121,553
Total current assets		224,885	197,873	211,379
Non-current assets				
Available-for-sale financial assets	2	153,358	153,358	219,083
Plant and equipment	1	21,343	12,806	17,074
Capitalised exploration and evaluation expenditure	3	3,275,279	3,353,000	4,887,000
Total non-current assets		3,449,980	3,519,164	5,123,157
Total assets		3,674,865	3,717,037	5,334,536
Current liabilities				
Trade and other payables		52,628	52,628	52,628
Total current liabilities		52,628	52,628	52,628
Non current liabilities				
Deferred tax liabilities	4	385,564	398,216	883,465
Total non-current liabilities		385,564	398,216	883,465
Total liabilities		438,192	450,844	936,093
Net assets/(liabilities)		3,236,673	3,266,193	4,398,443
Realisation costs	5		(50,000)	(25,000)
Net realisable values			3,216,193	4,373,443
Shares on issue		109,541,285		
		Value per share	**0.029**	**0.040**

Note 1- Realisable values have been estimated by DMR Corporate.

Note 2 - Available-for-sale financial assets are the 21,908,250 shares in Niuminco issued to TNT as consideration for the 21,908,250 TNT shares issued to Niuminco on 19 June 2013. The low value reflects the impaired value as per TNT's 30 June 2013 financial statements and the high value values the Niuminco shares at $0.01 per share. Niuminco raised $586,058 at $0.01 per share pursuant to a rights issue that closed on 7 August 2013.

Note 3 - Realisable values based on the comparable transactions methodology have been assessed by Mining One as stated in Section 6.5.3 above. A full copy of the Mining One report is attached to this report.

Note 4 - The Deferred tax liability was adjusted by DMR Corporate to reflect the income tax impact arising from the differences between the book values and the estimated realisable values of TNT's assets.

Note 5 - Realisation costs have been estimated by DMR Corporate.

Based on the above assessment of orderly realisation values, TNT is valued on a control basis in a range of $3,216,193 to $4,373,443, say $3,200,000 to $4,400,000, or $0.029 to $0.040 per share.

6.6 Alternate Acquirer

The value that an alternative bidder may be prepared to pay to acquire the shares is a relevant valuation methodology to be considered.

As at the date of this report, we are not aware of any alternative offer and we consider that it would be unlikely that an alternative offer would be made without the support of the Board of the directors and the major shareholders.

6.7 Capitalisation of Future Maintainable Earnings

This method involves capitalising the future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

TNT does not have an operating business and we consider that the capitalisation of maintainable earnings is not an appropriate methodology to use to value TNT and its shares.

6.8 Comparable Market Transactions

Theoretically this is a sound valuation methodology as it is based on tangible evidence of other similar transactions (this is the methodology generally adopted in valuing real estate). We consider that this methodology is not an appropriate methodology to value the TNT shares as TNT holds a unique portfolio of mineral projects.

6.9 Conclusion

The valuation methodologies that we have considered are summarised as:

Table 7 VALUATION METHODOLOGY	Section	Low Per Share $	High Per Share $
Share price history	6.3	0.040	0.041
Net assets – orderly realization of net assets	6.5.3	0.029	0.040

In our opinion the orderly realization of assets valuation methodology is the preferred valuation methodology and we have therefore valued the TNT shares, on a control basis, in a range of $0.029 to $0.040 per share. These per share values extrapolate to a control value for the whole of TNT in a range of $3,200,000 to $4,400,000.

7. Niuminco – Key Informatiou

7.1 Background

Niuminco was incorporated on 31 January 1986 as Deep Sea Fisheries Pty Ltd. On 4 June1986 it changed its status to that of public company and it was listed on the ASX on 9 December 1986. In November 2008 it changed its name to DSF International Holdings Limited.

At a general meeting held on 9 May 2011 shareholders approved a change in the nature and scale of the company's activities and following this approval the company acquired Niuminco Limited, an unlisted public company that held a number of mineral exploration assets in New Guinea, and adopted its present name. Subsequently Niuminco issued a prospectus pursuant to which it raised $12 million.

Niuminco holds a number of gold exploration interests in Papua New Guinea. At May River and Bolobip Niuminco holds exploration licences. A joint venture partner is meeting the exploration costs at these two projects and is earning an interest of up to 72% in each joint venture.

At Edie Creek, the joint venture partner completed a drilling program in May 2013, earning a 17% interest in the project. At that point the joint venture partner elected to cease funding further exploration and surrendered the right to earn any further joint venture interest.

Full details of Niuminco's exploration assets are set out in Attachment I.

7.2 Share Capital

As at 30 June 2013, Niuminco had on issue 369,937,654 fully paid ordinary shares. This includes the 21,908,250 shares issued to TNT as consideration for the acquisition of Niuminco's initial 19.99% interest in TNT.

On 9 July 2013 Niuminco announced a renounceable rights issue to raise up to $924,844 at $0.01 per share. The rights issue closed on 7 August 2013, having raised $586,058, resulting in the issue of 58,605,787 shares.

As at the date of this report Niuminco has 434,114,690 shares on issue. Niuminco's 10 major shareholders (excluding TNT) are presented in Table 8 below and they held 65.69% of the issued fully paid ordinary shares.

Table 8 Shareholder Name	Shares	%
Victoria Park Investments Pty Ltd	116,755,799	26.90%
Mincor Resources NL	42,886,667	9.88%
Nepean Engineering Superannuation Fund P/L	20,891,014	4.81%
Michael Holdings Pty Ltd	20,001,296	4.61%
Goward Pty Ltd	16,927,084	3.90%
Harcode Pty Ltd	15,842,263	3.65%
GN & JD Mantle	15,600,000	3.59%
Kurraba Investments Pty Ltd	14,000,000	3.22%
Wolin Investments Pty Ltd	12,302,114	2.83%
Alan Davis Pty Ltd	9,508,929	2.19%
	284,715,166	65.59%

In addition to the issued shares, Niuminco also has the following options on issue:

Table 9 Expiry Date	Exercise Price $	Number
30/09/13	0.20	21,150,000
30/09/13	0.30	5,000,000
30/04/14	0.10	6,000,000
Total		32,150,000

7.3 Directors

Niuminco currently has 3 directors and their names are:

Terence Willsteed - Chairman
Tracey Lake – Managing Director
Professor Ian Plimer – Non-executive Director

7.4 Operating Performance

Niuminco's audited Statements of Comprehensive Income for the financial years ended 30 June 2011, 2012 and 2013 are set out in Table 10 below:

Table 10 Consolidated Statement of Comprehensive Income	Year ended 30 June 2011 $ Audited	 2012 $ Audited	 2013 $ Audited
Revenue			
Sale of gold & silver	3,218,852	-	-
Other income	60,719	399,919	23,168
	3,279,571	399,919	23,168
Expenses			
Employee benefits expense	(2,187,397)	(50,436)	-
Depreciation & amortisation expense	(964,209)	(434,429)	(261,861)
Professional services fees	(1,288,521)	(1,893,426)	(773,405)
Mining & exploration site costs	(2,140,190)	(21,435)	(1,789,484)
Travel & accommodation	(314,816)	(31,333)	(49,435)
Loss on disposal & write-off of fixed assets	(862,087)	(1,204,603)	(512,944)
Exploration write-off	-	(255,457)	(833,931)
Option expense	-	(347,885)	(58,446)
Other expenses from ordinary activities	(881,770)	(446,236)	(282,317)
Cost of listing	-	(2,906,814)	-
Finance costs	(581,375)	(125,890)	(88,175)
Net loss before tax	(5,940,794)	(7,318,025)	(4,626,830)
Income tax benefit	-	-	-
Net loss for the year	(5,940,794)	(7,318,025)	(4,626,830)
Other comprehensive ineome/(loss)			
Changes in foreign currency translation reserve	(456,020)	2,001,639	104,519
Total comprehensive income attributable to members of Niuminco	(6,396,814)	(5,316,386)	(4,522,311)

Source: Niuminco's 2012 and 2013 Annual Reports.

7.5 Statements of Financial Position

Niuminco's audited Statements of Financial Position as at 30 June 2011, 2012 and 2013 are set out in Table 11 below:

Table 11

Consolidated Statement of Financial Position	30-Jun-11 $ Audited	30-Jun-12 $ Audited	30-Jun-13 $ Audited
Current assets			
Cash and cash equivalents	112,294	694,314	559,551
Trade and other receivables	140,046	187,333	89,561
Prepayments	22,000	41,538	35,180
Other current assets	-	5,533,091	10,027,778
Total current assets	274,340	6,456,276	10,712,070
Non-current assets			
Exploration & evaluation expenditure	8,053,717	12,123,990	11,856,787
Plant, property & equipment	3,627,955	2,318,697	1,573,269
Investment in associate	-	-	153,359
Other non-current assets	-	-	29,168
Total non-current assets	11,681,672	14,442,687	13,612,583
Total assets	11,956,012	20,898,963	24,324,653
Current liabilities			
Bank overdraft	643,668	-	-
Interest bearing loans & borrowings	1,048,136	264,170	335,573
Trade and other payables	3,275,140	2,469,120	1,417,635
Convertible notes	3,703,781	-	-
Other current liabilities	-	5,533,091	10,027,778
Total current liabilities	8,670,725	8,266,381	11,780,986
Non current liabilities			
Interest bearing loans & borrowings	656,597	395,103	65,819
Total non-current liabilities	656,597	395,103	65,819
Total liabilities	9,327,322	8,661,484	11,846,805
Net assets/(liabilities)	2,628,690	12,237,479	12,477,848
Equity			
Contributed equity	21,259,660	35,425,066	40,129,300
Share based payment reserve	2,237,587	2,997,356	3,055,802
Foreign currency translation reserve	978,785	2,980,424	3,084,943
Accumulated losses	(21,847,342)	(29,165,367)	(33,792,197)
Total equity	2,628,690	12,237,479	12,477,848

Source: Niuminco's 2012 and 2013 Annual Reports.

7.6 Cash Flow Statements

Niuminco's audited Statements of Cash Flow for the financial years ended 30 June 2011, 2012 and 2013 are set out in Table 12 below:

Table 12 Consolidated Statement of Cash Flows	Year ended 30 June 2011 Audited $	 2012 Audited $	 2013 Audited $
Cash flows from operating activities			
Receipts from customers	3,218,852	-	-
Interest received	2,158	98,364	23,168
Payments to suppliers and employees	(6,986,635)	(3,384,984)	(622,755)
Payment for exploration & evaluation expenditure	-	-	(1,789,484)
Interest paid	(498,875)	(116,268)	(88,175)
Net cash used in operating activities	(4,264,500)	(3,402,888)	(2,477,246)
Cash flows from investing activities			
Proceeds from sale of property plant and equipment	947,050	233,099	18,835
Payments for property plant and equipment	(651,101)	(7,819)	(60,489)
Payments for exploration & evaluation expenditure	(1,808,425)	(2,353,981)	(657,393)
Net cash used in investing activities	(1,512,476)	(2,128,701)	(699,047)
Cash flows from financing activities			
Proceeds from issue of shares	1,882,183	8,296,619	3,073,621
Payment of share issue costs	-	(896,367)	(63,962)
Cash acquired on acquisition	-	15,581	-
Proceeds from convertible loans	3,621,281	-	-
Advances from related parties	648,422	900,000	304,500
Repayments to related parties	-	(31,919)	-
Repayment of shareholder loans	-	(246,933)	-
Advances to joint venture partner	-	(5,533,091)	(4,494,687)
Loan from joint venture partner	-	5,533,091	4,494,687
Repayment of borrowings / finance leases	(820,553)	(1,293,312)	(252,705)
Advances of staff	-	-	(32,491)
Repayments by staff	-	-	4,391
Net cash provided by financing activities	5,331,333	6,743,669	3,033,354
Net increase in cash held	**(445,643)**	**1,212,080**	**(142,939)**
Cash at beginning of financial period	(105,663)	(531,374)	694,313
Effect of exchange rate changes	19,932	13,607	8,176
Cash at end of financial period	**(531,374)**	**694,313**	**559,550**

Source: Niuminco's 2012 and 2013 Annual Reports.

8. Valuation of Niuminco

8.1 Value Definition and Valuation Methodologies

The value definition and valuation methodologies described in Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.6 and 6.7 above are also applicable in the valuation of Niuminco.

8.2 Share Price History

We normally analyze the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

Niuminco announced the proposal to acquire TNT on 19 June 2013 and on 30 July 2013 announced that it intends to proceed with the bid.

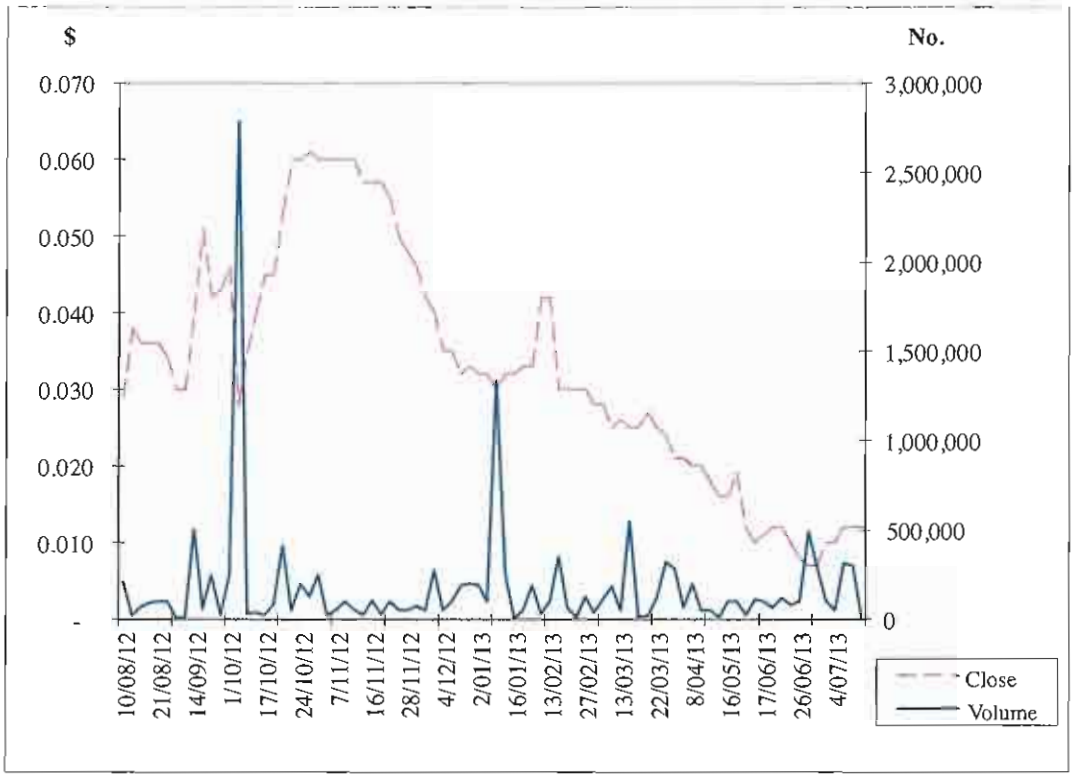
Other announcements to the ASX made by Niuminco since 1 January 2013 that may have had an impact on the market price and trading volumes of its shares include:

31 January 2013	Quarterly activities report.
13 February 2013	Termination of Kubuna farmin and joint venture agreement.
19 February 2013	Renounceable rights issue at $0.03 per share announced.
29 April 2013	Quarterly cash flow and activities report.
1 July 2013	Edie Creek drilling results released.
9 July 2013	Renounceable rights issue at $0.01 per share announced.

A table of the volume and value of the Niuminco shares traded in the period from 1 August 2012 to 30 July 2013 is as follows:

Month	Share Price			Volume	Value
	High	Low	Average		
	$	$	$		$
2012					
August	0.038	0.029	0.033	595,336	19,781
September	0.053	0.030	0.041	854,512	35,230
October	0.060	0.028	0.035	3,873,286	133,728
November	0.062	0.042	0.056	1,096,139	61,818
December	0.040	0.032	0.036	813,160	28,871
2013					
January	0.038	0.030	0.031	1,883,844	57,608
February	0.042	0.030	0.032	917,500	29,798
March	0.029	0.021	0.024	1,689,000	41,327
April	0.021	0.020	0.020	319,549	6,459
May	0.019	0.012	0.017	285,000	4,860
June	0.012	0.007	0.008	1,349,907	11,441
July	0.012	0.010	0.012	775,000	9,000
				14,452,233	439,922

On a daily basis the closing prices and trading volumes are graphed as follows:



As can be seen from the above table, 14,452,233 shares were traded in a twelve-month period. The shares traded represent approximately 4% of the shares on issue. This indicates that the shares are illiquid.

The graph shows that the share price has been declining since December 2012. In fact the VWAP[2] for the 30 days prior to the initial announcement of the proposal to acquire TNT was $0.011 per share on a volume of 233,844 shares. Between 19 June 2013 and 30 July 2013 the VWAP was $0.010 per share on a volume of 1,916,063 shares.

Between 28 February 2013 and 15 March 2013 Niuminco raised $1,267,099 pursuant to a rights issue at $0.03 per share.

Between 23 July 2013 and 7 August 2013 Niuminco raised $586,058 pursuant to a rights issue at $0.01 per share.

Based on the VWAP of the Niuminco shares and the recent capital raising, we consider that the shares have a market value of approximately $0.010 per share.

A recent published survey of control premiums in Australia[3] reported that the average and median takeover premiums in metals and mining were 35.5% and 31.7% respectively. If these levels of control premium were added to the minority value of $0.010 per share, the share price values, on a control basis would be:

[2] VWAP – volume weighted average priee of shares based on daily volumes and daily closing prices.
[3] RSM Bird Cameron Control Premium Study – June 2013.

Table 13	Control Premium	
	Premium	Premium
Minority Value	31.7%	35.5%
$0.01	$0.013	$0.014

After applying a typical level of control premium, the share price history values on a control basis will be in a range of $0.013 to $0.014 per Niuminco share.

As Niuminco has 434,114,690 shares on issue, the value of Niuminco using the share price history methodology can be determined as follows:

Table 14	Low	High
Number of shares on issue	434,114,690	434,114,690
Value per share	$0.013	$0.014
Value of Niuminco's equity	$5,643,491	$6,077,606

Based on the share price history methodology we consider that Niuminco is valued in a range of $5,643,491 to $6,077,606, **say** $5,600,000 to $6,100,000.

8.3 Net Present Value of Future Cash Flows

As Niuminco does not have any projects with committed and approved mining plans, we consider that the capitalisation of future cash flows is not an appropriate methodology to use to value Niuminco.

8.4 Asset Based Methods

8.4.1 Net Assets

The net assets of Niuminco as at 30 June 2013, per the audited annual report, were $12,477,848.

In our opinion the value of net assets is not a valid valuation methodology to value Niuminco as the book value of the net assets do not reflect the market values of the assets.

8.4.2 Orderly Realisation of Assets

Niuminco's main assets are its mining leases and mineral exploration rights. Given that these assets are still in the exploration stage we appointed Mining One Pty Ltd to independently conduct a technical review and to prepare a technical valuation (as defined by the VALMIN Code 2005) of all tenement holdings of both TNT and Niuminco.

We have reviewed the valuation report prepared by Mining One and discussed the valuation with Messrs Stuart Hutchin and Tim Summons of Mining One as they were responsible for preparation of the Mining One report.

DMR

A copy of the Mining One report dated September 2013 is set out as Attachment 1 to this report and the Executive Summary contains the following summary valuation of Niuminco's projects:

> **Niuminco Group Ltd Mineral Assets**
>
> "The Niuminco Group Ltd has an interest in three projects in *Papua New Guinea*, as follows:
>
> 1. The Edie Creek Project – classed as an Advanced Exploration Area
> 2. The Bolobip Project – classed as an Exploration Area
> 3. The May River Project - classed as an Exploration Area
>
> The Niuminco Group Ltd mineral assets in *Papua New Guinea* are estimated to have a total Technical Value in the range of $4.09M - $12.20M. These value ranges were calculated using a combination of the Kilburn Geoscience Rating and the Joint Venture valuation method.
>
> After consideration of relevant adjustment factors, the properties are estimated to have a Fair Technical Value in the range $4.09M - $12.20M, with a **Preferred Technical Value of $8.0M."**

Our assessment of the orderly realisation of Niuminco's net assets is set out in Table 15 below:

Table 15 Orderly Realisation of Net Assets	Note	30-Jun 2013 Audited $	Estimated Realisable Values Low $	High $
Current assets				
Cash and cash equivalents	1	559,551	1,087,737	1,087,737
Trade and other receivables	2	89,561	80,605	89,561
Prepayments	2	35,180	24,626	28,144
Other current assets	3	10,027,778	10,027,778	10,027,778
Total current assets		10,712,070	11,220,746	11,233,220
Non-current assets				
Exploration & evaluation expenditure	4	11,856,787	4,090,000	12,200,000
Plant, property & equipment	2	1,573,269	1,258,615	1,415,942
Investment	5	153,359	153,359	153,359
Other non-current assets	2	29,168	26,251	29,168
Total non-current assets		13,612,583	5,528,225	13,798,469
Total assets		24,324,653	16,748,971	25,031,689
Current liabilities				
Interest bearing loans & borrowings		335,573	335,573	335,573
Trade and other payables	6	1,417,635	1,359,763	1,359,763
Other current liabilities	3	10,027,778	10,027,778	10,027,778
Total current liabilities		11,780,986	11,723,114	11,723,114
Non current liabilities				
Interest bearing loans & borrowings		65,819	65,819	65,819
Total non-current liabilities		65,819	65,819	65,819
Total liabilities		11,846,805	11,788,933	11,788,933
Net assets/(liabilities)		12,477,848	4,960,038	13,242,756
Realisation costs	7		(50,000)	(25,000)
Net realisable values			4,910,038	13,217,756

Note 1- Cash and cash equivalents have been increased by proceeds of the rights issue announced on 9 July 2013.

Note 2- Realisable values have been estimated by DMR Corporate.

Note 3 - Other current assets and other current liabilities relate to a joint venture with Mincor Resources N.L ("Mincor"). On 23 May 2011 Niuminco entered into a number of agreements with Mincor, including loan agreements whereby Mincor agreed to advance monies to Niuminco to fund exploration work ahead of the formation of exploration joint ventures. Under the loan agreements Mincor has the right to set off any amount due by Niuminco for those loans against any amount, which is due for payment by Mincor to Niuminco in respect of exploration work carried out.

The joint ventures were formed in March 2013 and Niuminco issued invoices to Mincor for the reimbursement of monies spent on exploration work but the loan from Mincor has not yet been extinguished.

Note 4 - Value of exploration assets is as determined by Mining One.

Note 5 - Investment reflects the 19.9% interest in TNT. We have not adjusted the book value as it will be eliminated in our assessment of the impact of the Offer on the position of the TNT shareholders.

Note 6 - Trade and other payables have been reduced by an amount that has been satisfied by the issue of shares subsequent to 30 June 2013.

Note 7 - Realisation costs have been estimated by DMR Corporate.

Based on the above assessment of orderly realisation values, Niuminco is valued on a control basis in a range of $4,910,038 to $13,217,756, say $4,900,000 to $13,200,000.

8.5 Capitalisation of Future Maintainable Earnings

Niuminco does not have an operating business and we consider that the capitalisation of maintainable earnings is not an appropriate methodology to use to value Niuminco.

8.6 Comparable Market Transactions

Theoretically this is a sound valuation methodology as it is based on tangible evidence of other similar transactions (this is the methodology generally adopted in valuing real estate). We consider that this methodology is not an appropriate methodology to value the Niuminco as Niuminco holds a unique portfolio of mineral projects.

8.7 Conclusion

The valuation methodologies that we have considered are summarised as:

Table 16 VALUATION METHODOLOGY	Section	Low Per Share $	High Per Share $
Share price history	8.2	5,600,000	6,100,000
Net assets – orderly realization of net assets	8.4	4,900,000	13,200,000

Having regard to the evidence provided by the limited trading in the Niuminco shares, we believe that the results of the orderly realisation of assets methodology should be the preferred valuation methodology. We have therefore valued Niuminco in a range of $4,900,000 to $13,200,000.

9. Control Premium

A control premium represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of the company could be acquired. Control premiums in metals and mining according to a recent survey were in a range of 31.7% and 35.5% above the value of a minority share. The actual control premium paid is transaction specific and depends on a range of factors, such the level of synergies available to the purchaser, the level of competition for the assets and the strategic importance of the assets.

In Section 4 above we considered whether the Proposed Transaction was a control transaction or not, and we concluded that the Proposed Transaction should be viewed as a control transaction.

We have therefore compared the value of a TNT share on a control basis before the takeover with the value of a Niuminco share after completion of the takeover on a minority basis.

These values reflect the fact that the TNT shareholders are receiving minority interests in the merged Niuminco and this value is consistent with the amount the TNT shareholders could expect to realise, were they to seek to divest their interests in the merged Niuminco, once the takeover had been completed.

10. Assessment as to Fairness and Reasonableness

10.1 Assessment as to Fairness

Set out in Table 17 below is a summary of our valuations of TNT and Niuminco:

Table 17 Control Value	Section	Low $	High $
TNT	6.8	3,200,000	4,400,000
Niuminco	8.7	4,900,000	13,200,000
Less: Niuminco's investment in TNT		(153,359)	(153,359)
Total		7,946,641	17,446,641

As can be seen from the above table, we have assessed the combined value of the merger TNT and Niuminco entity to be in a range of $7,946,641 to $17,446,641.

Niuminco has currently 434,114,690 shares on issue and, if the Offer is successful and Niuminco acquires a 100% interest in TNT, it will issue 87,633,035 shares to the TNT shareholders (excluding Niuminco). As such Niuminco will have 521,747,725 shares on issue. On this basis each Niuminco share will have a value in a range of $0.015 to $0.033.

The above share values are control values and the TNT shareholders will be minority shareholders in Niuminco. This means that the above per share values need to be reduced by eliminating the control premium, which in Section 9 we concluded to be in a range of 35.5% and 31.7%. The elimination of the control premium is set out below:

Table 18	Low	High
Control Value per Share	$0.015	$0.033
Control Premium	35.5%	31.7%
Minority Value	$0.011	$0.025

As can be seen from Table 18, we have assessed the minority value of the Niuminco shares that will be received by the TNT shareholders to be in a range of $0.011 to $0.025 per share.

In Section 6.9 we valued the TNT shares before the Offer, on a control basis, in a range of $0.029 to $0.040 per share and in the above table we valued the Niuminco shares on a minority basis, assuming the Offer is successful, in a range of $0.011 to $0.025 per share.

Based on the above analysis, we consider that the Offer is not fair.

10.2 Assessment as to Reasonableness

10.2.1 Acceptance of the Offer

Advantages

- TNT shares are an illiquid investment. The Offer provides an opportunity for shareholders to exchange their TNT shares for shares in Niuminco, which is an ASX listed company. Although the Niuminco shares are not presently a liquid stock, the increased size and diversity of mineral interests may assist in generating new interest in the merged companies following completion of the Offer.
- The listed company structure should facilitate the raising of further capital to advance TNT's projects.
- Whilst in Section 6.9 we valued the TNT shares on a control basis in a range of $0.029 to $0.040 per share, no single shareholder controls TNT and individual shareholders hold minority shares. When assessed on a minority basis (i.e. after eliminating the premium for control), the TNT shares are valued in a range of $0.022 to $0.030, however these values assume liquidity and the TNT shares are illiquid. Shares in unlisted companies are less valuable because they are not marketable. A typical marketability discount for shares in a public but unlisted company is in a range of 20% to 30%. After reducing the value of TNT shares to take account of a marketability discount, the TNT share values are reduced to a range of $0.015 to $0.024. This means that the TNT shareholders are effectively swapping their minority TNT shares valued in a range of $0.015 to $0.024 (after taking into account their illiquidity) for Niuminco shares valued after the acquisition of TNT in a range of $0.011 to $0.025. On that basis the Offer could be seen as being fair.
- There will be economies of Board, executive expenses and other administrative costs achieved through the sharing of these costs over a broader shareholder base.
- The TNT shareholders will gain exposure to a more diversified portfolio of assets across a greater number of projects.

Disadvantages

- In Section 10.1 above we concluded that the Offer is **not fair.**

10.2.2 Rejection of the Offer

Advantages

- We are not aware of any advantages of rejecting the Offer.

Disadvantages

- TNT shareholders will continue to hold shares in an unlisted public company which has very limited cash resources and which has not been successful in attracting significant amounts of capital that are required to develop its exploration properties.
- TNT shareholders will individually remain minority shareholders in a company with virtually no prospect of disposing of their shares at a fair price unless the underlying assets were sold and the net proceeds distributed to shareholders. If this were to occur there is no surety that the orderly realisation values determined in Section 6.5.3 above would actually be realised.
- It may become increasingly more difficult to fund TNT's ongoing operating expenses.

10.2.3 Conclusion as to Reasonableness

In our opinion the **Offer is reasonable** as the advantages of accepting the Offer outweigh both the disadvantages of accepting the Offer and the advantages and disadvantages of rejecting the Offer.

10.3. Conclusion as to Fairness and Reasonableness

We have concluded that the Offer **made to the TNT shareholders is not fair, however we consider it to be reasonable in the absence of a superior offer.**

11. Financial Services Guide

11.1 Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

11.2 DMR Corporate

DMR Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

11.3 Financial Services Offered by DMR Corporate

DMR Corporate prepares reports commissioned by a company or other entity ("Entity"). The reports prepared by DMR Corporate are provided by the Entity to its members.

All reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate's independence of the Entity commissioning the report and other parties to the transactions.

DMR Corporate does not accept instructions from retail investors. DMR Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

11.4 General Financial Product Advice

In the reports, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

11.5 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Mr Paul Lom has any interest in the outcome of the Proposed Transaction, nor any relationship with TNT, Niuminco or any of their associates.

Drafts of this report were provided to and discussed with TNT's Managing Director. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodologies that were adopted by DMR Corporate.

DMR Corporate and its related entities do not have any shareholdings in or other relationships with TNT or Niuminco that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

DMR Corporate had no part in the formulation of the Offer. Its only role has been the preparation of this report that will form part of the Target's Statement.

DMR Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC in March 2011.

11.6 Remuneration

DMR Corporate is entitled to receive a fee of $23,000 plus GST for the preparation of this report, plus out of pocket expenses. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Except for the fees referred to above, neither DMR Corporate, nor any of its directors, employees or associated entities will receive any fees or other benefits, directly or indirectly, for or in connection with the provision of this report.

11.7 Compensation Arrangements and Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement DMR Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

DMR Corporate is also required to have a system for handling complaints from persons to whom DMR Corporate provides financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

DMR Corporate Pty Ltd

Paul Lom
Director

Derek Ryan
Director

Appendix A

Sources of Information

The following sources of information have been utilised and relied upon in the course of preparing this report.

- TNT's annual reports for the years ended 30 June 2012 and 2013;
- TNT's Investor Presentation dated August 2013;
- ASIC extracts for TNT and Niuminco;
- TNT's share register as at 20 June 2013;
- The Mining One report dated September 2013;
- RSM Bird Cameron Control Premium Study – June 2013.
- Niuminco's annual reports for the years ended 30 June 2012 and 2013;
- Niuminco's tenement data and information;
- ASX announcements since 1 January 2013 in respect of Niuminco;
- Share price history of Niuminco shares from Commonwealth Securities and Capital IQ;
- Information on the TNT and Niuminco websites;
- Niuminco Bidder's Statement; and
- TNT Target's Statement.

Appendix B

TNT Mines Limited

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of TNT pursuant to Section 640 of the Act to accompany TNT's Target's Statement. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Offer is fair and reasonable.

The recipients of this report should be aware that this report has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Offer.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

Mining One is to be paid a fee of approximately $25,000 plus GST for the preparation of its specialist technical report. Mining One has consented to the inclusion of statements made by it, or based on statements made by it, or statements or information extracted or derived from its report titled "Valuation of the Mineral Assets of TNT Mines Ltd & Niuminco Group Ltd" dated September 2013:

(a) in the form and context in which they are included; and

(b) to all references to that information in the form and context in which it appears.

2. Qualifications

Mr Derek M Ryan and Mr Paul Lom, directors of DMR Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Ryan has had over 40 years experience in the accounting profession and he is a Fellow of the Institute of Chartered Accountants in Australia. He has been responsible for the preparation of many expert reports and is involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Fellow of the Institute of Chartered Accountants in Australia and a Registered Company Auditor with more than 35 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

3. Consent

DMR Corporate consents to the inclusion of this report in the form and context in which it is included in TNT's Target's Statement.

ATTACHMENT 1

VALUATION OF

THE MINERAL ASSETS

OF

TNT MINES LTD & NIUMINCO GROUP LTD

Job No. 1913_G
Doc No. 3708v1
Date: September 2013
Prepared by: T G Summons, S Hutchin and B Williams

Mining One Pty Ltd
Level 9, 50 Market Street
Melbourne VIC 3000
Ph: 03 9600 3588
Fax: 03 9600 3944

FINAL REPORT

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TNT Mines have six mineral projects in Tasmania as follows:

1) The Oonah Project – includes several Advanced Exploration Areas
2) The Moina Project – classed as Pre-Development Project
3) The Aberfoyle-Storeys Creek Project - includes several Advanced Exploration Areas
4) The Royal George Project – classed as an Advanced Exploration Area
5) The Anchor Project - classed as an Exploration Area
6) The Great Pyramid Project - classed as an Advanced Exploration Area

The Technical Valuation ranges derived for all properties (excluding Moina) are as follows:

- Modified Kilburn Rating : $0.877M - $4.277M,and;
- Comparable Transactions: $3.353 - $4.887M

The TNT Mines mineral assets in Tasmania are considered to have a **Preferred Technical Value of $4.0M**

Niuminco Group Ltd Mineral Assets

The Niuminco Group Ltd has an interest in three projects in *Papua New Guinea*, as follows:

1) The Edie Creek Project – classed as an Advanced Exploration Area
2) The Bolobip Project – classed as an Exploration Area
3) The May River Project - classed as an Exploration Area

The Niuminco Group Ltd mineral assets in *Papua New Guinea* are estimated to have a total Technical Value in the range of $4.09M - $12.20M. These value ranges were calculated using a combination of the Kilburn Geoscience Rating and the Joint Venture valuation method.

After consideration of relevant adjustment factors, the properties are estimated to have a Fair Technical Value in the range $4.09M - $12.20M, with a **Preferred Technical Value of $8.0M**.

T G Summons
Senior Resource Geologist
Mining One Pty Ltd

S Hutchin
Geology Manager
Mining One Pty Ltd

1 INTRODUCTION

1.1 Commission and Scope

DMR Corporate Pty (DMR Corporate) has commissioned Mining One Pty Ltd (Mining One) to prepare a Technical Assessment Report containing a Technical Valuation of various mineral assets, as supporting documentation to a proposed merger of TNT Mines Ltd (TNT) and Niuminco Group Ltd (Niuminco)

The various mineral assets are those held by TNT and Niuminco respectively, and the Technical Valuation data is required by DMR Corporate.

The VALMIN Code 2005 (Ref.3) defines a Technical Value as "an assessment of a Mineral or Petroleum Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by an Expert or Specialist, excluding any premium or discount to account for such factors as market or strategic considerations"

A "Fair Market Value" is defined within the VALMIN Code 2005 as the "value of a Mineral or Petroleum Asset or Security. It is the amount of money determined by the Expert in accordance with the provisions of the VALMIN Code for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an ""arm's length"" transaction, with each party acting knowledgeably, prudently and without compulsion. Value is usually comprised of two components, the underlying or "Technical Value" of the Mineral or Petroleum Asset or Security, as defined by the Technical Value, and a premium or discount relating to market, strategic or other considerations"

This report is a Technical Assessment Report as defined in the VALMIN Code, and has also been prepared in accordance with the requirements of the Australian Securities and Investments Commission Regulatory Guides 111 and 112 (ASIC, 2011).

1.2 Applicability of the VALMIN Code

1.2.1 Background

This valuation report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, also referred to as the VALMIN Code (2005).

The VALMIN Code is prepared by the VALMIN Committee, a joint committee of the AusIMM (Australasian Institute Of Mining and Metallurgy) and AIG (Australian Institute of Geoscientists) and MICA (Mineral Industry Consultants Association).

DMR Corporate, as the Independent Expert, has obtained from TNT, (the Commissioning Entity), verbal confirmation that it will comply with the requirements of Clauses 27-29 of the VALMIN Code. These clauses relate to independence of the Commissioning Entity from the Independent Expert and the Specialist (ie Mining One), and the transparency of all reporting by DMR Corporate and Mining One.

1.2.2 Relevant Extracts

Other relevant sections of the VALMIN Code are as follows:

VALMIN Clause 12: this applies to the *"Technical Assessment and/or Valuation of Mineral ....assets ...for any independent Expert Report intended for public release ....."*

VALMIN Clause 41 (a): The Commissioning Entity has confirmed in writing that "*full, accurate and true disclosure of all Material information will be made to the Expert."*

VALMIN Clause 42: The Expert and/or Specialists "*must enter in to a written agreement with the Commissioning Entity,.....".*

VALMIN Clause 49: Time and cost constraints *"must not be permitted to compromise fundamental compliance with the requirements of the Code. Any restrictions so caused to the depth of analysis or the extent of detail required must be recorded in the report."*

Whilst strict compliance with Clause 41(a) has not occurred, the following should be noted:

- TNT has given Mining One verbal assurance about the extent of the TNT data provided, and has verbally explained the scope and purpose of the report. This aspect is not considered to be in contravention of Clause 41(A).

Regarding Clause 42, the Commissioning Entity (TNT Mines Ltd) has a written agreement with the Independent Expert (DMR Corporate), who in turn have a written agreement with the Specialist (Mining One).

Regarding Clause 49, whilst both TNT and Niuminco have made available all relevant documentation, the opportunity to make site visits to the various projects was precluded by the short time frame available to complete the work. This aspect is not considered to be in contravention of said Clause 49.

1.2.3 Classification of Mineral Assets

VALMIN Code clauses D20 and D21, refer respectively to Mineral Assets, and to Mineral Resources and Ore Reserves.

Clause D20 of the VALMIN Code can be summarised to state that most Mineral Assets can be classified as one of the following:

- *Exploration Areas – properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been identified.*
- *Advanced Exploration Areas – properties where sufficient exploration has occurred to enable a good understanding of the type of mineralisation present, and for which the untested potential still warrants extra work. A Mineral Resource may or may not have been identified.*
- *Pre-Development Projects – properties where Mineral Resources have been identified, but where a decision to proceed with development has not been made.*
- *Development Projects – properties for which a decision to proceed with production has been made, but have not yet been commissioned.*
- *Operating Mines – properties with fully commissioned and operating mine.*

Clause D21 of the VALMIN Code is a reference to Mineral Resources and Ore Reserves as defined by the JORC Code (Ref.2), and is one of several links between the JORC and VALMIN Codes.

1.3 Independence, Qualifications and Experience

Mining One Pty Ltd is an independent private consulting company which has been providing consulting services to the international and local mining industry since 2005.

This valuation report has been prepared by Mr TG Summons and Mr S Hutchin.

Mr Summons is a geologist BSc, MSc with over 40 years of experience in the mining industry, and is a Member of the Australian Institute of Geoscientists. Mr Summons is appropriately qualified and experienced to act in the following capacities:

- A Competent Person as defined in the JORC Code (2004).
- An Independent Expert as defined in the VALMIN Code & ASIC Regulatory Guide 111.

Mr Summons does not have any significant pecuniary or beneficial interest in TNT Mines Ltd, or in Niuminco Group Ltd, or in the outcome of the valuation.

Mr Hutchin is a geologist BSc, with over 17 years of experience in the mining industry, and is a member of both the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Hutchin is appropriately qualified and experience to act in the following capacities:

- A Competent Person as defined in the JORC Code (2004).
- An Independent Expert as defined in the VALMIN Code & ASIC Regulatory Guide 111.

Mr Hutchin does not have any significant pecuniary or beneficial interest in TNT Mines Ltd, or in Niuminco Group Ltd, or in the outcome of the valuation.

1.4 Disclaimer

This report was prepared using data and information which were available to the authors at the time of writing. It is based on data provided which is understood (refer VALMIN Cl 41(a) as discussed in Sec 1.2. above), to be suitably representative of the various mineral properties and projects held by TNT and Niuminco.

This report is provided for the use of DMR Corporate, and should only be reproduced, pending relevant consent by Mining One Pty Ltd, in whole and not in part.

2 TNT MINES LTD MINERAL ASSETS

2.1 TNT Mines Tenement Schedule

TNT hold an interest in tenements within Tasmania Australia and an option to purchase 80% of the Moina project. A summary of the tenements is shown in Table 2-1.

Table 2-1: TNT Mines Tenement Schedule

Project	Tenement #	Registered Holder	Expiry	Area km2	Comments
Moina	**RL10/1988**	Geotech International Pty Ltd	21/10/13	2	Option to purchase 80% by payment of $ 1.25M or completion of BFS by TNT Mines (Moina) Pty Ltd or $40,000 ,or if TNT is listed 200,000 TNT shares annually until option is excercised. Royalty arrangements with AngloGold & Rio. Mineral Categories 1& 5
Aberfoyle Storeys Creek Royal George	**EL27/2004**	TNT Mines Limited	26/11/13	97	Reduced from 212 km2 to 97 km2 on 27/11/2012
Great Pyramid	**RL2/2009**	TNT Mines Limited	1/08/2013 (Recently Renewed)	4	
Anchor	**RL1/2009**	TNT Mines Limited	01/10/13	3	Mineral Categories 1& 5; Annual veview accepted on 20/09/2012;
Oonah	**EL63/2004**	Geoinformatics	7/08/2013 - pending	24	Mineral categories 1and 5; 75:25 JV with Clancy Exploration (Geoinformatics Tasmania Pty Ltd); PENDING RENEWAL - APPLICATION LODGED 05/08/2013
			Total	130	
	Mineral category 1: Metallic minerals; atomic substances				

2.2 Moina Project

2.2.1 Overview

Moina hosts the largest known undeveloped fluorspar deposit in Australia and one of the larger undeveloped fluorspar deposits in the world.

The Moina deposit comprises two styles of mineralisation; replacement skarn and fissure veins. The seven separate fissure veins identified to date were discovered in 1893 and mined for tin, tungsten and bismuth until 1919 when a fire destroyed the processing plant.

2.2.2 Tenement

The Moina property (RL 10/1988) is located approximately 40 km southwest of Devonport and about 2 kilometres south-west of the township of Moina in North-West Tasmania. Access is by

way of the sealed road to Cradle Mountain. The tenement is at an altitude of about 600m above sea level. The region is hilly to steep and is dissected by northeast flowing streams and creeks.

2.2.3 Mineral Asset Status

The area covered by RL 10/1998 is considered to be a Pre-Development Project, centred on the Moina deposit hosting fluorine, tin, tungsten and iron mineralisation.

Retention Licence 10/1988 is currently held by Geotech International Pty Ltd and operated by TNT Mines Ltd. The tenement is 2 square km in size and has been granted to the current holder until 21/10/2013. Geotech International has entered into an option agreement with TNT Mines (Moina) Pty Ltd which is a wholly owned subsidiary of TNT Mines Limited.

2.2.4 Regional Geological Setting

The following regional and local geology sections have been summarised from the 2011 TNT Mines Replacement Share Placement Prospectus Report.

2.2.4.1 Proterozoic

The oldest rocks within the Western Tasmanian Terrane (WTT) are low amphibolite grade metasediments and minor higher grade amphibolites of Mesoproterozoic age (Figure 2-1). Garnet bearing schists, quartzites, and mafic meta-igneous rocks with metamorphic grades up to eclogite facies are also recognised (Ref 31).

A large portion of northwest Tasmania is typified a thick, polydeformed Lower Neoproterozoic turbiditic succession known as the Oonah Formation (and correlates). The upper part of this succession host a number of Devonian fissure/fault vein and skarn tin deposits including the Devonian aged Mt Bischoff and Oonah deposits. Uncomfortably overlying this sequence are the carbonates, mafic volcanics and siliciclastics of the Togari Group which host the Renison Bell tin deposit and the King Island scheelite skarn deposits (Ref 31).

2.2.4.2 Palaeozoic

The Palaeozoic Tyennan Orogeny in Tasmania is a complex event and can be divided into two broad stages, Early Cambrian ophiolite emplacement and Middle Cambrian post collisional volcanism (Ref 14). During ophiolite emplacement mafic and ultramafic complexes were obducted across much of Tasmania following a collision with an oceanic arc.

Post-collisional volcanism, controlled by an influx of mantle material into a delaminating lithosphere during the Middle Cambrian (Ref 14) led to the deposition of the Mt Read Volcanics, an economic significant sequence which host large polymetallic base metal deposits including Rosebery, Hellyer and Mt Lyell.

By the Late Cambrian volcanism had declined and the final shortening phase of the Tyennan Orogeny reactivated earlier extensional faults and inverted Proterozoic basins creating a source for the conglomerates and sandstones of the Wurawina Supergroup. These sediments are overlain by a succession of Ordovician limestones (host for the Moina skarn deposit) and Silurian–Devonian shelf sandstone and mudstone.

In contrast, the Eastern Tasmanian Terrane (ETT) is characterised by a pre-Carboniferous geology dominated by the Mathinna Supergroup, a thick turbiditic package of Cambrian to Devonian sandstone and shale.

Multi-phase deformation affected most of Tasmania in the Middle Devonian. A prolonged period of granitic intrusion commenced in eastern Tasmania prior to the Devonian deformation and continued until after the culmination of events in western Tasmania. A diverse range of significant mineral deposits of tin and tungsten are associated with this intrusive phase.

Large scale erosion followed the cessation of Devonian deformation. Sedimentation recommenced in both the ETT and WTT during the Late Carboniferous (Ref 27) with the deposition of the Permian–Triassic Parmeener Supergroup. This extensive sub horizontal succession of rock consists of glacial, glaciomarine, fluvial and lacustrine sediments deposited into a newly formed continental margin sag basin. The unit is intruded by large volumes of Jurassic dolerite.

Uplift and faulting associated with Tertiary volcanism was followed by minor sedimentation in the Pleistocene to Recent.

2.2.5 Local Geology

The tenement geology (Figure 2-2) consists of an Ordovician sequence of shallow water marine sediments which grade from a basal conglomerate (Roland Conglomerate) through a medium to coarse grained sandstone (Moina Sandstone) to an overlying limestone (Gordon Limestone). All three formations are conformable, gradational, and relatively thin, typically being in the range 50 m to 150 m thick. The sequence dips gently north and is characterised by open folds with northwest trending axial surfaces that parallel the Bismuth Fault and other related second order structures.

The Ordovician rocks overly Cambrian volcanics and have been intruded by the Dolcoath Granite. Gravity data indicates the granite underlies the tenement as a west trending body at depths less than a 1 km and drilling has revealed that the granite has been metasomatically altered to greisen. A zone of hydrothermal alteration associated with the granite has caused metasomatism of the Gordon Limestone and calcareous beds of the Moina Sandstone to form the 'Moina Skarn'.

Tertiary basalts, which are variably magnetic, cover substantial sections of the tenement and locally metamorphism has resulted in higher grade zones of marble, quartzite and indurated conglomerate.

2.2.6 Local Mineralisation

The Moina Skarn has replaced parts of the Gordon Limestone, adjacent to the Moina Sandstone contact and approximately 200 m above the roof of the Dolcoath Granite (Figure 2-2 B). The deposit occurs as a flat plate like body approximately 1 km (in its longest dimension) and up to 100 m thick.

The mineralogy of the Moina skarn was described by Drummond (2006): "The main body of skarn is zoned and consists of:

- A top zone of a granular garnet-pyroxene-vesuvianite-fluorite skarn overlying the other units. This unit is relatively enriched in boron;
- The main skarn ("wrigglite") of fluorite – magnetite - vesuvianite (cassiterite - scheelite adularia) and having a characteristic, fine grained (less than 0.2mm), rhythmic, finely layered, contorted structure;

- Within and near the base of the main skarn a granular, pale green pyroxene skarn occurs as thin units (less than 5cm) consisting of diopside – hedenbergite with very minor amounts of fluorite and garnet;
- A wollastonite-rich skarn may be present in places and can be a useful marker. It is probably derived from a silty/sandy facies of the limestone and consists of over 80 % by volume of wollastonite with small amounts of garnet, pyroxene, vesuvianite, and fluorite;
- A basal zone of granular garnet-pyroxene-vesuvianite-fluorite skarn."

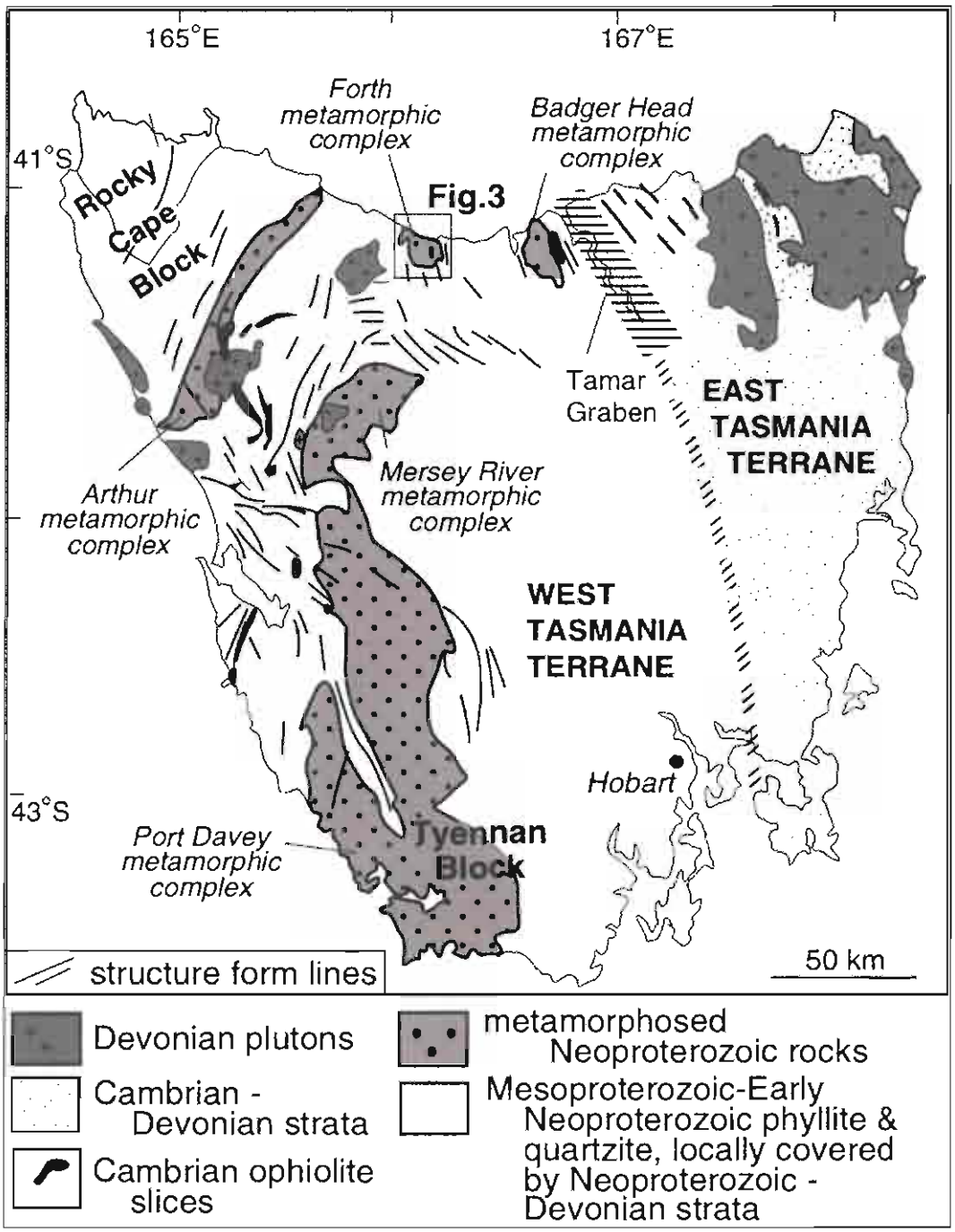


Figure 2-1: Simplified Geology of Tasmania (Ref 17)

2.2.7 Prior Exploration

The following has been referenced from McKeown (2012)

"In 1893, quartz veins were discovered at the Shepherd and Murphy deposit. Tin, tungsten and bismuth were produced irregularly and discontinuously from the quartz veins until 1956, the main periods of production being from 1907 to 1918 and from 1953 to 1956. Access into the Shepherd and Murphy mine was initially by adits and later by a shaft. Interest in the Moina skarn followed a brief period of exploration by the Mt Lyell Mining and Railway Company Limited ("Mt Lyell") in the early 1970s. Mt Lyell completed three diamond drillholes.

In the mid-1970s, the Commonwealth Aluminium Corporation Limited ("Comalco") explored the property, principally as a potential source of fluorite for use in their aluminium smelter at Bell Bay in Northern Tasmania. Comalco undertook significant exploration, completed 15 diamond drill holes into the main skarn area (see Table 1), and estimated the tonnage and grade of the Moina skarn.

From 1980 to 1987, Billiton Ltd ("Billiton") in joint venture with Comalco, completed 7 holes in an around the main skarn area. Billiton also investigated the nearby retrograde Hugo Skarn which, although within the current RL area, is not the subject of this resource estimate. In 2006, Minemakers acquired an option over the licence and completed 4 diamond drill holes in 2008 to 2009."

During 2012 a metallurgical test work program was completed to assess the likely processing design for the Moina mineralisation. This work was managed by Mintrex with the samples being processed at AMMTEC in Burnie and in Perth. Magnetite, Scheelite and Fluorite were the focus of the test work.

Results of the test work indicated that the processing flow sheet would need to include a grind of ore to 500 microns, two stage grinding for the magnetite component and a separate grind for the Scheelite component. Inputs to this work were provided by Jacobs and summarised by Mintrex.

Recommended future work was complete additional drilling to define the magnetite Resource, additional work on Fluorite recoveries, confirmation of grind size for processing of the Scheelite, and capital and operating costs of the both the processing and mining operations.

2.2.8 Mineral Resources

McKeown (2012) estimated an Inferred Mineral Resource of 24,654,300 tonnes at 1379ppm Sn, 1043ppm WO_3, 15.99% CaF_2 and17.2% Fe (Table 2-2).

Table 2-2: Moina Mineral Resource 3 October 2012

Moina Mineral Resource 3 October 2012					
zero cut-off grades					
	Tonnage	**% CaF2**	**% Sn**	**% WO3**	**% Fe**
Inferred	24.6M	16.0	0.1	0.1	17.2
Total	24.6M	16.0	0.1	0.1	17.2

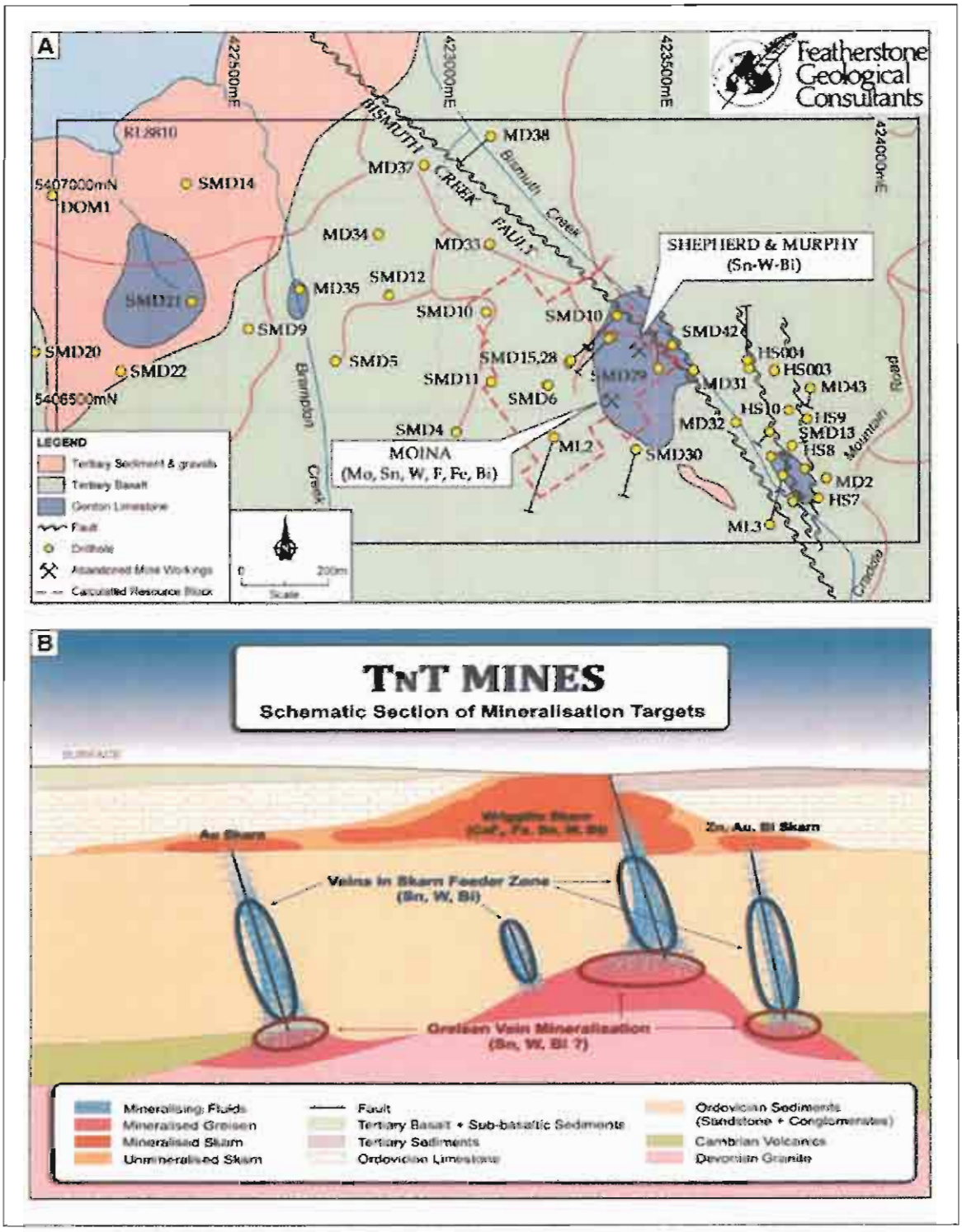


Figure 2-2: Moina Tenement. A: Geology. B: Schematic Cross-section, (Ref 15).

2.3 Oonah Project

2.3.1 Overview

EL 63/2004 consists of the historic Old Oonah and Montana mines along with a number of smaller pits and scrapings. The Old Oonah, the more significant of the two, was mined from 1890–1899 and again from 1905–1910 producing approximately 2 million ounces of silver (Ref 33).

2.3.2 Tenement

The Oonah Project is located 1 km northwest of Zeehan in Tasmania's west. 4WD vehicular access on unsealed roads exists to the numerous workings, but becomes more challenging in areas of undulating relief and dense vegetation.

2.3.3 Mineral Asset Status

Exploration Licence 63/2004 is currently held by Geoinformatics Exploration Tasmania Pty Ltd and operated by TNT Mines Ltd under a joint venture agreement. The tenement is 24 square km in size and considered to be an Exploration Area according to VALMIN definitions.

The status of the tenement is classed as 'pending' with renewal due as of 07/08/2013.

2.3.4 Regional Geological Setting

See section '2.2.4 *Regional Geological Setting*.'

2.3.5 Local Geology

A number of geological units crop out across the Oonah tenement (Figure 2-3A) including;

- The Oonah Formation comprised of thick (2–3 km) polydeformed packages of turbiditic sandstone and mudstone metamorphosed to a sub-greenschist facies.
- The Success Creek Group, which uncomfortably overlies the Oonah Formation and consists of an intercalated fluvial succession of slate, quartzite, siltstone and volcaniclastics sediment.
- The Owen Group comprised of turbiditic sandstone, coarse siliciclastic conglomerate and shallow marine sandstone.
- The Gordon Group comprised of a shallow marine to peritidal platform succession of micrite and dolomitic limestone. The group is a highly prospective host for skarn mineralisation associated with Devonian–Carboniferous intrusives.
- The Eldon Group comprised of quartz sandstone, shale and minor limestone. The unit sit uncomfortably above the Gordon Group.
- The Parmeener Supergroup comprised of glacial, glaciomarine, fluvial and lacustrine sedimentary rocks.

The Tenth Legion Fault, a large scale regional structure associated with mineralisation in the Zeehan region (Bass Metals Quarterly Report, 2008), is exposed along the eastern boundary of the tenement. This west dipping, low angle reverse fault (thrust) strikes north–south and has juxtaposed the Oonah Formation over younger Lower Palaeozoic (Cambrian) rock.

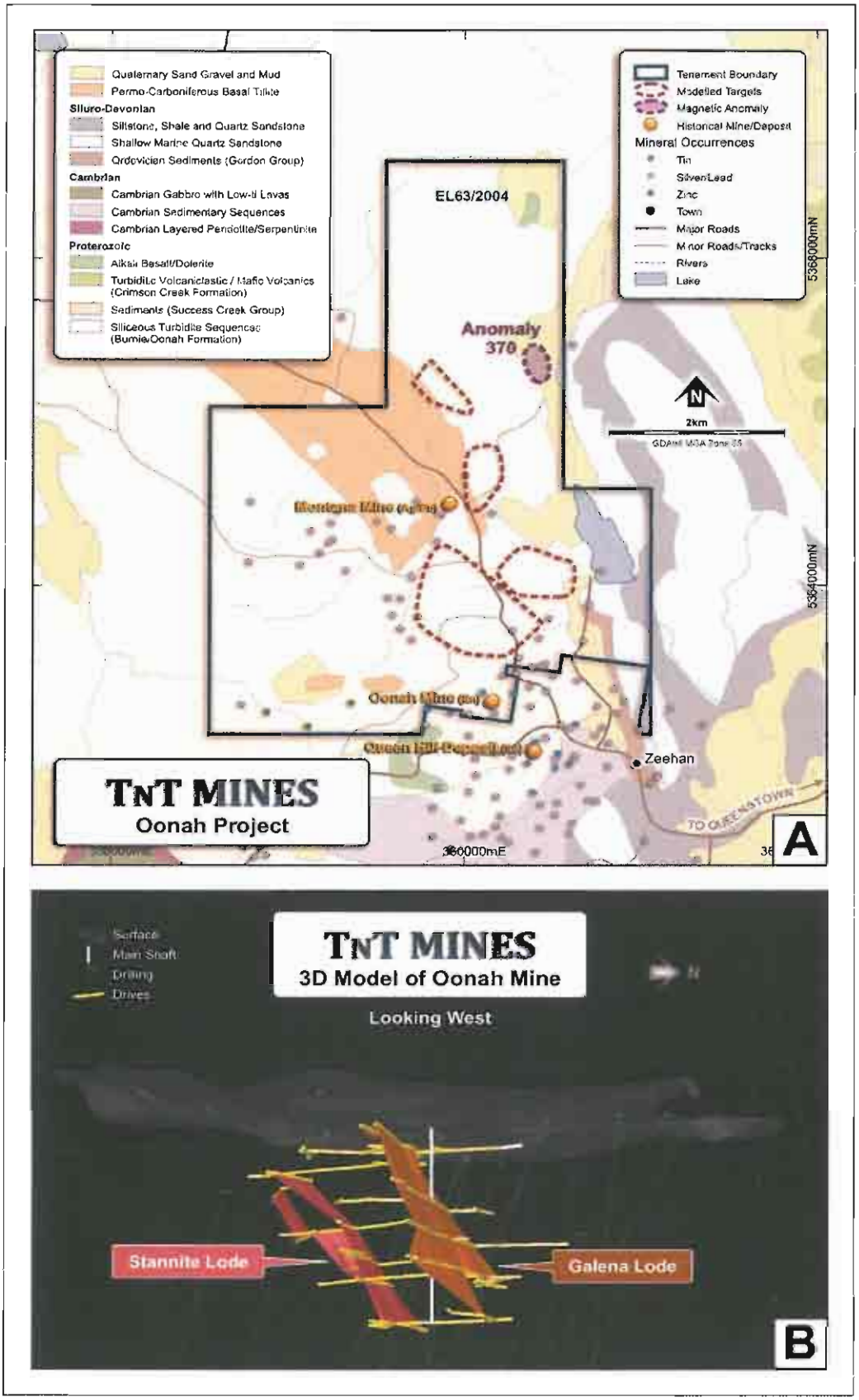


Figure 2-3: A: Regional Geology of EL 63/2004. B: 3D Cross-section of the Oonah Mine. Images courtesy TNT Mines Ltd.

2.3.6 Local Mineralisation

Two major styles of mineralisation are recognised across the Zeehan region. Firstly hydrothermal Ag-Pb-Zn mineralisation associated with the intrusion of the Heemskirk Granite, and secondly Irish-style syn-sedimentary Pb-Zn mineralisation as identified at the Oceana Mine (Ref 31).

On EL 63/2004 the Oonah Mine consists of two sub-parallel zones of mineralisation, the Pb-Ag rich Galena Lode and the Stannite Lode (Figure 2-3). The Stannite lode consists of stannite (Cu_2FeSnS_4) hosted within zones up to 10 cm or more in width and in a network of veinlets transecting arsenopyrite, pyrite and quartz aggregates. Little geological evidence remains concerning the Galena Lode due to historic mining.

At the Montana Mine the ore consists of galena, sphalerite, and minor pyrite. Mineralisation is confined to siderite-quartz fissure veins hosted within the deformed slate, siltstone and quartzite of the Success Creek Group. The broad lode geometry strikes north-northeast and is offset by a series of cross-faults known as slides.

The licence was claimed primarily because of an airborne magnetic anomaly (Anomaly 370) that lies just west of the Tenth Legion Fault. It has been interpreted as a favourable structural setting and uncertain but potentially favourable lithologies to host cassiterite sulphide replacement mineralisation (Ref 32).

2.3.7 Mineral Resources

In 2002–2003, Mount Conqueror Minerals and Central West Coast Gold reviewed the historic records and considered that between 180,000t @ 1.2% Sn, 1.6% Cu and 143 g/t Ag and 440,000t @ 1.25% Sn, 1.48% Cu and 136g/t Ag of material remains at the Stannite Lode (Ref 19). This estimation was made prior to the introduction of the JORC Code, and as such should be considered with caution. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

2.3.8 Prior exploration

The exploration summary below has been referenced from 2012 SRK Independent Technical Report.

The Oonah Mine and surrounding area:

- 1890–1899; the Oonah Silver Mining Company NL mined the Galena Lode to the Number Six level (129 m RL).
- 1899–1910; the Stannite Lode mined to the Number Six level by numerous companies.
- 1910–1971; approximately 40,000 t stannite ore produced.
- 1946–1951; Zeehan Exploration carried out regional gravity and electrical surveys.
- 1963–1965; the Tasmanian Bureau of Mineral Resources conducted a series of IP, SP, EM and magnetic surveys. Seven holes for 1,330 m were drilled at the Oonah Mine with intersections into the Stannite Lode.
- 1971; Minops Pty. Ltd. drilled 10 holes for 1,829 m to test extensions of the Stannite Lode along strike.
- 1973–1986; geophysical survey, soil sampling and mapping undertaken by Aberfoyle to the southeast of the Oonah Mine;

- 1979–1996; CRAE completed a drilling, mapping and assay programme at the Oonah Mine and the surrounding area. The best results returned from the drilling programme included 5.9 m @ 1.75% Sn, 200g/t Ag and 2.4% Cu from 91.5 m in hole DD80C4 (Featherstone, 2011). The Stannite Lode is estimated to be 150 m long, 10 m wide and extend 300 m below surface (Featherstone 2012, and references therein).
- 1987-1995; geophysical surveys, mapping and drilling undertaken by RGC Exploration.
- 1996-2002; RioTinto Pty. Ltd. & Allegiance completed a regional helicopter magnetic survey and evaluated a number of anomalies. Anomaly 370 remains untested.
- 2002-2003; Mount Conqueror Minerals and Central West Coast Gold reviewed historic records re-assess previously reported Sn-Cu-Ag resources in the Stannite Lode to estimate a historical pre-JORC Mineral Resource. They conclude mineralisation was not sufficient to support a stand-alone mining operation (Ref 31). See section 2.2.7 Mineral Resources for further information.
- 2011; TNT Mines drilled two shallow diamond holes into the upper levels of the Oonah mine. One hole intercepted both the Galena and Stannite lodes and the other only the Stannite lode.

The Montana Mine and surrounding area:

- 2006-2010; Bass Minerals Ltd. completed mapping, soil sampling, trenching and RC drilling in the Montana Mine area. 4.5 m of high grade sulphide mineralisation (galena and sphalerite), hosted by sheared shale is identified in costean No. 3, with 7m @ 4.7% Pb, 2.8% Zn and 650 g/t Ag and 3m @ 1.9% Pb, 3.8% Zn and 35 g/t Ag (Ref 16). Ten RC holes for 531m were drilled with no significant mineralised intervals returned.

2.4 Aberfoyle, Storeys Creek and Royal George

2.4.1 Overview

The Aberfoyle Project contains a number of abandoned historic mines including the Storeys Creek, Lutwyche, Rex Hill, Royal George and Aberfoyle mines.

2.4.2 Tenement

Exploration Licence 27/2004 (Aberfoyle Project) is located in northeast Tasmania (Figure 2.4), 57 km southeast of Launceston. Access to the northern component of the tenement is via the sealed Storeys Creek Road (B42) from Avoca, approximately 50 km southwest of St Marys. Access to the southern component of the tenement is via the sealed Royal George Road also from Avoca.

2.4.3 Mineral Asset Status

EL 27/2007 is held and operated by TNT Mines Limited. The tenement is 97 square km in size and considered an Exploration Area according to VALMIN definitions.

The status of the tenement is classed as 'granted with renewal due of 26/11/2013.

2.4.4 Regional Geological Setting

See section 2.1.4

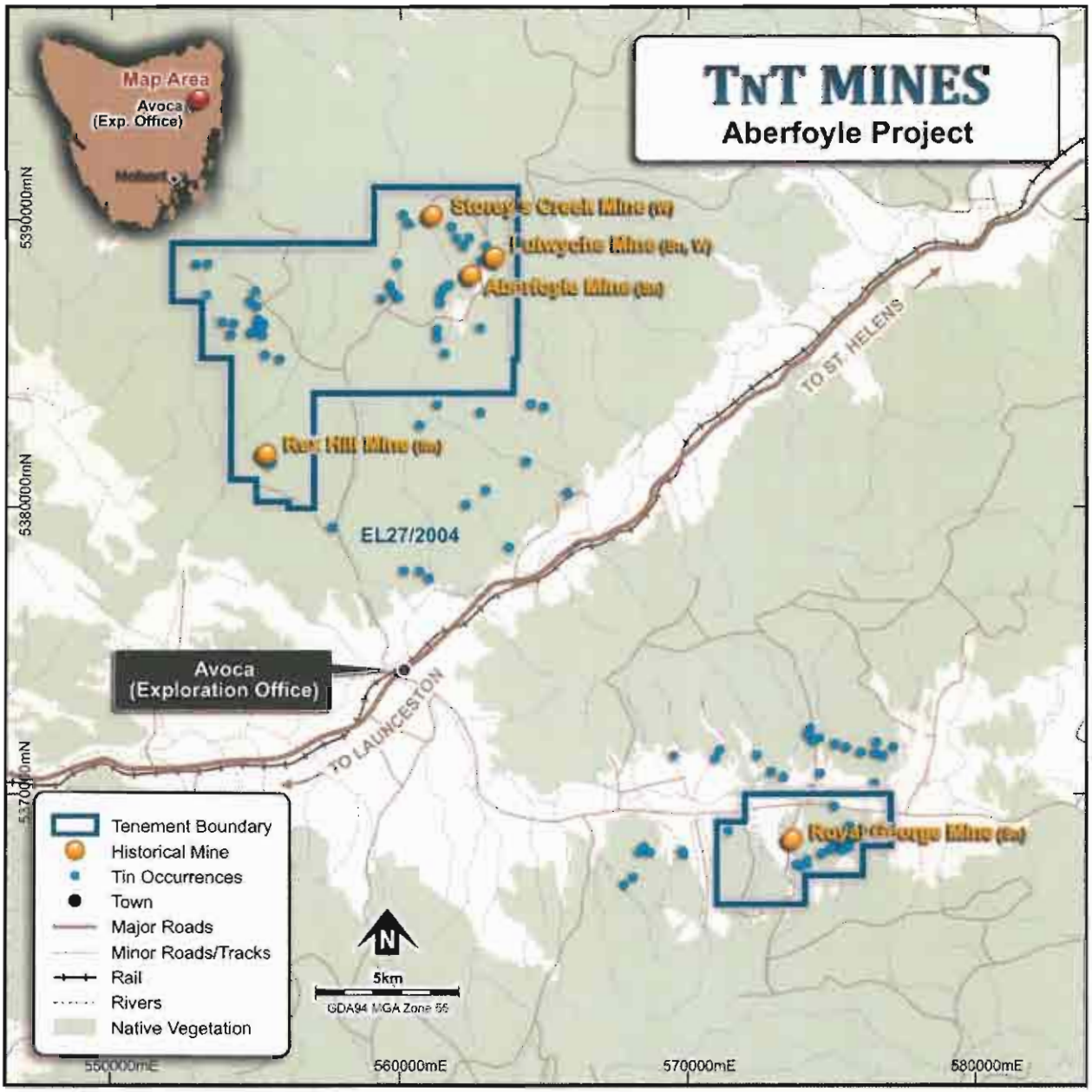


Figure 2.4 Location of EL 27/2004. Image courtesy TNT Mines Limited.

2.4.5 Local geology

The geology of the region consists of the rhythmic alternating turbiditic beds of Silurian sandstone, siltstone and shale which typify the Mathinna Supergroup. Sandstone beds are fine to medium grained, massive, occasionally feldspathic, locally metamorphosed to quartzite and the dominant lithology of the unit. Mudstone and siltstone beds are thin, featureless and often highly sheared (Ref 26; Ref 31).

The Mathinna Supergroup was deformed and metamorphosed to low grades during the Tabberabberan Orogeny. Bedding has been folded into tight recumbent folds that are overprinted with a disjunctive cleavage formed during the development of upright chevron folds. Both recumbent and chevron folds are deformed by southwest verging open folds and

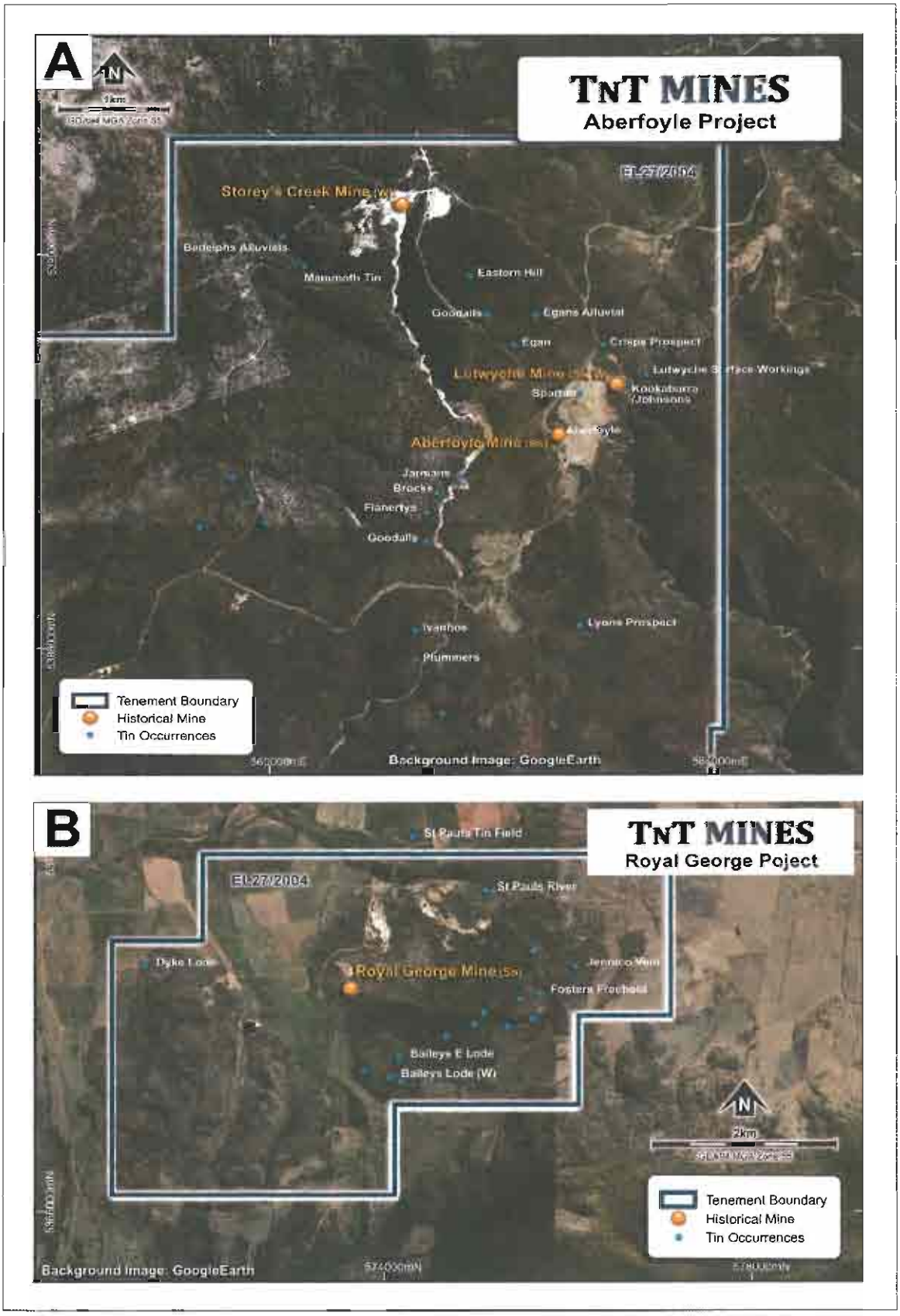


Figure 2.5 **Prospects within Exploration Licence 27/2004. Image courtesy of TNT Mines Limited.**

associated northwest striking crenulation cleavage. Regional faulting also strikes northwest and often hosts mineralisation in zones of high shear (Ref 34).

The succession is intruded by the Devonian Ben Lomond Granite, which is widely accepted as the source of the regions mineralisation and younger dolerite dykes of Jurassic age (Ref 28).

2.4.6 Aberfoyle-Lutwyche

The Aberfoyle and Lutwyche prospects are located in the northern component of the Exploration Licence approximately 20 km north of the township of Avoca (Figure 2.5 and Figure 2.6).

2.4.6.1 Prior exploration

The exploration summary below has been referenced from 2012 SKR Independent Technical Report.

Mineralisation was discovered at Aberfoyle in 1916, with the deposit seeing sporadic exploration and mining activities until its closure in 1982. A summary of exploration and mining work is outlined below:

- 1926; Aberfoyle Tin NL sank two shafts down to 18 m.
- 1928–1934; a 320 m long adit exposed a group of veins between 274 and 318 m. The Aberfoyle mine commenced production in 1931 and expanded to No. 2 Level at 70m RL in 1934 (Ref 16).
- 1967–1968; four diamond holes were drilled by Aberfoyle at the Gipps Creek Prospect, with "low-grade" mineralisation being reported.
- 1981; Aberfoyle and Storeys Creek Mines were sold to Rossarden Mines Ltd and 14 levels were developed to a depth of 420m. Production cumulated to 2.1Mt @ 0.19% Sn and 0.28% WO3 (Ref 16). The mine was closed in 1982.
- 1989; Juka Mine Management assessed the amounts of remaining mineralisation to various depths using historic records.
- 2007–2009; TNT completed two RC drilling programmes that included 21 holes for 2,466m.
- 2010; GroundProbe Geophysics Pty Ltd were contracted to process and model the available gravity data. Five anomalies are identified and two later drilled for a total of 635 m. Except for a section of strongly greisenised aplite dyke in one of the holes no mineralisation was intercepted.
- 2012; TNT Mines Limited completed soil sampling programmes to test tungsten prospectivity in the Gipps Creek and Stories Creek–Rossarden areas of the tenement.
- A historical pre-JORC Resource exists covering the tailings associated with the Aberfoyle project however no details exist to provide support for this estimate to enable reporting to the JORC standard.

2.4.6.2 Local mineralisation

At Aberfoyle a mineralised vein swarm has been identified in the hanging wall of a north striking fault system. Historic records and recent drilling indicate the mineralised vein system is up to 60 m wide, 800 m in length and extends approximately 400 m in the down dip direction (Figure 2.7). The principal ore minerals are cassiterite and wolframite.

The Lutwyche prospect is comprised of two sets of mineralised veins which can be traced along strike for approximately 750 m before being obscured by Permian sediments.

Other significant zones of mineralisation in the immediate area include the Gipps Creek, Kookaburras, Brocks Show and Rex Hill prospects. At Rex Hill mineralisation strongly zoned, becoming Sn richer with depth and is associated with both quartz veining and greisenised granite.

2.4.6.3 Mineral resource

Work in the 1980's indicated a conceptual Exploration Target for the Aberfoyle prospect of 4 - 5 Mt @ 0.15 - 0.25% Sn and 0.02 - 0.03% WO3 (Ref 19; Ref 30; Ref 23) and a Lutwyche Exploration Target of 1.0 - 1.2 Mt @ 0.9 - 1.1% Sn+WO_3 (Ref 29).

2.4.7 Storey's Creek

The Storey's Creek Prospect is located 3 km north of the Aberfoyle Mine (Figure 2.5 and Figure 2.6).

2.4.7.1 Prior exploration

The exploration summary below has been referenced from 2012 SRK Independent Technical Report.

Tin mineralisation was discovered at Storey's Creek in 1872 and sporadic mining activities have been undertaken since that time.

- 1891–1913; mining of tin and tungsten by small scale mining parties.
- 1913–1928; the Storey's Creek Tin Mining Syndicate mined up to 12,000 t/y ore, grading between 0.75 - 1.75 % Sn and 0.75% - 2.0% W.
- 1923–1979; The Storey's Creek Tin Mining Company produced a total of 1.1 Mt @ 1.09% WO_3 and 0.18% Sn ores.
- 1971; Processing activities ceased at Storeys Creek and ore was sent to Aberfoyle for treatment.
- 1982; Mine closure
- 2007; TNT Mines Limited complete a 17-hole RC drilling programme for a total of 2,027 m.
- 2009; TNT Mines Limited complete a twin diamond drillhole programme. Featherstone (2011) described the results as comparable with the RC holes.

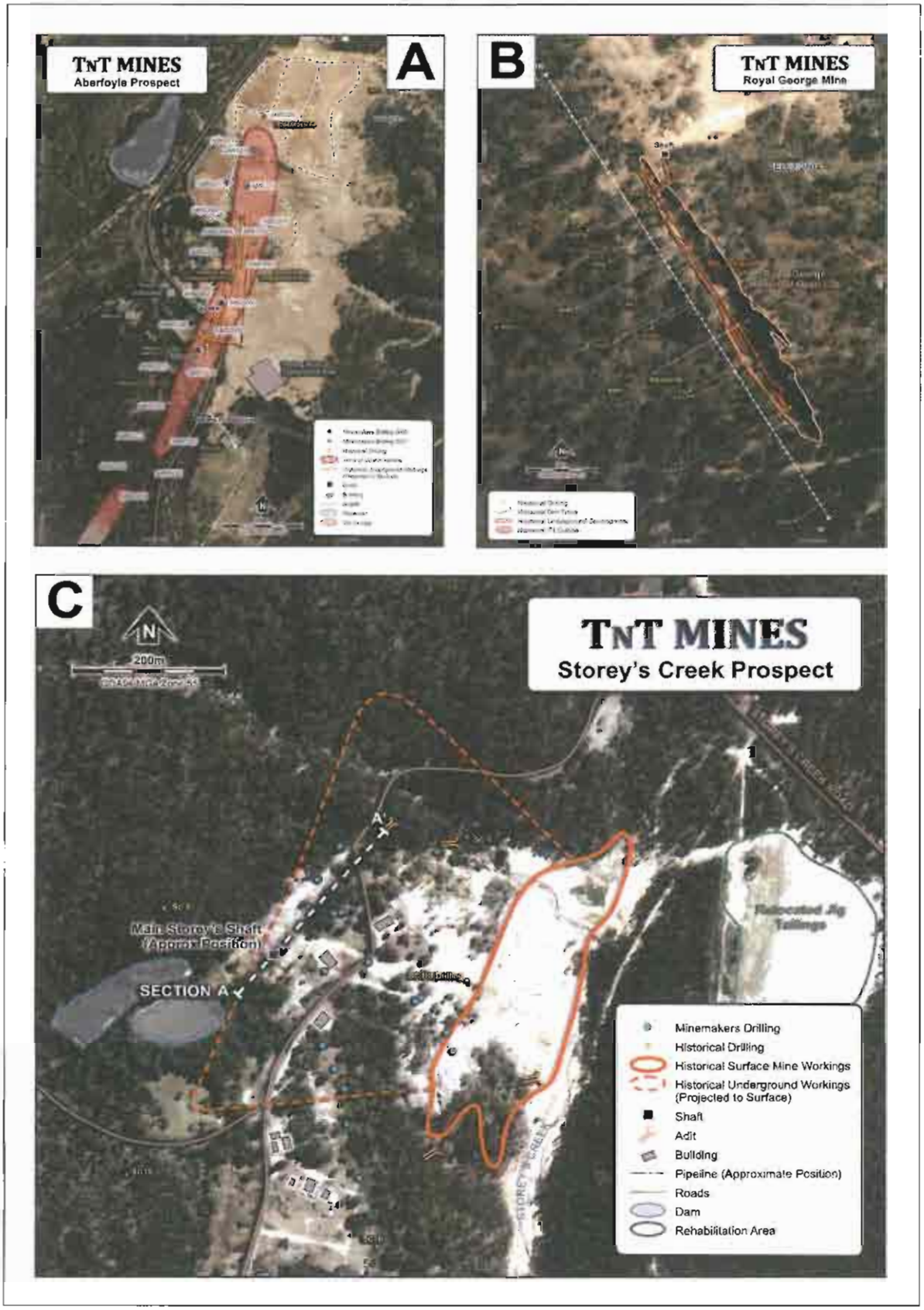


Figure 2.6 **Detailed site plans with historic drilling. A: Aberfoyle. B: Royal George. C: Storey's Creek. Image courtesy TNT Mines Limited.**

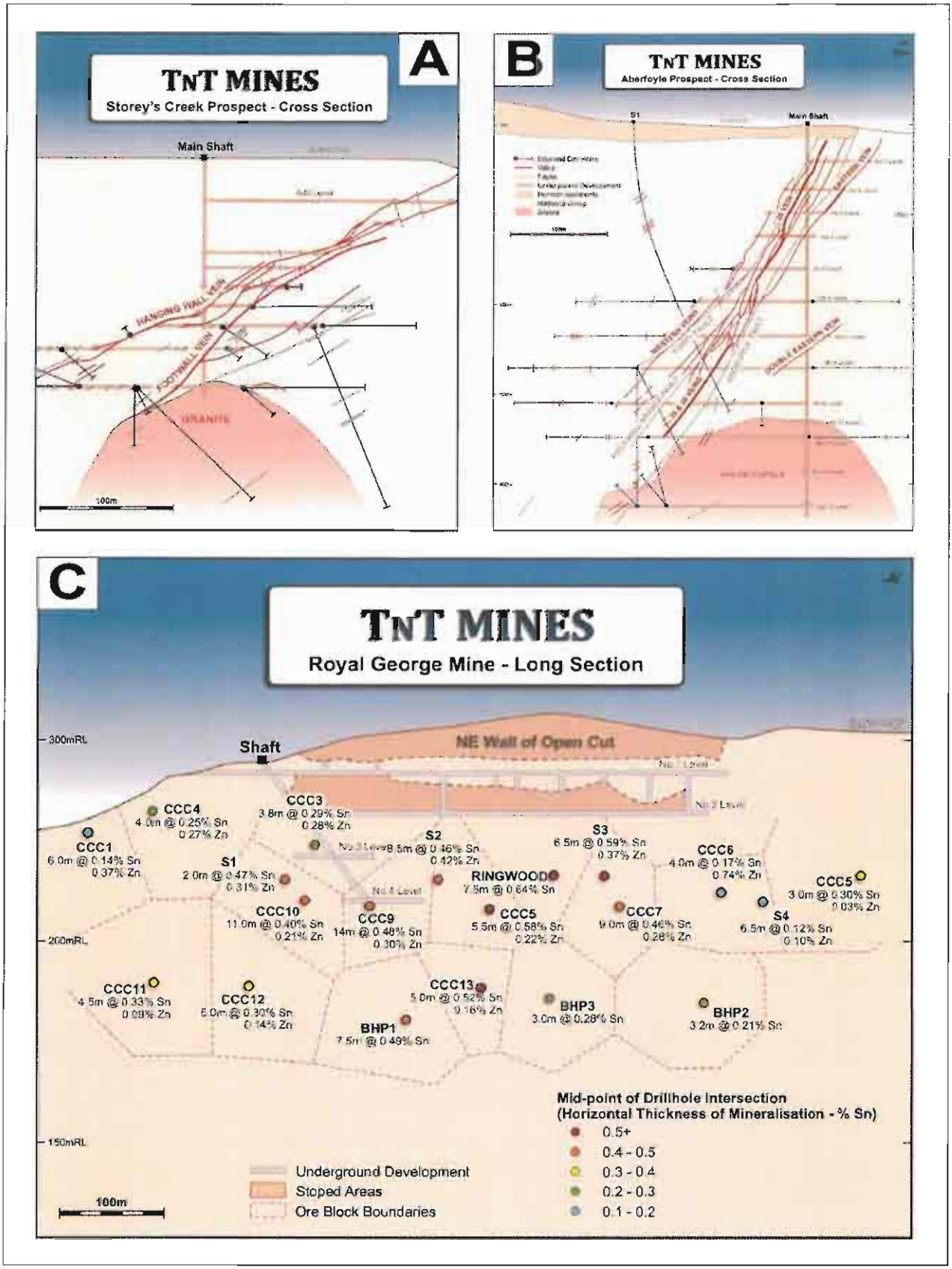


Figure 2.7 Interpreted cross sections. A: Storey's Creek. B: Aberfoyle. C: Royal George. Image courtesy TNT Mines Limited.

2.4.7.2 Local mineralisation

Mineralisation is hosted within a 30–50 m wide, north-northeast striking sheeted vein array which dips to the southwest. The system can be traced along strike for 300 m and extends 400 m in the down dip direction (Figure 2.7).

The Devonian Ben Lomond Granite crops out approximately 1 km west of the mine and has been identified at depth as a 'granite Cupola' 180 m below the surface.

The principal ore minerals are cassiterite and wolframite, the grade of which varies with the distance from the cupola.

2.4.7.3 Mineral resource

No potential Exploration Target has been determined.

2.4.8 Royal George

Royal George is located in the southern component of the Exploration Licence approximately 17 km east of the township of Avoca (Figure 2.5 and Figure 2.6).

2.4.8.1 Prior exploration

The exploration summary below has been referenced from 2012 SRK Independent Technical Report.

Mineralisation was discovered in the Royal George area in the 1880's and since that time the region has seen various exploration and mining campaigns.

- 1911–1922; small-scale mining activities produced 170,000t @ 0.65% Sn from surface workings and two underground levels.
- 1965–1971; Cornwall Coal Company with assistance from the Tasmanian Mines Department conducted underground mapping and drilling. Two inclined shafts were deepened and two deeper levels (No. 3 and 4) levels were later developed.
- 1979; CRAE entered a joint venture with Cornwall Coal Company. CRAE reviewed historic records, re-assayed historic core and develop a three dimensional model.
- 1988; Spectrum Resources Australia Pty Ltd drilled four diamond holes to confirm the presence of the remaining mineralisation beyond the stopped out areas.

2.4.8.2 Local mineralisation

Mineralisation at the Royal George Prospect is hosted within a series of steeply dipping, northwest striking greisens. Individual greisens are typically 1.5 m wide and contain disseminated cassiterite. Groups of greisens have been recorded up to 20 m wide in places (Figure 2.7).

2.4.8.3 Mineral resource

Based on historic records (Ref 21; 1990, Ruxton 1984), TNT considered the Project to host an Exploration Target of 0.6 - 0.9 Mt @ 0.35 - 0.45% Sn.

2.5 Anchor

2.5.1 Overview

Mining at the Anchor Mine commenced in 1895 and operations remained sporadic until the installation of a large ten head battery stamp in 1934. Mining operations concluded eight years later in 1942.

2.5.2 Tenement

Retention Licence 1/2009 (Anchor) is located 23 km northwest of St Helens on the northeast coast of Tasmania (Figure 2-8: A). Access to the tenement is via the unsealed Anchor track off the Tasman Highway (A3), approximately 8 km west of Goshen.

2.5.3 Mineral Asset Status

RL 1/2009 is held and operated by TNT Mines Limited. The tenement is approximately 2.75 square km in size and considered an Exploration Area according to VALMIN definitions.

The status of the tenement is classed as 'granted' with renewal due as of 01/10/2013.

2.5.4 Regional Geological Setting

See section '*Regional Geological Setting*.'

2.5.5 Local geology

Northeast Tasmania contains extensive biotite and biotite hornblende granite and granodiorite intruded into rocks of the Palaeozoic.

These granitic rocks are porphyritic, medium to coarse grained, contain phenocrysts of oligoclase up to 75mm long and are intruded by pneumatolytically altered biotite muscovite granite in which most of the tin mineralization is found.

The later stage 'tin granites' are typically fine to medium grained and contain observable intrusive contacts with the earlier porphyritic granite. This contact is often marked by a zone of pegmatite up to 200 mm wide typically somewhat richer in biotite.

The intrusions of tin granite are domal, elongate east–west and exhibit a distinct 'contact parallel' foliation. Within the domes are zones of pneumatolytic alteration and greisenisation. This alteration was accompanied by cassiterite, fluorite, topaz, and micas. More altered rocks are softer and generally the richest in tin (Ref 31).

2.5.6 Local Mineralisation

Mineralisation typically lies immediately below the band of pegmatite that occurs along the boundary of the tin granite. Tin is present as fine grained (<40 microns) cassiterite disseminated through the greisenised granite with occasional individual crystals up to 15mm long.

Zones of mineralisation, historically referred to as 'tin floors', essentially occur as horizontal bodies that repeat below one another (Figure 2-8: B). Some highly altered vertical veins peripheral to the greisen's carry up to 80% cassiterite. These shoots however are of limited extent and the average grade of ore was only 0.2% tin. The classic tin bearing quartz veins are uncommon in the Blue Tier tin mines but do occur (Ref 31).

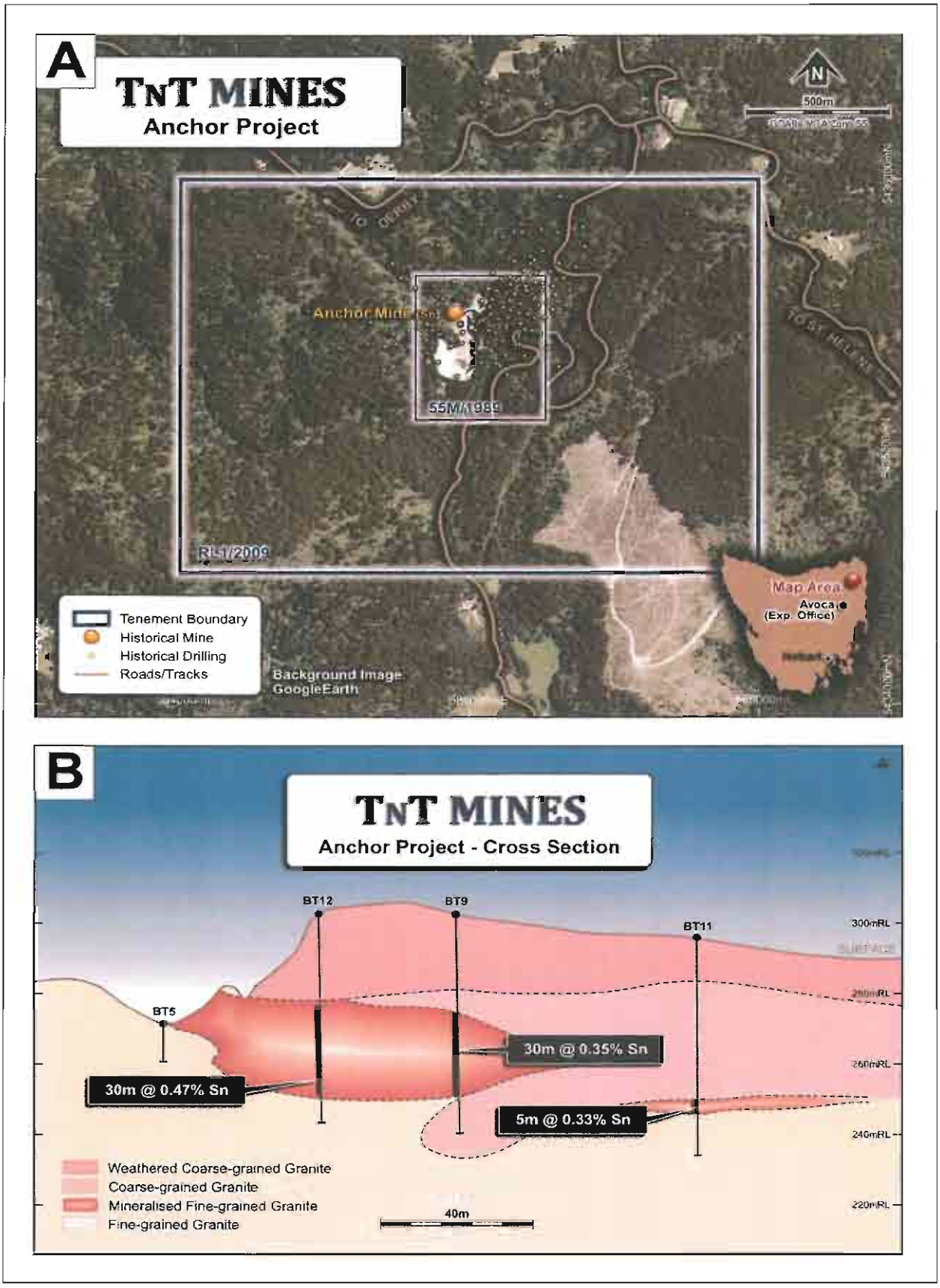


Figure 2-8: A: Location of the Anchor Project. B: Cross-section across Zone of Mineralisation

2.5.7 Prior exploration

The exploration summary below has been referenced from 2012 SRK Independent Technical Report.

Exploration and mining activities have been undertaking sporadically at the Anchor Tin Mine and nearby areas for more than a century. Small-scale mining activities are recorded to have taken place sporadically between 1895 and 1942. Systematic exploration appears not to have commenced until the 1970's and has been summarised below:

- 1976; 39 diamond drillholes completed by the Aberfoyle Tin Development Partnership.
- 1977–1985; a joint venture between Hellyer Mining and Exploration Ltd and Renison Ltd completed a 15 hole drilling programme, which was followed by metallurgical test work and feasibility studies. Further drilling at nearby prospects was also undertaken with the aim of identifying more areas of potential mineralisation. Based on the drilling data and using a length-weighted average grade and 0.05% Sn cut-off, Ross (1981) estimated that the Anchor Tin mine hosts 8.8 Mt @ 0.18% Sn of mineralisation (Pre-JORC).
- 1988–1989; Spectrum developed an underground mine and gravity concentrator with a capacity of 100,000 t/year. A total of 124,000t @ 0.61% Sn ore was exploited until the operation was suspended in 1991 (Ref 16).
- 1994; Mancala completed a feasibility study, additional metallurgical test work and modifications to the existing mill. Mining operations resumed in 1995 and produced 91,000t @ 0.40% Sn ore until the mine was suspended a year later (Ref 16).
- 2001; the mine was formally closed and rehabilitation work was undertaken throughout the year.
- 2007–2008; TNT (then Minemakers) conducted the following works:
  - Commissioned Lycopodium Engineering Pty Ltd to undertake a conceptual study on processing and economic viability of the Anchor Tin Mine.
  - Selected historic diamond drill cores were retrieved from the core library of MRT and analysed using a handheld XRF. A total of 3,752 measurements were made on 38 holes and returned an average grade of 0.33% Sn with eight 8 samples ranging between 1.00 and 2.85% Sn. Other significant averaged grades for other elements included 115ppm W, 621 ppm Cu and 785ppm Zn (Ref 16).
  - Acquired and re-processed the geophysical data collected by MRT.

2.5.8 Mineral Resources

The Anchor deposit has a pre-JORC resource estimate of remnant mineralisation of 8.585Mt @ 0.17% Sn predominately within Mining Lease 55M/1989. However, the transfer of this tenement to TNT Mines has not yet been finalized.

2.6 Great Pyramid Project

2.6.1 Overview

The Great Pyramid deposit was discovered in 1909 and although the tenement has been explored relatively extensively in the past only minor production has taken place.

2.6.2 Tenement

Retention Licence 2/2009 (Great Pyramid) is located 12 km southwest of St Helens on the northeast coast of Tasmania. Access to the tenement is via an unsealed track off the Eastern Creek Road, approximately 10 km west of Beaumaris.

Figure 2-9: Location of Tenement RL 2/2009. Image courtesy TNT Mines Ltd.

2.6.3 Mineral Asset Status

RL 2/2009 is held and operated by TNT Mines Limited. The tenement is 4 square km in size and considered an Exploration Area according to VALMIN definitions.

The status of the tenement is classed as granted with renewal due as of 01/08/2015.

2.6.4 Regional Geological Setting

See section '2.2.4 *Regional Geological Setting*.'

2.6.5 Local Geology

The geology of the region consists of the rhythmic alternating turbiditic beds of Silurian sandstone, siltstone and shale which typify the Mathinna Supergroup. Sandstone beds are fine

to medium grained, massive, occasionally feldspathic, locally metamorphosed to quartzite and the dominant lithology of the unit. Mudstone and siltstone beds are thin, featureless and often highly sheared (Ref 26; Ref 31).

The Mathinna Supergroup was deformed and metamorphosed to low grades during the Tabberabberan Orogeny. Bedding has been folded into tight recumbent folds that are overprinted with a disjunctive cleavage formed during the development of upright chevron folds. Both recumbent and chevron folds are deformed by southwest verging open folds and associated northwest striking crenulation cleavage. Regional faulting also strikes northwest and often hosts mineralisation in zones of high shear (Ref 34; Ref 22).

No granitic rock crops out on the tenement, although directly northwest Devonian granites believed to be the source of much of the regions mineralisation are exposed (Ref 32).

2.6.6 Local Mineralisation

Mineralisation is confined to sheeted and fissure veins hosted within brittle quartzite lithologies. The principal ore is tin and silver with minor arsenic, copper, lead, zinc and tungsten. The deposit consists of two larger zones of mineralisation and a smaller third zone.

2.6.7 Prior Exploration

The exploration summary below has been referenced from 2012 SRK Independent Technical Report.

The Project area has seen exploration for Sn-Ag-(Cu)-(Pb)-(Zn)-(W) mineralisation since 1908. The key exploration and production activities since this time are summarised below:

- 1909–1910; Great Pyramid Tin Mines conducted the first systematic exploration, including surface channel sampling, pitting and trenching. Five shafts were sunk with grades varying between 0.14% and 6.37% Sn. Fifteen adits were driven, of which the best intersection included 10m @ 2% Sn (Ref 16).
- 1925–1936; minor mining activities in the high grade zones of Great Pyramid deposit. Records indicate 336t @ 0.88% Sn ore was mined with ~3t contained metal recovered (Ref 16).
- 1965–1983; four different companies and government department (BHP, Aberfoyle Management Pty Ltd, Tasmania Mines Department, and Shell Co. Australia Ltd) had undertaken drilling activities in the area, totalling 8,898 m. The drilling included 158 RAB holes for 5,538m and 26 diamond core holes for 3,359m.
- 1995; Merrywood Coal Company Pty Ltd completed a re-assessment of the deposit.

Table 2-3: Historic drilling completed at great pyramid (SRK, 2012)

Year	Explorer	Number of Holes			Drill Meters		
		RAB	DDH	Total	RAB	DDH	Total
1965	BHP	23	1	24	843	243	1,086
1970	Aberfoyle	135	6	141	4,695	671	5,367
1976–1978	Tasmania Mines Department	–	4	13	–	710	710
1980–1981	BHP	–	13	4	–	1,229	1,229
1983	Shell	–	2	2	–	506	506

2.6.1 Mineral resources

In 2011, TNT commissioned Hellman and Schofield H&S to undertake a Mineral Resource estimate on the basis of the historic drilling results (1965–1983), complied by TNT. The estimation resulted in the definition of 5.2 Mt @ 0.18% Sn of Inferred Resources, using a 0.1% Sn cut-off (Ref 28; Ref 32).

2.7 Technical Valuations

Two valuation approaches have been used, the Modified Kilburn Geoscience Rating Method and Comparable Transactions Method.

2.7.1 Modified Kilburn Geoscience Rating Method.

2.7.1.1 Introduction

The Kilburn Geoscience Rating Method is based on the following parameters:

- *Basic Acquisition Cost*

In Tasmania the grant of an Exploration Licence is contingent on the following:

  - An application fee - $1,238.40
  - Annual rent - $28.74/sqr.km./yr
  - Minimum expenditure - $200/sqr.km./yr

- *Proximity to Adjacent (Off-Property) Geophysical and Geochemical Anomalies*

  Consideration is given to any geophysical and geochemical anomalies that exist in the proximity of the tenements to be valued.

- *Proximity to Adjacent (Off-Property) Mineralisation*

  Consideration is also given to any significant and relevant mineralization that exists in the proximity of the tenements to be valued.

- *Mineralisation and Prospectivity Characteristics of the Properties*

  The style, extent and significance of any defined mineralization is assessed, along with geophysical and geochemical anomalism on the prospects is taken in account in this part of the assessment.

- *Calculated Technical Valuation*

  The combination of the basic acquisition cost, actual mineralisation, and anomalism within the tenements is calculated to form an overall valuation of the prospects.

In Tasmania the grant of a Retention Licence requires the applicant to demonstrate that a significant mineral resource exists, but for which there are no current markets which would allow development and mining of the mineral components in the resource. Once granted, Mineral Resources Tasmania (MRT) levies an application fee, an annual rent fee, and an annual expenditure commitment (the latter is analogous to the minimum expenditure as applied to Exploration Licences).

Currently the Basic Acquisition Cost (BAC) is as follows:

- Application fee - $1,255.60
- Annual rent - $2,754.29/sqr.km/yr
- Annual commitment – according to specific RL status

Retention Licences have been assessed using the same parameters described previously for Exploration Licences.

2.7.1.2 Results

- Oonah Project - application of Modified Kilburn Ratings to the Oonah Project (EL 63/2004) results in a range of estimated Technical Values from $193K to $988K. Results are shown in Table 2-4.
- Aberfoyle-Storeys Creek Project - aapplication of Modified Kilburn Ratings to the Aberfoyle-Storeys Creek Project (EL 27/2004 -northern part) results in a range of estimated Technical Values from $242K to $1.49M. Results are shown in Table 2-4
- Royal George Project - application of Modified Kilburn Ratings to the Royal George Project (EL 27/2004 – southern part) results in a range of estimated Technical Values from $57K to $219K. Results are shown in Table 2-4
- Anchor Project - application of Modified Kilburn Ratings to the Anchor Project (RL 1/2009) results in a range of estimated Technical Values from $36K to $88K. Results are shown in Table 2-4
- Great Pyramid Project - application of Modified Kilburn Ratings to the Great Pyramid Project (RL 2/2009) results in a range of estimated Technical Values from $349K to $1.49M. Results are shown in Table 2-4

2.7.2 Comparable Transactions Method

2.7.2.1 Case Examples

A brief review of recent transactions involving tin resources identified the following details:

1. Consolidated Tin Mines Ltd (Mt Garnet, Queensland) – in mid-September 2011 Snow Peak International Investment Ltd (SPII) took a placement of $1.6M (20M shares @ $0.08) in CTM. This volume of shares was equivalent to 12.07% of the issued capital of CTM, which at that time had a total resource inventory of 44,530 tonnes Sn metal. Consequently, SPII effectively expended $1.6M to acquire 5,375 tonnes Sn, paying $298/tonne of Sn metal.

2. Stellar Resources Ltd (Queen Hill, Tasmania) – in early November 2011 Gippsland Ltd relinquished its 40% stake in the Heemskirk project (including the Queen Hill deposit) for 43.5M Stellar shares then worth $0.07 for the sum of $3.045M. The total resource inventory at the time was 48,000 tonnes Sn metal, so that Gippsland effectively sold 19,200 tonnes Sn metal for $159/tonne of Sn metal.

3. Consolidated Tin Mines Ltd (Mt Garnet, Queensland) – in March 2012 Snow Peak International Investment Ltd (SPII) took a placement of $1.148M (16.4M shares @ $0.07) in CTM. This volume of shares was equivalent to 19.97-12.07 = 7.9% of the issued capital of CTM, which at that time had a total resource inventory of 57,700 tonnes Sn metal. Consequently, SPII effectively expended $1.148M to acquire 4,558 tonnes Sn, paying $252/tonne of Sn metal.

4. Kasbah Resources Ltd (Achmmach, Morocco) – in about mid-March 2012 Toyota Tsusho acquired a 20% interest in the Achmmach project for $16M. The resource

inventory at the time was 135,000 tonnes Sn metal, so that Toyota acquired some 27,000 tonnes Sn, paying $593/tonne of Sn metal.

5. AusNiCo Ltd (Taronga, New south Wales) – in early November 2012 AusNiCo and Taronga Mines Ltd merged by way of the former acquiring all of the shares in the latter, with an implied value of $6.9M. The total resource inventory is 57,200 tonnes of Sn metal, so that the merger imparted an implied value for the half share of 28,600 tonnes of Sn metal of $241 per tonne of Sn metal.

2.7.2.2 Tin Prices

The LME tin price was plotted with the comparable transaction price data from mid-2011 to the present, and overall, there appears to be a general correlation between the two prices, as shown in Table 2-6

If the upward spike in prices which occurred in March 2012 is ignored, the comparable transaction tin prices occur in a band extending from $330/t to $500/t at present, which was then used to estimate the technical values for all the properties except Great Pyramid. The style and grade of the tin mineralisation at Great Pyramid appears broadly similar to the Taronga tin deposit, for which the merger exercise had an implied value of $241/t of tin. Accordingly, the Technical Values for Great Pyramid were estimated using prices of $240-$300/t.

2.7.2.3 Status of Mineral Resource Estimates

The TNT Mines properties have a range of mineral resource estimates, but which were mostly done prior to the introduction of the JORC Code in 1989, and described here as "pre-JORC".

These pre-JORC estimates are "historical estimates", which were not reported in accordance with the JORC Code, and it is uncertain that following further evaluation if these estimates will ever be able to be reported in accordance with the JORC Code.

Consequently, the procedure adopted was to discount the apparent (pre-JORC) tin metal endowment by a factor 0f 50% in order to allow for the various uncertainties about these early estimates. The only resource estimate done which complies with the JORC Code is that for the Great Pyramid, and the tin metal endowment here was discounted by 25% to recognise the low (marginally economic) average grade of 0.18% Sn.

2.7.2.4 Results

- Oonah Project - application of the Comparable Transactions method to the Oonah Project (EL 63/2004) results in a range of estimated Technical Values from $577K to $961K. Results are shown in Table 2-4
- Aberfoyle-Storeys Creek Project - application of the Comparable Transactions method to the Aberfoyle-Storeys Creek Project (EL 27/2004 -northern part) results in a range of estimated Technical Values from $729K to $1.21M. Results are shown in Table 2-4
- Royal George Project - application of the Comparable Transactions method to the Royal George Project (EL 27/2004 – southern part) results in a range of estimated Technical Values from $363K to $605K. Results are shown in Table 2-4
- Anchor Project – this does not have any estimates of mineral resources.

- Great Pyramid Project - application of the Comparable Transactions method to the Great Pyramid Project (RL 2/2009) results in a range of estimated Technical Values from $1.68M to $2.11M. Results are shown in Table 2-4

2.7.3 Discussion

The Moina Project has not been assigned a range of Technical Values because of the following reasons:

- TNT Mines have yet to exercise their Option to acquire 80% of the project from Geotech International Pty Ltd. This means that TNT Mines do not currently have any equity in this project.
- Assuming the Option had been exercised, efforts to estimate Technical Values based on the F, Sn, W and Fe contents of the resource have been at best inconclusive.

Expanding on the second point above, the not inconsiderable metallurgical complexities of the wrigglite skarn have thus far precluded any processing routes which can produce marketable concentrates of fluorspar (CaF_2). About 50% of the tin is locked in garnet, thereby limiting tin recoveries to around 22% from a head grade of 0.1% Sn, the value of which would not pay for any likely operating costs. Similar comments apply for the tungsten content, albeit with a predicted recovery of 83% from a head grade of 0.1% WO_3.

The potential to produce a magnetite (Fe_3O_4) concentrate for heavy media separation (HMS) in coal washing plants has been investigated, but the magnetite is so intimately intergrown with the fluorite that the marketability of any magnetic product with unknown SG is a significant problem.

2.7.4 Summary and Conclusions

The Technical Valuation ranges derived previously are as follows:

- Modified Kilburn Rating : $0.877M - $4.277M,and;
- Comparable Transactions: $3.353 - $4.887M

Overall the TNT Mines mineral assets in Tasmania are considered to have a **Preferred Technical Value of $4.0M.**

Table 2-4: TNT Mines Kilburn Rating Matrix

TNT MINES LTD

MODIFIED KILBURN RATINGS - TASMANIA MINERAL ASSETS

Exploration/Retention Licence			BAC	Joint	Proximity to Off-Property :			Property Features												Technical Valuation		
				Venture	Geophys or	Mineralisation		Geophysical		Geochemical		Geological		Mineralisation								
Name	No	Sqr. Km	$	Factor	Geochem	rank	metals	Targets		Targets		Patterns		Rank		Metals	Resources			$		Notes
					Targets			low	high	low	high	low	high	low	high		low	high	Class	low	high	
				a	b	c		d1	d2	e1	e2	f1	f2	g1	g2		h1	h2		i1	i2	
Oonah	EL 63/2004	24	6,755	0.75	1.3	3	Sn	1.5	2.5	1.3	2	2	2.5	1	1	Sn, Cu, Pb, Ag	2.5	4	Pre-J	192,644	987,009	1
Aberfoyle -	EL 27/2004	78	19,128	1	1.3	1	(W, Sn)	1.5	2.5	1.3	2	2	3	1	1	Sn, W	2.5	4	Pre-J	242,447	1,491,984	2
- Storeys Ck																						
Royal George	EL 27/2004	19	5,609	1	1.3	1	Sn	1.5	2	1.3	2	2	2.5	1	1	Sn, Zn	2	3	Pre-J	56,875	215,751	3
Anchor	RL 1/2009	2.75	33,830	1	1.3	2	Sn	0.8	1	0.8	1	0.8	1	0.8	1	Sn	1	2		36,028	87,958	4
Great Pyramid	RL 2/2009	4	37,273	1	0.8	1	Sn	1.5	2	1.3	2	2	2.5	1	1	Sn	3	5	JORC	348,875	1,490,520	5
																			TECHNICAL VALUE RANGES	**876,870**	**4,277,532**	
																			MINING ONE PREFERRED TECHNICAL VALUATION	$4.0M		

BAC : Basic Acquisition Cost - calculated from the application fee + annual rent + minimum expenditure for EL (or committed expenditure for RL)
Note 1: the Stannite Lode has a pre-JORC resource average of 310,000t @ 1.24% Sn for 3,844 tonnes Sn metal
Note 2: the Lutwyche deposit has a pre-JORC resource of 1.08Mt @ 0.45% Sn, 0.45% WO3 for 4,860 tonnes Sn metal (& 4,860 tonnes WO3)
Note 3: the Royal George mine has a pre-JORC resource of 590,000t @ 0.41% Sn for 2,420 tonnes Sn metal
Note 4: the Anchor mine has a (remnant) pre-JORC resource 8.585Mt @0.17% Sn. However, this is within 55M/1989 & excluded from RL 1/2009
Note 5: the Great Pyramid mine has an inferred JORC resource of 5.2Mt @ 0.18% Sn for 9,360 tonnes Sn metal

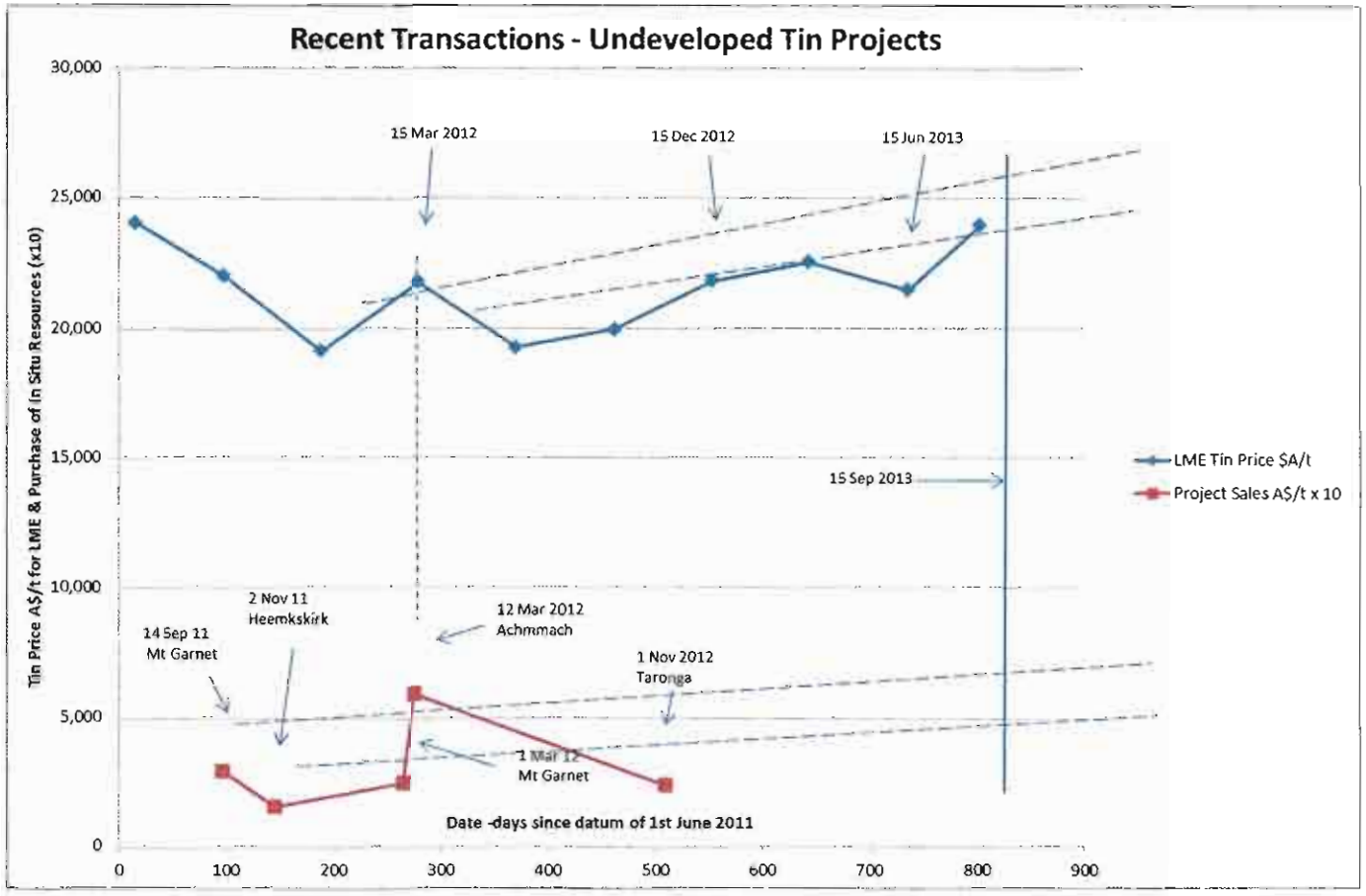
Table 2-5: TNT Mines Comparable Transactions Summary

TNT MINES LTD

TECHNICAL VALUES OF TASMANIA TIN ASSETS
based on
COMPARABLE TRANSACTIONS

Exploration/Retention Licence				In Situ Resource						Technical Value		Comments
Name	No	Sqr. Km	Type	Class	Size	Grade	Endowment			Min	Max	
							gross	net-1	net-2	$300/t Sn	$500/t Sn	
						Sn	Sn	Sn	Sn	($240 GtP)	($300 GtP)	
					M tonnes	%	tonnes	tonnes	tonnes	A$M	A$M	
								a1	a2	b		
Oonah	EL 63/2004	24	Qtz lode	Pre-JORC	0.31	1.24	3,844	na	1,922	576,600	961,000	Net-1 refers to JORC compliant resource estimates. A 25% discounted was applied to the gross endowment.
Aberfoyle - - Storeys Ck	EL 27/2004	78	Qtz Veins (Lutwyche)	Pre-JORC	1.08	0.45	4,860	na	2,430	729,000	1,215,000	
Royal George	EL 27/2004	19	Greisen	Pre-JORC	0.59	0.41	2,420	na	1,210	363,000	605,000	Net-2 refers to pre-JORC compliant resource estimates. A 50% discounted was applied to the gross endowment.
Anchor	RL 1/2009	2.75	Greisen	na	na	na	na					
Great Pyramid	RL 2/2009	4	Qtz Veins	JORC	5.2	0.18	9,360	7,020	na	1,684,800	2,106,000	
										3,353,400	4,887,000	

Table 2-6: TNT Mines – Comparable Transactions Market Value



3 NIUMINCO GROUP LTD MINERAL ASSETS

3.1 Overview

Niuminco Group Ltd maintain an interest in the Edie Creek mining licenses (Multiple ML's) refer to Table 3-1, the Bolobip project (EL1438, EL2090) and the May River project (EL1441, EL2087, EL2088 & EL2089) in Papua New Guinea. All three projects have been or are currently in joint venture with Mincor PNG Ltd (Mincor). Recent exploration work has included diamond drilling targeting the diatreme and stockwork style mineralisation at the Edie Creek site and geophysical and geochemical surveys at the Bolobip and May River projects.

3.2 Tenement Holdings & Joint Venture Agreements

Niuminco hold a direct interest in the tenements as summarised in Table 3-1. A Joint Venture (JV) agreement was formed between Niuminco Group and Mincor PNG Ltd in 2011 that covered the Edie Creek project, Mincor ceased participation in this JV in March 2013 after earning a 17% interest. Mincor has also entered into a Joint Venture agreement whereby up to a 72% interest can be earned in both the Bolobip and May River projects by spending $5m on each tenement over an eight year period commencing in 2011. To June 2013 Mincor has spent $3.1M on the Bolobip project and $3.4M on the May River project to earn a 36% interest in each of these projects.

Table 3-1: Niuminco Tenement Ownership

Location			Entity		
Project	Tenement Name	Tenement #	Niuminco	Mincor	Area Km2
Edie Creek	Edie Creek	ML 144	83%	17%	0.90
		ML 380	83%	17%	0.03
		ML 384-392	83%	17%	0.42
		ML 402 - 410	83%	17%	0.43
		ML 444 - 446	83%	17%	0.12
		ML 462	83%	17%	2.02
Bolobip	Bolobip	EL1438	64%	36%	352.40
	Fagobip	EL2090	64%	36%	320.00
May River	May River	EL1441	64%	36%	325.10
	Hotmin	EL2087	64%	36%	643.5
	Ama	EL2088	64%	36%	537.8
	Wameimin	EL2809	64%	36%	6.2

Figure 3-1: Niuminco Group Projects (Source: Ref 5)

3.3 Edie Creek Project

The Edie Creek project consists of 24 mining licenses over an area of 3.92km^2. The project is located 210km northwest of Port Moresby and 120km south of Lae. Access to the mining licenses is provided by a sealed road between Lae and Bulolo and then a new road constructed by the Morobe Mining JV that passes in close proximity to the project area. An airstrip is also available in Bulolo that allows access via air from Port Moresby (Ref 6).

Mining of gold and silver has been conducted sporadically since discovery of the mineralised system in 1926. Historical production has been sourced from near surface artisanal and alluvial workings from 1926 and underground hard rock mining between 1930 and 1940.

Infrastructure on the current site consists of a site camp accommodating up to 200 people accompanied by a nursing service in addition to catering, maintenance and administration facilities (Ref 6).

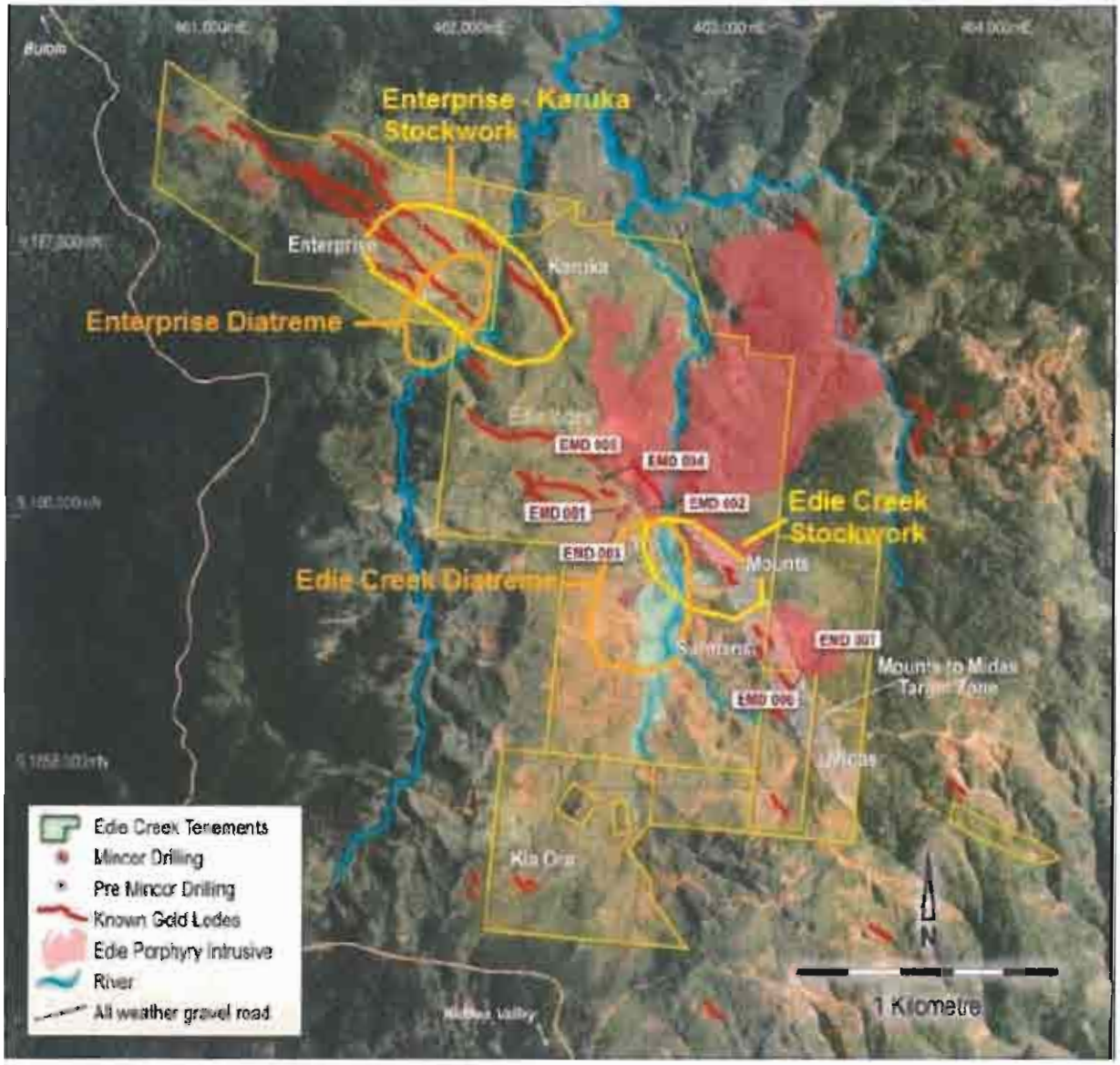


Figure 3-2: Edie Creek Project – Mining Licences and Prospects (Source: Ref 4)

3.3.1 Geological Setting

The Edie Creek project is located within Cretaceous metamorphic volcanoclastic sediments that have been intruded by late Tertiary porphyries. Thrusting has provided numerous structural locations for influx of metal bearing fluids (Ref 11)

3.3.2 Mineralisation Styles

Three categories of mineralization occur within the region, these are hydrothermal, mesothermal and epithermal systems. Mineralization within the Edie Creek project area is sourced primarily from an epithermal system hosted within the lode structures associated with the porphyry intrusions.

Three host mineralization styles exist within the project area that include diatreme, stockwork and lode deposits. Historically gold and silver production was sourced primarily from the stockwork and lode styles of mineralization.

The lode style occurs in planar fissure veins that average 1 to 1.25m in thickness. The mineralization is divided into oxide and non-oxide zones. These zones are defined as:

- **Oxide**

  The oxide zone is characterized by manganese oxides, goethite and limonite in conjunction with layered quartz veining. Coarse gold has been encountered within these zones possibly as a result of secondary enrichment; most gold however is very fine grained and occurs in the quartz-manganese oxides. Grades can range up to 30 g/t Au within the secondary enrichment zones and up to 7.6 g/t at the lower limit of partial oxidation (Ref 7).

  Silver mineralization also exists within the oxide zone where it is primarily found as electrum with the gold with grades up to 900 g/t Ag, there are also reported occurrences of manganese-silver minerals in the oxidized profile. Previous work has been focused on the gold mineralization, the silver only zones have not been subject to significant studies but may represent an opportunity for future work. Grades within the secondary enrichment zones for silver have ranged up to 250 g/t Ag (Ref 7).

- **Primary Zone (Non-Oxide)**

  The primary zones consist of sulphide rich (pyrite) quartz and carbonate altered lodes. Gold mineralization is found both in association with carbonates and also in quartz only zones. Gold is generally fine grained and free milling. Silver occurs within electrum with the gold mineralization. Gold grades up to 100 g/t have been encountered within the primary zones (Ref 7).

  The stockwork style of mineralization is characterized by zones of mineralized quartz veins that can exist within domains up to 600m long along strike and up to 70m thick. Bench sampling through these zone has defined mineralization averaging 1.4 g/t Au.

  The third style of mineralization encountered within the project area is associated with diatremes (volcanic breccia's). These systems have potential to host bulk tonnage low grade style mineralization and are thought to be fluid pathways to the other styles of mineralization within the deposit.

3.3.3 Previous Exploration

Exploration using modern techniques commenced in 1988 with diamond drilling completed to test the Enterprise and Karuka lodes. These initial holes were drilled by Renison Goldfields Consolidated Ltd (RGC). The initial drilling programs were targeted in close proximity to the historical mining areas. Extensive bench sampling has also been completed between 1988 and the 2013. The lode style of mineralization has historically been the focus of exploration and artisanal mining activities, more recently the focus has shifted to testing for bulk tonnage – low grade mineralization within diatremes and stockworks within the project area.

A historic resource is mentioned in the literature comprising 30,000 ounces of gold however no information is available as to if this estimate meets the JORC standard.

The summary of diamond drilling activities is outlined in Table 3-2 below.

Table 3-2: Edie Creek Project – Historical Drilling

EDIE CREEK HISTORICAL DRILLING ACTVITY				
Year	Holes	Total (m)	Prospect Target	Company
1988	2	294.9	Enterprise & Karuka North	Renison Goldfields Consolidated
1997	12	1511.7	Enterprise Vein	Edie Creek Mining
2010	10	1559.8	Edie Lode 1 & 2	Niuminco Group
2012	9	1932.8	Edie Creek Targets	Mincor
2013	5	818.3	Whites Lode, Karuka and Enterprise	Niuminco Group
Totals	38	6117.5		

3.3.4 Edie Creek Prospects

Historically the narrow high grade lode style mineralised zones have been the subject of exploration and mining activities within the Edie Creek project. The lode style of mineralisation has been defined at the Enterprise, Karuka, Edie, Surmans, Mounts, Midas and Kia Ora prospects. Lodes in the Enterprise prospect area have been defined over a strike length of 1km and significantly less than this at the other prospects. Drilling into these lode zones has also defined low to medium grade stockwork style mineralisation. The lode zones occur as 1-2m wide fissure veins that can contain high grade gold values. The location of these prospects can be seen in **Figure 3-2**.

Given the sporadic nature and potential lower tonnage of the lode style zones recent exploration has been targeted more toward the low grade mineralisation encountered within the diatremes and stockworks.

The current bulk tonnage low grade targets include the Enterprise and Edie Creek diatremes and their associated stockworks. The conceptual target for these prospects are similar to the Wafi-Golpu deposit where potassic altered porphyries overprinted by phyllic alteration contain up 30Moz of gold. The Wafi-Golfu deposit also exhibits diatremes of a similar dimension to the ones seen at the Edie Creek project.

Drilling completed in 2013 into the Edie Creek diatreme returned low grade gold results with a best intersection of 29m @ 0.36 g/t Au in EDD-015. EDD-015 was drilled beneath some of the better channel sampling results within the Edie Creek prospect, see **Figure 3-3.** Holes EDD014 and EDD016 contained intervals of 21m @ 1.18 g/t Au and 20m @ 1.40 g/t Au respectively, mineralisation contained within these holes was logged as gossanous quartz veining located above the existing underground workings. Mining One assess these results as been located within the potential secondary enrichment zone. There exists potential for definition of near surface bulk tonnage Resources subject to additional drilling.

Although these results also indicate the potential for there to be deeper mineralised zones it is also possible that the near surface mineralization in the project area represents secondary enrichment thus decreasing the economic potential at depth. This aspect is provided as a reason for Mincor to suspend their commitment to exploration on the project as they have stated the following:

"*The company's interpretation is that this system is widely dispersed and likely to have generated numerous small gold deposits rather than a single, viable ore deposit*" (Ref 8)

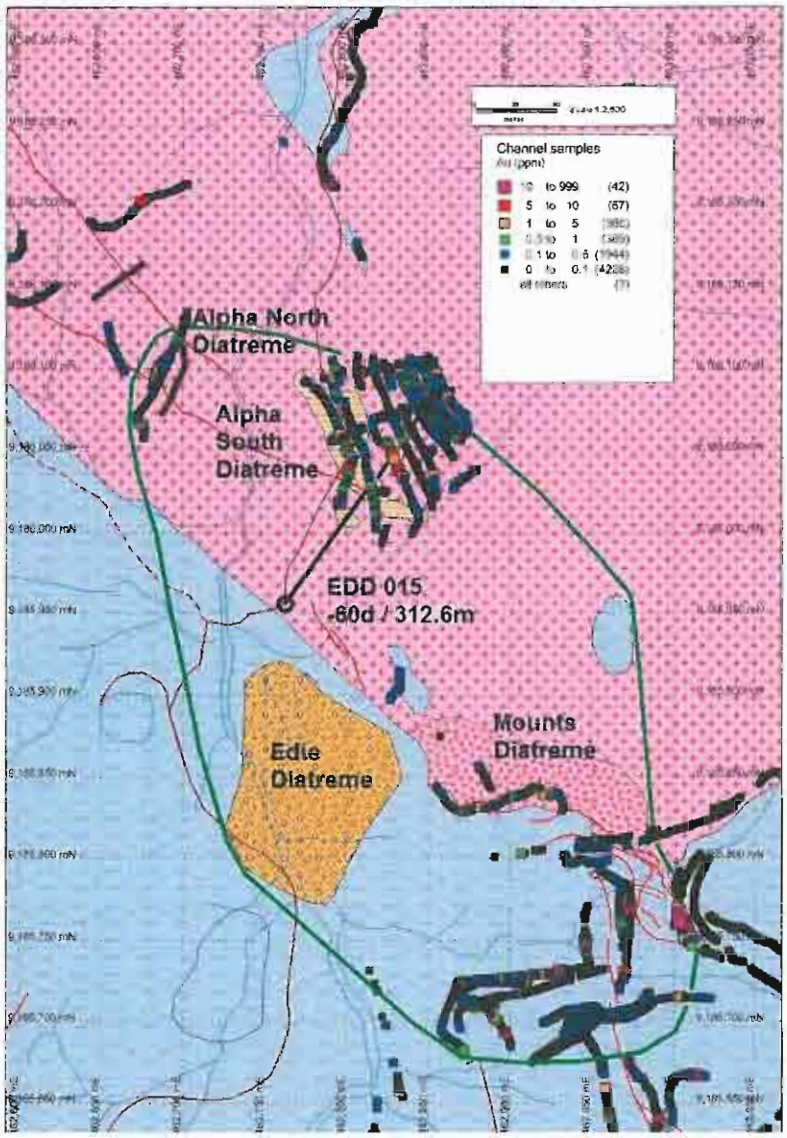


Figure 3-3: Edie Creek Project – 2013 Drilling (Source: Ref 4)

3.3.5 Edie Creek – Technical Valuation

The Edie Project does not contain any JORC Resources, a pre JORC Resource estimate of 30Koz is mentioned in the literature however no details are available to describe this estimate. The project is therefore classified as an Advanced Exploration Area. The Kilburn Geoscience Rating Method is deemed suitable as a valuation technique. The parameters outlined in the 2011 Joint Venture agreement with Mincor have been used to guide the valuation process.

3.3.5.1 Kilburn Geoscience Rating– Edie Creek Technical Valuation

The Kilburn Geoscience Rating Method is deemed suitable as a valuation technique for the project and is based on four main assessment criteria outlined as follows:

- *Basic Acquisition Cost (BAC)*

The grant of a mining lease can be granted for areas up to 60 km^2. An annual fee is payable that equates to $567 per km^2 per annum (K1215).

As part of the application process a work plan is required to support the planned development within the Mining License. Mining One estimate the cost of developing a work plan for the Edie Creek licenses as $50,000 including administration expenses.

The Edie Creek project consists of 24 Mining Licences covering a total area of 3.92 km^2. The licenses are ML 144, ML 380, ML 462 and ML 384-392, ML402-410 and ML444-446.

The basic acquisition cost for the Mining Licenses is therefore calculated as:

$567*24 + $50,000= $63,608 ($60,000 is used in Kilburn rating system)

The total BAC for the Edie Creek project is therefore $60,000 (All ML's)

- *Proximity to (Off-Property) Geophysical/Geochemical Anomalies and Mineralisation*

Consideration is given to any geophysical and geochemical anomalies and mineralisation that exist in the proximity of the tenements to be valued.

In relation to the Edie Creek project there exists the Hidden Valley project currently operated by the Hidden Valley Joint Venture in the proximity of Edie Creek and the Wafi-Golpu project further to the north. The geological setting at the Edie Creek project does show some similarities to these projects however recent exploration activity has failed to locate significant economic mineralisation at depth.

The Kilburn rating system ranks prospects using a factor between 1 and 5 in relation to the presence of off property mineralisation. Mining One has applied a factor of 2 to the Mining Leases as although the host lithology is deemed favourable there appears to be a lack of economically viable bulk tonnage mineralisation within the leases.

- *Mineralisation and Prospectivity Characteristics of the Properties*

The style, extent and significance of any defined mineralization is assessed, along with geophysical and geochemical anomalism on the prospects is taken in account in this part of the assessment. In relation to the Edie Creek Mining Leases surface sampling has identified significant near surface copper/gold mineralisation in bench, trench and soil samples. Recent deeper drilling has however failed to define economic mineralization within the bulk tonnage targets of the diatremes and stockworks.

Any future mining is more likely to be focussed on the lode style mineralization where gold and copper grades are medium to high however overall project tonnages will be likely low.

Geochemical data within the project area consists primarily of soil and bench sampling, this sampling may be representative of near surface secondary enrichment of the gold, copper and silver within the system. The depth potential of this mineralisation has not been confirmed. The ranking for on property mineralisation ranges between 2 and 10. Mining One have applied a

factor of up to 2.5 for these licenses given the level of near surface anomalism and length of mineralisation intervals seen in bench sampling. The lack of success in recent drilling to define economic mineralization within the bulk tonnage targets has decreased the overall rating for Edie Creek.

Another aspect in completing the Kilburn rating is to determine to relevance of the geological setting within the prospect area. These are given a factor of between 2 and 4 dependent on how favourable the geological patterns are. Given the presence of lode styles of mineralisation, diatremes and stockworks Mining One have assigned a factor between 1.2 and 2.5 for the Edie Creek project.

- *Calculated Technical Valuation – Edie Creek Kilburn Method*

The combination of the basic acquisition cost, off property mineralisation, actual mineralisation, and anomalism within the tenements is calculated to form an overall Kilburn Technical Valuation of the Edie Creek project.

The assessment for each Kilburn ranking category is shown as a matrix in Table 3-4.

Application of the Modified Kilburn Ratings to the Edie Creek Project results in a range of estimated Technical Values from $0.51M to $3.20M.

3.3.5.2 Joint Venture Method– Edie Creek Technical Valuation

The second valuation technique suitable for the Edie Creek project is to make use of the Joint Venture investment by Mincor as a guide to the "market value" of the Mining Licenses.

In 2011 Mincor formed an earn-in Joint Venture with Niuminco that covered the Edie Creek project. Terms of the agreement were that Mincor could earn a 51% interest in the project by spending $15M over five years. In March 2013 Mincor elected to surrender its rights to the JV after spending $5M to earn a 17% interest.

For technical valuation purposes the $5M required spend to earn 17% on the Edie Creek JV can be used as a guide. Mining One have applied a 9% discount rate to the expenditure over the JV and spread this evenly over the 5 year term of the agreement. The calculation extrapolates the JV arrangement to account for a 100% interest in order to ascribe a project valuation.

The value of the JV agreement at the time of inception is calculated as $23M (100% Project). Exploration completed by Mincor since the commencement of the JV has not increased the value of the Mining Licenses in the opinion of Mining One. Resources have not been defined and the deeper drilling to target the bulk tonnage low grade prospects did not define economic levels of mineralisation within the diatremes or stockworks. This work has therefore significantly decreased the potential within these Mining Leases for the discovery of a large coherent mineralised system beneath the near surface mineralization. Given the exploration completed by Mincor between 2011 and 2013 did not enhance the project prospectivity Mining One have significantly discounted the initial value of the JV on this project.

3.3.6 Edie Creek - Technical Valuation Summary

Application of Modified Kilburn Ratings to the Edie Creek Project (Multiple ML's) results in a range of estimated Technical Values from $0.51M to $3.20M. The range of values is derived from the prospectivity factors applied to the basic acquisition costs. Given that Mincor have ceased participation in the JV Mining One have used the Kilburn method to ascribe a Technical

Valuation of the Edie Creek project. Valuation ranges for the Edie Creek project therefore range between $0.51M and $3.20M.

Mining One assess the Technical Value of these ML's at the lower end of the Kilburn method range given near surface exploration results provided between 2011 and 2013 and the low grade mineralisation encountered in the holes targeting the bulk tonnage at depth.

The preferred Technical Value (83% Interest) is determined as $1.0M for the Edie Creek project (Multiple ML's).

3.4 Bolobip Project

The Bolobip Project consists of 2 exploration licences named Bolobip and Fagobip, these are EL1438 and EL2090 respectively. The prospect is located approximately 60km to the east of the Ok Tedi mine and 120km northeast of the Kiunga Port in Western Papua New Guinea.

A multiphase intrusive complex has been identified within the project area where diorite and monzonite have been defined. Previous exploration that has included stream sediment sampling, rock sampling and bench sampling has defined a 1km diameter copper and gold anomaly found in association with elevated zinc, lead and manganese. The mineralised portion of the intrusion has been named the Koum Stock which is part of the larger Bolobip Stock (Ref 12).

3.4.1 Geological Setting

The Bolobip Project is centred on a multiphase porphyry intrusive system where monzonite and diorite have been so far identified. These intrusives are surrounded by strongly magnetic felsic intrusives, undifferentiated siltstones, mudstones and sandstones. A zone of strong propylitic alteration is evident on the margins of the Koum stock.

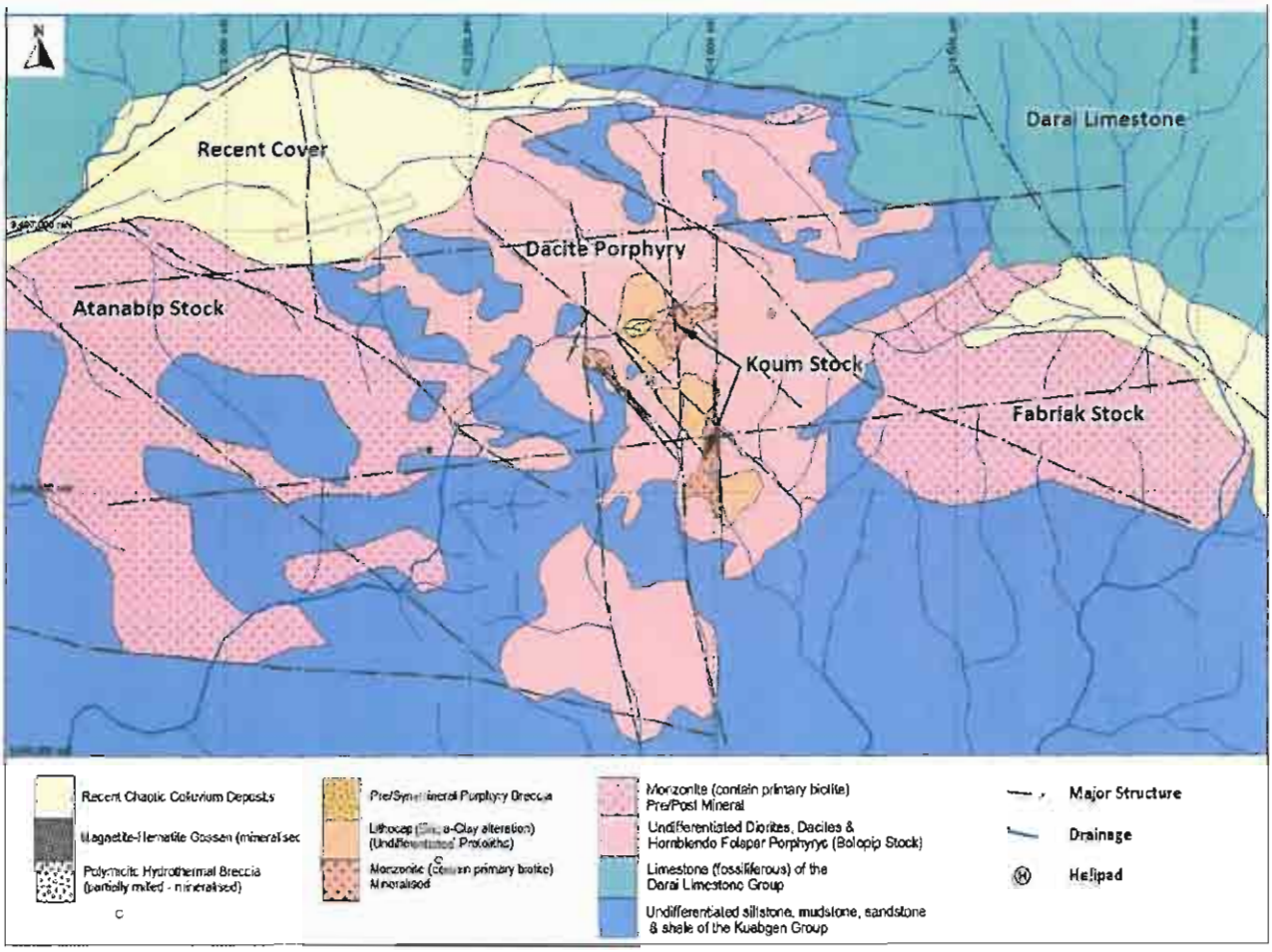


Figure 3-4: Bolobip Project Geology (Source: Ref 12)

3.4.2 Mineralisation Styles

The Bolobip target has never been subject to drill testing and therefore information on primary mineralisation styles is limited. Gold, copper, lead and zinc mineralisation has however been identified near surface and alteration evidence suggests the presence of large mesothermal / epithermal / hydrothermal system.

3.4.3 Previous Exploration

Exploration on the site has taken place intermittently between 1968 and 2013. Between 1968 and 1975 Kennecott Exploration completed heli supported BLEG surveying assaying for Au, Cu, Ni, Pb, Zn, Mo and Ag. The Bolobip prospect was highlighted as a significant anomaly during this phase of exploration.

Between 1985 and 1990 CRA Exploration completed further BLEG sampling together with project scale mapping and sampling. The results of this work in addition to bench sampling identified a large gold anomaly over the Koum stock. A best bench sampling interval of 95m @ 1.28 g/t Au, 521 ppm Cu was derived from a zone of magnetite – hematite alteration within a hydrothermal breccia. The conclusion of CRAE was that the system represented a structurally controlled system and therefore does not have significant potential. Follow-up work was not

completed on the stockwork style mineralisation encountered in the project area however. CRAE relinquished the license as part of their withdrawal from PNG in the early 1990's.

Highland Gold Ltd completed exploration on the project between 1992 and 1996. Creek, spur and ridge mapping and sampling were conducted. Highland Gold farmed out the tenement to Indo Pacific Ltd in 1996 who completed minimal exploration.

EL1438 was granted to Niuminco in 2007 for a period of 2 years where desktop studies were completed. Mincor PNG LTD entered into a Joint Venture with Niuminco in 2011 where work completed on the tenement included re-establishment of the CRA benches and surface mapping in the Koum area.

In 2013 a base camp was constructed.

3.4.4 Bolobip Prospects

The most prospective target so far defined at the Bolobip project is the Koum monzonite stock. This target is defined as an intrusive body with strongly developed quartz stockworks. Phyllic alteration has been defined beneath the silica-clay lithocap in addition to pyritic fracture stockwork zones near surface. Magnetite-Hematite rich hydrothermal breccia's are defined on the margin of the stock where previous bench sampling has returned intervals such as 95m @ 1.28 g/t Au and 521ppm Cu. Diamond drilling is proposed by Mincor to be completed in 2013 to test for continuity of mineralization at depth and three holes are planned to a depth of 600m each.

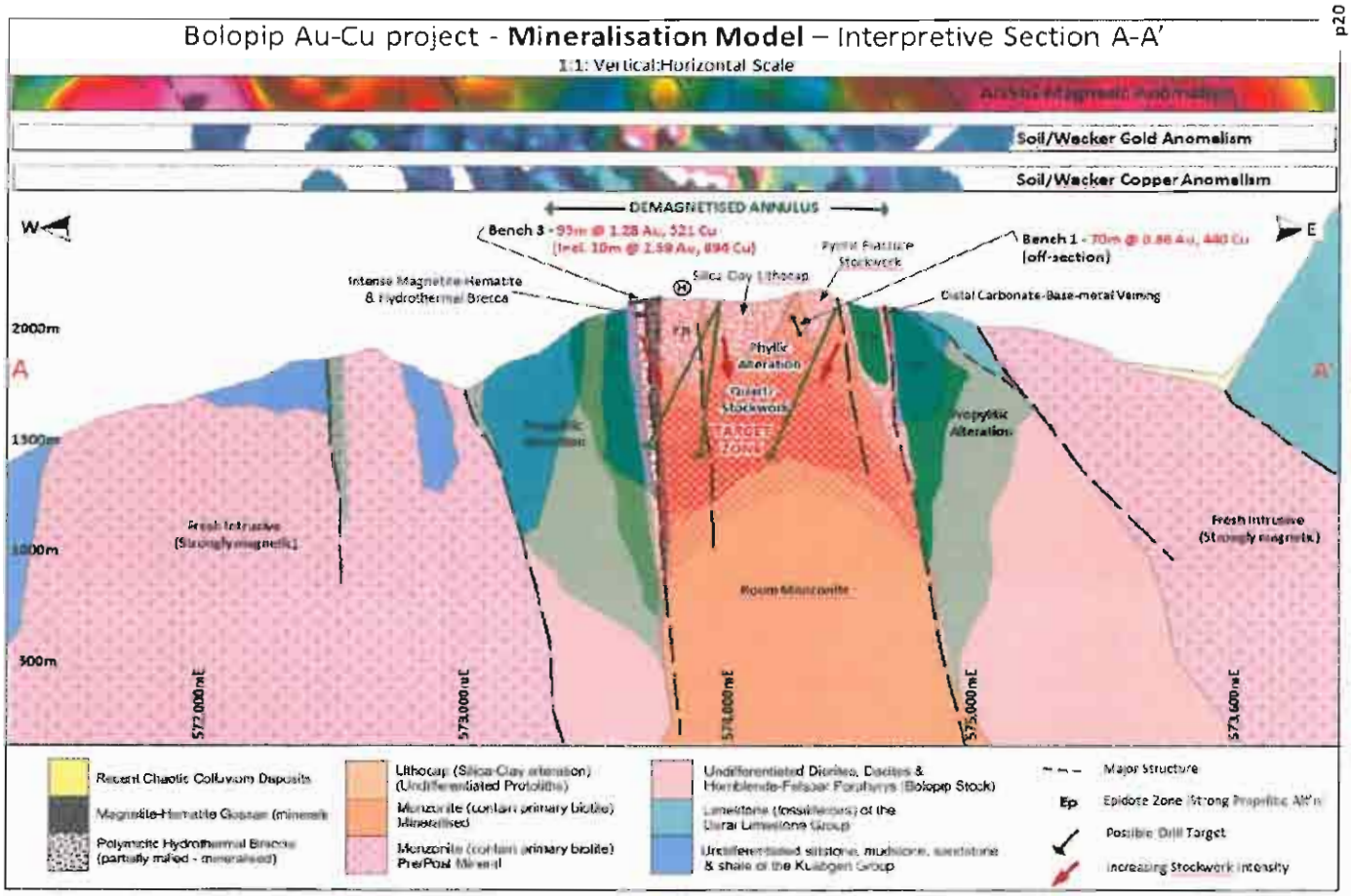


Figure 3-5: Koum Monzonite Stock Target – Geology Section – (Source: Ref 12)

3.4.5 Bolobip – Technical Valuation Overview

The Bolobip Project consists of exploration licences EL1438 and EL2090 that do not contain any JORC Resources, historical surface sampling is available. The project is classified as an Exploration Area in accordance with the VALMIN code. Mining One has used the Kilburn Geoscience Rating Method and the Net Present Value of Joint Venture transactions to ascribe a project valuation. No comparable transactions were used given the lack of project resources to make value comparisons.

3.4.5.1 Kilburn Geoscience Rating– Bolobip Technical Valuation

The Kilburn Geoscience Rating Method is deemed suitable as a valuation technique for the project and is based on four main assessment criteria outlined as follows:

- *Basic Acquisition Cost (BAC)*

In Papua New Guinea the grant of an Exploration Permit is contingent on the following:

- An application fee - $2,333 (K5,000) (Ref 9)
- Annual rent - $42/sub block/yr (K90)
- Minimum expenditure Term 1 - $187/sub block/yr (K400)

  Term 2 - $467/sub block/yr (K1000)

Term 3 - $933/sub block/yr (K2000)

The Bolobip project consists of two exploration licenses one of which is EL1438 covering a total area of 352.4 km^2, this equates to 103 sub blocks (3.41km^2 each).

The basic acquisition cost for this license is therefore calculated as:

$2,333 + ($42 * 103) + ($187 * 103) = $25,920

EL2090 has recently been added to the Bolobip project and covers a total of 320 km^2, this equates to 94 sub blocks (3.41km^2 each).

The basic acquisition cost for EL 2090 is therefore calculated as:

$2,333 + ($42 * 94) + ($187 * 94) = $23,859

- *Proximity to (Off-Property) Geophysical and Geochemical Anomalies and Mineralisation*

Consideration is given to any geophysical and geochemical anomalies that exist in the proximity of the tenements to be valued.

In relation to the Bolobip project there exists the world class copper-gold deposit at the Ok Tedi mine site. The host lithologies and structural setting at Ok Tedi show some similarities to those seen at the Bolobip project.

The Kilburn rating system ranks prospects using a factor between 1 and 5 in relation to the presence of off property mineralisation. Mining One has applied a factor of 2.5 for EL1438 and 2.5 for EL2090 to assign an average ranking of 2.5 given the word class Ok Tedi mine within 60km and the similar rock types and structural setting.

- *Mineralisation and Prospectivity Characteristics of the Properties*

The style, extent and significance of any defined mineralization is assessed, along with geophysical and geochemical anomalism on the prospects is taken in account in this part of the assessment. In relation to EL1438 surface sampling has identified significant copper/gold mineralisation in bench, trench and soil samples.

Geophysical targets have also been developed based on the demagnetized nature of the mineralised monzonite stock at the Koum prospect. Geochemical anomalies are also evident based on the regional stream and soil sampling programs. The ranking for geochemical and geophysical targets ranges between 1 and 3 within the Kilburn ranking system for the two licences as there are at least 2 or 3 targets defined by these methods.

The ranking for on property mineralisation ranges between 2 and 10. Mining One have applied a factor ranging between 2 and 3 for these licenses given the level of anomalism and length of mineralisation intervals encountered in exploration programs to date.

Another aspect in completing the Kilburn rating is to determine to relevance of geological setting within the prospect area. These are given a factor of between 2 and 4 dependent on how favourable the geological patterns are. Given the presence of a multiphase intrusion accompanied by phyllic, propylitic and potassic alteration styles within favourable host lithologies Mining One have assigned a factor ranging between 2.5 and 3 for the Bolobip project.

- *Calculated Technical Valuation – Kilburn Method*

The combination of the basic acquisition cost, off property mineralisation, actual mineralisation, and anomalism within the tenements is calculated to form an overall Kilburn Technical Valuation of the Bolobip prospects.

Application of Modified Kilburn Ratings to the Bolobip Project (EL1438 & EL2090) results in a range of estimated Technical Values from $1.12M to $3.08M.

3.4.5.2 Joint Venture Method– Bolobip Technical Valuation

The second valuation technique suitable for the Bolobip project is to make use of the Joint Venture investment by Mincor as a guide to the "market value" of the exploration licenses.

In 2011 Mincor formed an earn-in joint venture with Niuminco that covered the Bolobip project. Terms of the agreement were that Mincor could earn a 72% interest in the project by spending $5M over eight years. Mincor have spent $3.1M on the Bolobip JV up to June 2013 to earn a 36% interest.

For technical valuation purposes the $5M required spend to earn 72% on the Bolobip JV can be used as a guide. Mining One have applied a 9% discount rate to the expenditure over the JV and spread this evenly over the 8 year term of the agreement. The calculation extrapolates the JV arrangement to account for a 100% interest in order to ascribe a project valuation.

The value of the JV agreement at the time of inception is calculated as $3.46M (72% Project). Where the value is calculated to account for 100% of the project the Joint Venture value is calculated as $4.8M over the eight year term. The Bolobip project is assessed as having a $4.8M value in relation to this recent JV transaction. The current Niuminco interest in the two Bolobip project tenements is 64%, the value ascribed to Niuminco's interest is therefore $3.07M.

3.4.6 Bolobip - Technical Valuation Summary

Application of Modified Kilburn Ratings to the Bolobip Project (EL1438 & EL2090) results in a range of estimated Technical Values from $1.12M to $3.08M. The range of values is derived from the prospectivity factors applied to the basic acquisition costs. The value ascribed by using the Joint Venture agreement is $3.07M for 64% of the project. Valuation ranges for the Bolobip project therefore range between $1.12M and $3.08M.

Mining One assess the Technical Value of EL1438 and EL2090 at the upper end of the Kilburn method range given the favourable geological setting, project mineralisation defined and the nearby OK Tedi mine, we also account for the majority of the value outlined via the Mincor JV agreement.

The Technical Value (64% Interest) is determined as $3.0M for the Bolobip project (EL1438 & EL2090).

3.5 May River Project

The May Creek project consists of four exploration licences EL2087, EL2088, EL2089 and EL1441. These licenses cover an area of 1512.6 km^2. The project is located approximately 200km from the northern coast of Western Papua New Guinea. The south May Creek project area is adjacent to the Frieda River project; one of the largest undeveloped copper/gold deposits in Asia.

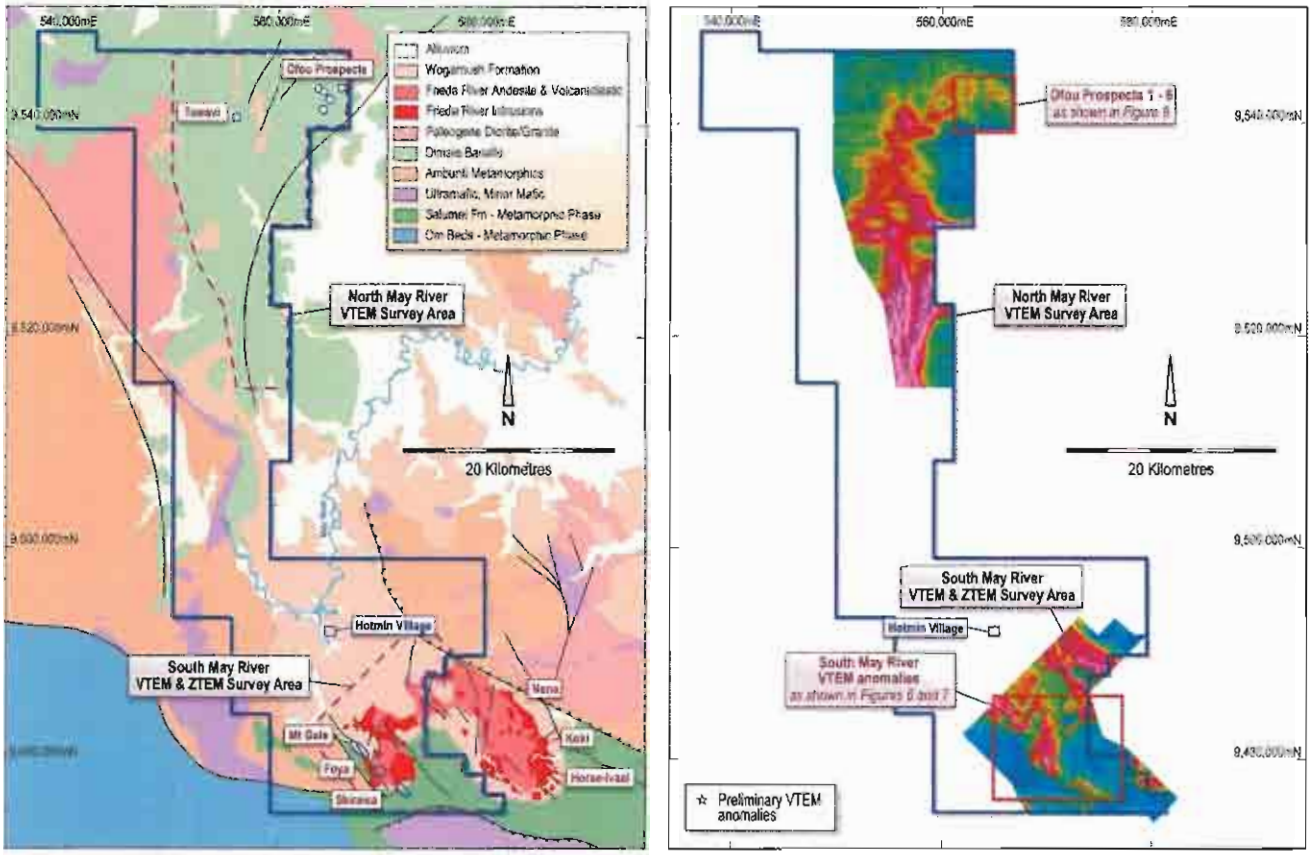


Figure 3-6: May River Project – (Source: Ref 12)

3.5.1 Geological Setting

The geological setting at the May River Project consists of basalt, andesite, volcanoclastics and sedimentary units of the Wogamush Formation that have been intruded by granites, granodiorites, diorites and other porphyries. The geological setting in the South May Creek project area is analogous to that of the adjacent Frieda River deposit.

3.5.2 Mineralisation Styles

The May River project is separated into the May River South and May River North areas. The May River South area includes the extension of the Frieda River intrusive complex. Target mineralisation within this area is likely to be gold and copper associated with porphyry intrusions and related epithermal and skarn deposits. Diatreme hosted mineralization is also suspected at prospects such as Mountain Gate (Ref 4).

Within the North May River area mineralisation targets are generally volcanogenic massive sulphide (VMS) hosted within a basaltic sequence. Copper, Lead, Zinc, Silver and Gold are targets of exploration within these potential systems (Ref 4)

3.5.3 Previous Exploration

The Mineral Resources Authority – PNG held some data for the May River project however a desktop review completed by Mincor of this data proved difficult due to poor document filing and the low quality of map and report reproductions. Much of the information available was not spatially located accurately meaning its use was limited. Mincor engaged Southern Geoscience Corp to re-process the regional magnetic data. Drilling has been completed at the project however Mining One have not found any supporting information to define the exact location of these holes and any verification of the results.

Since Mincor entered into the JV agreement in 2011 a significant program (3,074 line km) of Versatile Time Domain Electromagnetic (VTEM) surveys have been completed. These surveys were targeting porphyry-type systems.

3.5.4 May River Prospects

A series of prospects have been defined in the South May River area where the extension of the Frieda River intrusive complex extends into EL1441. These prospects are:

- Mountain Gate
- Foya
- Skiraisa

The main target of exploration on these prospects is to define repeats of the Nena style mineralisation located at the adjacent Frieda River project, the Nena deposit contains 51 million tonnes at 2.43% Cu and 0.57 g/t Au.

The Northern May River project area contains several prospects including:

- Ofou (1-6 targets)
- Tuwavi

These prospects are being exploration for VMS style mineralisation.

3.5.5 May River Project – Technical Valuation Overview

The May River Project consists of exploration licenses EL1441, EL2087, EL2088 and EL2089 that do not contain any JORC Resources; however historical surface sampling, VTEM data and some historical drilling however is available. Mining One has used the Kilburn Geoscience Rating Method and the Net Present Value of Joint Venture transactions to ascribe a project valuation. No comparable transactions were used given the lack of project resources to make value comparisons. The project is classified as an Exploration Area in accordance with the VALMIN code.

3.5.5.1 Kilburn Geoscience Rating– May River Technical Valuation

The Kilburn Geoscience Rating Method is deemed suitable as a valuation technique for the project and is based on four main assessment criteria outlined as follows:

- *Basic Acquisition Cost (BAC)*

In Papua New Guinea the grant of an Exploration Permit is contingent on the following:

- An application fee - $2,333 (K5,000) (Ref 9)
- Annual rent - $42/sub block/yr (K90)
- Minimum expenditure Term 1 - $187/sub block/yr (K400)
  Term 2 - $467/sub block/yr (K1000)
  Term 3 - $933/sub block/yr (K2000)

The May River project consists four exploration licenses one of which is EL 1441 covering a total area of 325.1 km^2, this equates to 98 sub blocks (3.41km^2 each).

The basic acquisition cost for this license is therefore calculated as:

$2,333 + ($42 * 98) + ($187 * 98) = $23,859

More recently EL2087, EL2088 and EL2089 have been granted, the BAC values for each of these are calculated as follows:

EL 2087 totals 643.5 km^2 equating to 188 sub blocks

The basic acquisition cost for EL 2087 is therefore calculated as:

$2,333 + ($42 * 188) + ($187 * 188) = $45,385

EL 2088 totals 537.8 km^2 equating to 157 sub blocks, the BAC us calculated as:

$2,333 + ($42 * 157) + ($187 * 157) = $38,286

EL 2089 totals 6.2 km^2 equating to 2 sub blocks, the BAC us calculated as:

$2,333 + ($42 * 2) + ($187 * 2) = $2,791

- *Proximity to (Off-Property) Geophysical and Geochemical Anomalies and Mineralisation*

Consideration is given to any geophysical and geochemical anomalies that exist in the proximity of the tenements to be valued.

In relation to the May River project there exists the Frieda River copper gold project adjacent to the South Eastern extent of the May River tenements. The Frieda River porphyry copper deposit contains a JORC Resource of 2,090 million tonnes at 0.45% Cu and 0.22 g/t Au and also an associated epithermal deposit containing 51 million tonnes at 2.43% Cu and 0.57 g/t Au. The southern May River project area contains the extension of the host lithology to the Frieda River deposit.

The Kilburn rating system ranks prospects using a factor between 1 and 5 in relation to the presence of off property mineralisation. Mining One has applied a factor of 3 to the portion of

EL1441 where the Frieda River host rocks occur. The rating assigned to EL2087, EL2088 and EL2089 is 1.

➢ *Mineralisation and Prospectivity Characteristics of the Properties*

The style, extent and significance of any defined mineralization is assessed, along with geophysical and geochemical anomalism on the prospects is taken in account in this part of the assessment. In relation to EL1441 surface sampling and historical drilling has identified significant copper/gold mineralisation within the northern area of the license including results such as 11m @ 10.6% Cu and 1.98 g/t Au within strongly altered volcanic rocks. In the southern portion of EL1441, historical drilling results returned up to 109m @ 1.53 g/t Au from surface.

Geophysical targets have also been developed based on the Versatile Time domain Electromagnetic (VTEM) surveys conducted over the last 12 months. These surveys have been successful in definition of 22 primary targets and 16 secondary targets in the southern area of EL1441. Within the northern section of EL1441 the VTEM surveys have defined small potential massive sulphide bodies however their potential appears limited.

The ranking for geochemical and geophysical targets ranges between 2 and 3.5 within the Kilburn ranking system. Mining One have assigned a ranking ranging from 2.5 to 3.0 for the geophysical and geochemical targets as there are at least 2 or 3 targets defined by these methods.

The ranking for on property mineralisation ranges between 2 and 10. Mining One have applied a factor ranging between 1.3 to 3 for these licenses given the level of anomalism and length of mineralisation intervals encountered in exploration programs to date

Another aspect in completing the Kilburn rating is to determine to relevance of geological setting within the prospect area. These are given a factor of between 2 and 4 dependent on how favourable the geological patterns are. Given the presence of the extension to the Frieda River host lithologies in the southern area of EL1441 a rating ranging between 1.3 and 3 is assigned to the licenses.

Licenses EL2087, EL2088 and EL2089 have been factored according to their proximity to the work completed in EL1441 and proximity to the Frieda River deposit.

➢ *Calculated Technical Valuation – Kilburn Method*

The combination of the basic acquisition cost, off property mineralisation, actual mineralisation, and anomalism within the tenements is calculated to form an overall Kilburn Technical Valuation of the May River prospects.

Application of Modified Kilburn Ratings to the May River Project (EL1441 & EL2087-2089) results in a range of estimated Technical Values from $2.47M to $5.91M.

3.5.5.2 Joint Venture Method– May River Technical Valuation

The second valuation technique suitable for the May River project is to make use of the Joint Venture investment by Mincor as a guide to the "Technical Value" of the exploration licences.

In 2011 Mincor formed an earn-in joint venture with Niuminco that covered the May River project. Terms of the agreement were that Mincor could earn a 72% interest in the project by spending $5M over eight years. Mincor have spent $3.4M on the May River JV up to June 2013 to earn a 36% interest.

For technical valuation purposes the $5M required spend to earn 72% on the May River JV can be used as a guide. Mining One have applied a 9% discount rate to the expenditure over the JV and spread this evenly over the 8 year term of the agreement. The calculation extrapolates the JV arrangement to account for a 100% interest in order to ascribe a project valuation.

The value of the JV agreement at the time of inception is calculated as $3.46M (72% Project). Where the value is calculated to account for 100% of the project the Joint Venture value is calculated as $4.8M over the eight year term. The May River project is assessed as having a $4.8M value in relation to this recent JV transaction. The current Niuminco interest in the four May River project tenements is 64%, the value ascribed to Niuminco's interest is therefore $3.07M (The valuation is the same as for the Bolobip JV due to the same JV parameters)

3.5.6 May River - Technical Valuation Summary

Application of Modified Kilburn Ratings to the May River Project (EL1441 & EL2087-2089) results in a range of estimated Technical Values from $3.18M to $11.16m. The range of values is derived from the prospectivity factors applied to the basic acquisition costs. The value ascribed by using the Joint Venture agreement is $3.07m for 64% of the project. Valuation ranges for the May River project therefore range between $2.47M and $5.91M.

Mining One assess the Technical Value of EL1441 and EL's 2087-2089 in the middle range of the Kilburn method range. This is due to the prospectivity been deemed to be high in the southern area of the tenements in the proximity of the Frieda River deposit and of a lower ranking in the remainder of the tenement, , we also account for the value outlined via the Mincor JV agreement.

The Technical Value (64% Interest) is determined as $4.0M for the May River project (EL1441 & EL's 2087-2089).

3.6 Total Niuminco Group Properties Technical Valuation

The Technical Valuation of the Niuminco Group project portfolio in Papua New Guinea comprises the Edie Creek Mining Leases, two exploration licences of the Bolobip project and four exploration licences of the May River project. A combination of the Kilburn Geoscience method and the assessment of value ascribed via the formation of Joint Venture agreements with Mincor have formed the basis for the Technical Valuation.

The projects have been assessed to have Technical Value ranges as follows:

Edie Creek $0.51M - $3.20M

Bolobip $1.11M - $3.08M

May River $2.47M - $5.91M

Total Ranges $5.03M - $12.20M

Detailed information on the Kilburn rating matrix used for each project is located in Table 3-4.

3.6.1 Total Niuminco Group Ltd Properties Preferred Technical Valuation

After consideration of the data collected from the Technical Valuation ranges Mining One assess the preferred Technical Value for the Niuminco Group Assets to be in the range of $5.03M to $12.20M, with a preferred Technical Value of $8.0M. The preferred Technical Valuation is assessed as falling in the lower to middle range of the Technical Valuation due to some uncertainty about the economic significance of the mineralisation at the Edie Creek project and the lack of any JORC Resources on any of the three projects. The proximity to major mineral deposits and such as Ok Tedi for Bolobip and Frieda River for May River does however enhance the valuation of these projects.

Table 3-3: Niuminco Technical Valuation Summary

PROJECT	TECHNICAL VALUATION					
	Kilburn Method			JV Method		Mining One Preferred Value
	Low	High	Preferred Value	JV Value	Preferred Value	
Edie Creek	$0.51M	$3.20M	$1.0M	N/A	N/A	$1.0M
Bolobip	$1.12M	$3.08M	$3.0M	$3.07M	$3.07M	$3.0M
May River	$2.47M	$5.91M	$4.0M	$3.07M	$3.07M	$4.0M
					Total Preferred Value	$8.0M

Table 3-4: Niuminco Group Kilburn Valuation Matrix

NIUMINCO GROUP LTD

MODIFIED KILBURN RATINGS - PAPUA NEW GUINEA MINERAL ASSETS

Tenement Licence			BAC	Joint Venture Factor	Proximity to Off-Property			Property Features										Technical Valuation	
					Geophysical-Geochemical Targets	Mineralisation		Geophysical		Geochemical		Geological		Mineralisation					
Name	No	Area Km2	$			rank	metals	Targets		Targets		Patterns		rank		metals		$	
								low	High	low	High	low	High	low	High			low	High
				a	b	c		d1	d2	e1	e2	f1	f2	g1	g2			i1	i2
Edie Creek	ML144, 380, 384-392, 402-410, 444-446, 462	3.92	60,000	0.83	1.3	2	Au, Cu (Hidden Valley)	1.1	1.8	1.5	2.2	1.2	2.4	2	2.5	Au, Cu, Ag		512,741	3,204,630
Bolobip	EL1438	352.4	25,920	0.64	1.2	2.5	Au, Cu (OK Tedi)	1	1.6	2	3	3	3.2	2.5	3	Au,Cu,Pb,Zn		746,496	2,293,236
	EL2090	320	23,859	0.64	1.2	2.5		1	1.2	2	2.8	2	2.5	2	2.5			366,474	790,210
																Sub Total		1,112,970	3,083,446
May River	EL1441	325.1	23,859	0.64	1.5	3	Cu, Au (Frieda River)	2.5	3	2	2.5	2.5	3	2.5	3	Au, Cu		2,147,310	4,658,190
	EL2087	643.5	45,385	0.64	1.1	1		1.8	2.8	1.5	2	1.5	2.5	1.3	1.5	Au, Cu		168,222	670,972
	EL2088	537.8	38,286	0.64	1.1	1		1.8	2.8	1.5	2	1.5	2.5	1.3	1.5	Au, Cu, Pb, Zn, Ag		141,909	566,020
	EL2089	6.2	2,791	0.64	1.1	1		1.8	2.8	1.5	2	1.3	2	1.3	1.5	Au, Cu		8,966	33,010
																Sub Total		2,466,407	5,908,191
																	TECHNICAL VALUE RANGES	$4,092,118	$12,196,267
																	MINING ONE PREFERRED TECHNICAL VALUATION	$8.0M	

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