



NIUMINCO GROUP LIMITED
And Controlled Entities
ABN 44 009 163 919

2017 ANNUAL REPORT

Niuminco Group Limited
Corporate directory
30 June 2017

DIRECTORS:	Mr Tracey Lake (Managing Director) Prof Ian Plimer (Chairman) Mr Matthew Roberts (Resigned 14 February 2017) Mr Neill Arthur (Resigned 14 February 2017) Mr Mark Ohlsson (Appointed 13 February 2017)
SECRETARY:	Mr Mark Ohlsson
REGISTERED AND PRINCIPAL OFFICE:	Suite 50, 14 Narabang Way Belrose, NSW 2085 Telephone: (02) 9450 0828 Facsimile: (02) 9450 0877
SHARE REGISTRAR:	Security Transfer Australia Pty Ltd PO Box 52 Collins Street West VIC 8007 Telephone: 1300 992 916
HOME EXCHANGE:	Australian Securities Exchange (Sydney) Limited ASX Code: NIU The company's shares are also listed on the Port Moresby Stock Exchange Ltd (POMSoX Code:NIU)
AUDITORS:	BDO East Coast Partnership Level 11, 1 Margaret Street Sydney NSW 2000
BANKERS:	National Australia Bank Cnr Florence & Hunter Street Hornsby NSW 2077
WEBSITE ADDRESS:	www.niuminco.com.au

Niuminco Group Limited

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Niuminco Group Limited and its subsidiaries. The financial statements are presented in Australian currency.

Niuminco Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Niuminco Group Limited
Suite 50, 14 Narabang Way
Belrose NSW 2085

The financial statements were authorised for issue by the directors on 29 September 2017. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available in the Investor Relations section on our website: <http://www.niuminco.com.au/>

Niuminco Group Limited

Directors' Report

30 June 2017

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Niuminco Group Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2017.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Mr Tracey Lake – Managing Director

Appointed 1 May 2012

Mr Lake holds a Bachelor of Commerce degree (Major – Accounting & Finance) from the University of NSW. He has held the position of Chief Executive Officer and been a principal shareholder in both private and public companies, and has over 40 years' business experience in a number of industries.

Professor Ian Plimer – Non-Executive Director

Appointed 9 May 2011, appointed Chairman 26 November 2015

Professor Ian Plimer BSc [Hons], PhD, FGS, FTSE, FAusIMM, is Emeritus Professor at The University of Melbourne where he was Professor and Head (1991-2005). He was Professor of Geology (University of Newcastle 1985-1991) and Professor of Mining Geology (University of Adelaide 2005-2012). He has been awarded the prestigious Leopold von Buch Medal for Science, the Centenary Medal, the Eureka Prize (twice) and is a Fellow of the Academy of Technological Sciences and Engineering, a Fellow of the Geological Society of London and a Fellow of the Australasian Institute of Mining and Metallurgy.

Professor Plimer's main geological interests are in ore deposits in base metal deposits (particularly in Broken Hill) and epithermal precious metals. He serves on the Boards of listed companies Silver City Minerals Ltd [ASX: SCI; 21st Feb. 2011-present]; Kefi Minerals Ltd (AIM: KEFI); (Nov. 2006-present); Lakes Oil NL [ASX: LKO], (27th January 2013 – present), Sun Resources NL (23th September 2014 –May 2016) and unlisted companies Hancock Prospecting companies [Roy Hill Holdings Pty Ltd, Hope Downs Iron Ore Pty Ltd, Queensland Coal Investments Pty Ltd] and TNT Mines Ltd. He was on the Boards of CBH Resources Ltd (1998-2010), Ormil Energy Ltd (2010-2012) and Inova Resources Ltd (2007-2013).

Mr Matthew Roberts – Non-Executive Director

Appointed 26 November 2015 (Resigned 14 February 2017)

Matthew Roberts is a non-executive director of Australian Metals Group Limited, and a director of Atlantic Pacific Securities Pty Ltd and is the Managing Director of Ascot Securities Pty Ltd and has extensive industry experience. He has a proven track record of successfully building financial services businesses both in Australia and the UK.

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Mr Neill Arthur – Non-Executive Director

Appointed 26 November 2015 (Resigned 14 February 2017)

Chairman of Arthur Management Services Pty Ltd and non-executive director of Australian Metals Group Limited. Neill is a former Managing Director of Aulron Energy Limited, an ASX S&P 200, UK and German listed public company involved in gold, iron ore (in South Australia), base metals and coal exploration, power and mining development projects in Australia, EU, North America and Asia. Neill has been Chairman and/or a director of listed and unlisted public companies in Australia and overseas with over four decades of experience, and was a Director of The Australasian Institute of Mining and Metallurgy from 2004 to 2010.

Mr Mark Ohlsson – Executive Director

Appointed 13 February 2017

Mark Ohlsson has been involved in business management and the venture capital industry for more than 35 years. His particular expertise is in assessing venture capital and business proposals, all aspects of contractual negotiations together with finance and management reporting requirements. His experience spans a wide range of industries and activities which includes a number of appointments as Company Secretary of ASX listed companies. He is a Fellow of CPA Australia and a Registered Tax Agent.

Directorships of other listed companies during the past 3 years

Name	Company	Commenced	Ceased
Prof I Plimer	Kefi Minerals plc	November 2006	-
	Silver City Minerals Ltd	21 February 2011	-
	Lakes Oil NL	27 January 2013	-
	Sun Resources NL	23 September 2013	May 2016

Directors' interest in shares and options

At the date of this report, the interests of the directors in the shares and options of Niuminco Group Limited are:

Name	Number of fully paid ordinary shares	Number of options over ordinary shares
Mr T Lake		--
Indirect – Goward Pty Ltd	175,344,250	
Direct	471,112	
Mr I Plimer		--
Indirect – Inkex Pty Ltd	48,511,905	
Direct	1,666,667	
Mr M Ohlsson		--
Indirect	3,833,751	
Direct	4,406	

COMPANY SECRETARY

At the end of the financial year, Mark Ohlsson – FCPA, held the position of Company Secretary. Mr Ohlsson was appointed Company Secretary on 9 May 2011.

PRINCIPAL ACTIVITIES

Niuminco Group Limited, through its subsidiaries, holds prospective exploration areas and mining leases in Papua New Guinea. These include exploration licences at May River and Bolobip, and mining leases at Edie Creek. During the year the Group also held a controlling interest in TNT Mines Limited (TNT), a tin and tungsten exploration company with assets in Tasmania.

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OPERATING RESULTS

For the financial year ending 30 June 2017, the consolidated loss of the Group after income tax amounted to \$3,483,708 (2016: \$1,676,785) which includes non-cash expenses of depreciation of \$81,300 and impairment of the investment in TNT Mines Limited of \$317,677, on gold and silver sales of \$695,143 (2016: \$1,110,892) and other cash revenue of \$7,940 (2016: \$724).

In compliance with the Australian Accounting Standards in relation to consolidations and assets held for sale, the Company has recorded the net asset value of its TNT Mines shareholding at 30 June, 2017 at **\$270,116** split between assets held for sale of \$691,159 and liabilities held for sale of \$421,044, and also recognised an impairment charge arising from the "deemed sale" of \$1,232,250.

The accounting treatment requires the assets of the disposal group to be recognised at their fair value less NCI (Non-controlling Interest) which is calculated as being the deemed consideration or the retained 1.3% of TNT Mines by Niuminco.

Upon completion of the ASX listing of TNT's shares, Niuminco is due to receive a cash loan repayment of \$775,000 and retain a TNT shareholding fair valued at \$79,400 based on the expected list price of TNT Mines shares

As such, after loss of control of TNT Mines due to the issue of subscription shares, Niuminco Group's net assets will increase by \$564,353 as the liabilities and Minority Interest of TNT Mines will no longer be part of the Group.

DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended a final dividend for the 2017 financial year (2016: \$nil).

CORPORATE GOVERNANCE

The Company's Corporate Governance Report can be found at www.niuminco.com.au

REVIEW OF OPERATIONS

Exploration & evaluation

May River & Bolobip

During the year the Mineral Resources Authority approved "Variations to the Exploration Programs" for each of the May River and Bolobip exploration licences (EL 1441 and EL 1438) which significantly reduced the amount of exploration work to be completed, and therefore expenses to be incurred, in the current term.

Planning and preparation was undertaken for the May River and Bolobip exploration drilling programs. This included finalizing the Bolobip drill-hole plans, quotes for camp repair works and transportation of the drilling rig and equipment, and the purchase of drilling consumables and ancillary equipment.

Eddie Creek Mine

Mining and Production

Production for the period 1 July to 30 June 2017 was 13160 grams (423 ounces) of gold and 12943 grams (416 ounces) of silver for total sales of AUD\$695,143.

A total of 3443 wet tonnes of ore was processed at an average grade of 3.8 grams per processed tonne of ore.

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During the year both the grade and quantity of ore mined and processed was negatively impacted by a number of factors. These included lengthy downtime on all three major mining plant items, downtime on the concentrator plant for repairs plus installation and testing of the new cyclone, continuous loss of mains power from mid-August 2016 to the present, the removal of the 2tph ball mill and installation of the new 5tph ball mill, the installation and testing of the mechanical mill feeding system, extremely wet weather and the processing of lower grade ore.

With the aim of achieving consistently higher mining and processing levels in the order of 40 to 60 tonnes per day, a number of items of new mining plant and processing equipment were purchased during the year, including a 6 tonne tip truck, two vibrating feeders, a roller crusher, a 5 tph ball mill and a 2tph centrifugal concentrator.

Following the successful testing of the new 5tph ball mill and the relocated vibrating screen, installation of the modified ore feed storage bin, one new vibrating feeder, conveyor belt and modified ball mill feed bin was completed, with testing and commissioning undertaken and continuing.

At current gold prices and exchange rates the current operating cost break-even production level at Edie Creek is approximately 2,580 grams (83 ounces) of gold per month.

On 30 June, 2017 Niuminco Group Limited and two of its subsidiary companies entered into an agreement with Mincor Resources NL to acquire the ordinary shares of its PNG subsidiary, Mincor PNG Ltd which owns 17% of the Edie Creek mining leases, thereby giving Niuminco 100% ownership of these assets on completion of the transaction.

Drilling

The 6 hole diamond core drilling program at the Enterprise vein system at Edie Creek was completed during the year, confirming a further potential source of high grade material to feed an upgraded processing circuit.

Assay results on the six completed drill holes EDD019, EDD020, EDD021, EDD022, EDD022a (not sampled) and EDD023 were as follows and each of the holes contained a higher grade vein section conforming to the predicted west-dipping vein model:

- EDD 019 intersected 5.4m @ 2.97g/t Au and 94g/t Ag from 8m depth, including:
2m @ 6.89g/t Au and 195g/t Ag from 10m.
- EDD 022 intersected 1.0m @ 13.4g/t Au and 473g/t Ag from 32m and 3.0m @ 4.61g/t Au and 100.3g/t Ag from 38m, including:
1.0m @ 8.98g/t Au and 88.5g/t Ag from 38m.
- EDD 020 intersected 9m @ 1.07g/t Au and 62g/t Ag from 12m, including:
1m @ 4.06g/t Au and 21g/t Ag from 13m.
- EDD 021 intersected 3.4m @ 2.03g/t Au and 143g/t Ag from 35m, including
2.1m @ 3.04g/t gold and 167g/t Ag from 35m.
- EDD 023 intersected 4.4m @ 1.66g/t Au from 43.4m and 0.30m @ 6.07g/t Au from 53.5m (a footwall remnant), including:
1.4m @ 3.2g/t Au from 43.4m.

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

Therefore, given the repeated confirmation of the vein grade and its continuity, and the nature of the ground, Niuminco's geological team of Professor Ian Plimer, John Nethery and Lewis Koesi agreed that it would not be possible to obtain a JORC resource for this system. However, it will be added as a potential source of high grade material for feeding the upgraded processing circuit.

The Enterprise vein has a strike length of at least 500 metres, a true width of 1.0m to 1.5 m and being continuous to, and open at, a depth of 60 metres.

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Additionally, the first two drill-holes (EDD 024 and EDD 025) of the planned 10 hole drilling program of the potential bulk-tonnage Karuka -Enterprise stock-work and diatreme zone were completed. This target has a strong gold anomaly defined by 1,366 continuous chip samples of weathered rock outcrop in trenches over a cumulative length of 2,732m, which averaged 0.53g/t Au.

Coring was triple-tubed in HQ size rods and drilling muds and polymers were used to enhance core recovery. EDD 024 had shown initial encouraging results using the standard Fire Assay method of 0.55g/t Au for the first 48m assayed from surface. The recognition of coarse gold in on-site panning prompted the re-assay of this section of core samples using the Screen Fire Assay method, which is specifically designed to more accurately assay for coarse free gold.

The Screen Fire Assay results confirmed the presence of coarse gold by showing a threefold increase in weighted average grade to 1.72g/t Au for the first 48m re-assayed and the assays displayed consistent and anomalously high gold values throughout the section.

Assay results were also received for the second hole, EDD 025. The hole was finished at a depth of 126.5 metres.

The Fire Assay results for drill-hole EDD 025 have confirmed the presence of disseminated gold by showing a weighted average grade of 0.5g/t Au from 10m to 22.7m, a weighted average 5.6g/t Au from 37.7m to 42.4m, and continuous mineralisation to a maximum of 0.6g/t Au throughout the balance of the hole. This low order tenor, which was consistent throughout the balance of the 126.5m hole, further confirms the concept of a large disseminated gold-bearing system.

EDD 025 was collared towards the Eastern-end of the Karuka-Enterprise stock-work and diatreme zone, to the west (left) of Slate Creek between the Karuka and Enterprise flags in the figure below.



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

Hole EDD 025 had the following parameters:

HOLE	E	N	RL (m)	AZ AMG	DIP	END DEPTH (m)
EDD 025	462,040	9,186,940	2050	220	60	126.5

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TNT Mines

During the year a drilling program was commenced at EL 27/2004 at Rossarden-Royal George with three holes completed, and this EL was renewed for a further one year period to 26 November, 2017.

The first hole, LDD 001 was completed at a depth of 193 metres, the second hole, LDD 002 was completed at a depth of 190.1 metres and the third hole LDD 003 was completed at a depth of 98m. A sheeted quartz vein system with visible cassiterite and wolframite was intersected in hole LDD 001. The resource drilling program was put on hold following completion of the 3rd drill-hole.

Corporate

\$1,560,820 cash was raised during the year through an underwritten share purchase plan in September/October 2016 and a share placement in January 2017, both through Patersons Securities Limited, with 321,575,119 shares being issued at \$0.0056. In addition, a total of \$190,000 debt was converted to equity during the year at \$0.0056 per share.

On 4 April, 2017, and as varied on 30 May 2017, TNT Mines Limited signed a mandate with Patersons Securities Limited (Patersons) pursuant to which Patersons agreed to act as the exclusive lead manager in relation to an Initial Public Offering (IPO) of ordinary shares in conjunction with a listing of that company's securities on the ASX.

On 29 June, 2017 TNT Mines Limited lodged a Prospectus for an initial public offering of 27,500,000 shares at \$0.20 per share to raise \$5,500,000 in conjunction with listing the company's shares on the ASX (the "Offer"). Immediately prior to lodging the Prospectus the existing board of Ian Plimer, Tracey Lake and Andrew Drummond resigned as Directors, and a new Board was appointed comprising Brett Mitchell, Michael Jardine and Nick Castleden. Niuminco's investment in TNT Mines was impaired by \$317,677 at 30 June to \$79,669 to reflect the value of its holding at \$0.20 per share.

Under the terms of the mandate Patersons arranged a mandatory Convertible Note issue which raised \$150,000 for TNT Mines to provide funding for working capital and costs associated with the offer.

The attached financial report for the year ended 30 June 2017 contains an independent auditor's report which includes an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

GOING CONCERN

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Group raised \$1,750,820 through capital raisings generating net proceeds of \$1,581,091. The Group has incurred a net loss before tax of \$3,483,708 (including a non-cash depreciation of \$81,300, impairment of assets on disposal of TNT Mines Ltd of \$1,232,250 and impairment in investment in TNT Mines Limited of \$317,677) and total net operating cash outflows of \$1,154,924 for the year ended 30 June 2017 and, as of that date the Group's current liabilities exceeded its current assets by \$2,886,855.

Current liabilities at balance sheet date include Directors and Director's related balances amounting to \$341,950. The Directors have confirmed that the repayment of these amounts in cash will not be called upon while the Group continues to suffer operating losses and does not generate sufficient cash. At balance date, the Group was in arrears on the payment of the Chattel mortgages, and as a result, the balance of the liability amounting to \$406,028 is classified as a current liability. In the absence of these arrears, an amount of \$195,878 would have been classified as a non-current liability. The remaining current liability balance amounting to \$3,223,465 represents convertible notes payable, trade creditors and payroll liabilities the majority of which at balance sheet date were not within their normal credit terms. During the year, the Group has not been able to meet its planned production targets at Edie Creek mine of 3 to 5 ounces per day averaging 1.0 ounce per day.

Consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds are likely to be required to continue to support the exploration efforts of the group.

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As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group's operational and financial performance will improve and will be able to continue as a going concern. As such the financial report is prepared on a going concern basis. In arriving at this conclusion, the Directors considered that:

- The Directors have designed a plan to ensure that the production targets at Edie Creek can be achieved including making additional investments at the mine. The plan anticipates that positive cash flows from Edie Creek mine through gold and silver sales in the order of \$250,000 to \$300,000 per month will be achieved consistently. This approximates production at a rate of 5 to 6 ounces per day. This level of production is significantly higher than what has been consistently achieved to date.
- To achieve the production rate of 5 to 6 ounces per day, the scaling up of the production at Edie Creek includes increasing the ore processing capacity with the installation of the 5 tonne per hour ball mill, a roller crusher and mechanical feed system, and also includes the purchase of additional mining equipment which will be partly financed by external borrowings for an amount of approximately \$100,000. Management are testing and commissioning the plant with production planned to increase to full capacity on completion of the current testing and modification works..
- The Group has been successful in the past in managing the balances that are owed to creditors by either deferring payments or negotiating a plan in order to spread repayment to accommodate the Group's cash flow requirements. The Directors believe that the Group will be able to continue to do so until the increased production from Edie Creek and the receipt of loan repayments from TNT Mines Limited enables creditors to return to normal payment terms. The Directors note that a portion of the proceeds from the \$775,000 TNT Mines repayment will be directed to the repayment of the overdue balances.
- As noted above, the Directors have confirmed that the repayment of the Directors and Director's related balances amounting to \$341,950 will not be called upon in cash while the Group continues to suffer operating losses and does not generate sufficient cash.

If the Directors are unsuccessful in achieving the above plan, alternative measures would be pursued which would include:

- Raising additional equity or debt. The Group has a successful track record over many years of raising new capital from both existing shareholders and strategic investors.
- Curtailing materially, if necessary, the Group's ongoing costs. This could include reducing the amounts to be paid to Directors for the next financial year' fees and temporarily reducing the exploration spend.
- The sales of assets, or entering into farm-in agreements with another party. While it is not their preferred option the Directors believe that, should it be necessary, that certain assets could be sold to realise the funds to enable the Group to continue as a going concern.

The Directors believe that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated interim financial statements at 30 June 2017.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the directors, there were no matters that significantly affected the state of affairs of the Company or Group during the financial year, other than those referred to in the review of operations.

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AFTER BALANCE DATE EVENTS

On 4 August, 2017, Niuminco Group Limited and two of its subsidiaries completed with Mincor PNG Limited the agreement to purchase its 17% interest in the Edie Creek mining leases on a two year, deferred settlement basis.

On 14 September, the IPO by TNT Mines Limited closed fully subscribed, and 27,500,000 new shares in TNT are to be issued and listed on the ASX (subject to ASX approval). As a result of the IPO, Niuminco's holding in TNT Mines Limited of 397,347 shares will be reduced from 72.1% to 1.3% of the total issued capital and it will no longer have control of the Company. The management agreement between Niuminco and TNT automatically terminates once Niuminco's holding in the company drops below 51%.

At the close of the IPO, the balance of the loan comprising cash advances and accrued management fees from Niuminco to TNT Mines Limited was agreed at \$775,000 and is due to be repaid upon the listing of TNT's shares on the ASX. Conditional approval for the listing was given by the ASX to TNT Mines Limited on 8 September, 2017.

A decision to relinquish two of the minor PNG exploration licences (EL 2363 and EL 2364) was made and these were cancelled on 11 September, 2017.

On 14 September, 2017 applications were lodged for extensions of terms for a further two years for the main May River (EL 1441) and Bolobip (EL 1438) exploration licences.

No other matter or circumstance has arisen since 30 June 2017 which significantly affected or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group intends to advance its exploration drilling programs at May River and Bolobip in coming months. The Group also intends to continue to further scale up the mining and gold/silver production at the Edie Creek mining leases and continue the drilling programs at Edie Creek. The scaling up includes increasing the mining and processing capacity to a consistent level of 40+ tonnes per day.

To assist in achieving this, the completion of installation, commissioning, testing and modification of the crushing and grinding circuits is continuing, and additional mining plant is planned to be acquired including up to three second-hand bull dozers, a second-hand 40 tonne articulated tip truck, one new 6 tonne excavator and one new 14 to 21 tonne excavator. A new, larger vibrating feeder is also planned to be acquired.

MINERAL RESOURCE & ORE RESOURCE GOVERNANCE

Resources and Reserves are estimated by suitably qualified personnel in accordance with the requirements of the JORC Code, industry standard techniques and internal guidelines. There is a focus on quality assurance and quality control protocols covering all aspects of the work process.

All Resource estimates and supporting documentation are reviewed by external consultants, the Company's Competent Person and internal management and where changes occur a suitable review is carried out.

The objective of the process is to promote the maximum conversion of identified mineralisation into JORC compliant Mineral Resources.

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Exploration/ Retention Licence	Location	Commodity	Grade & Quantity	Reserve/ Resource
Great Pyramid RL2/2009	NE Tasmania	Tin (Sn)	1,300,000 tonnes @ 0.3% Tin for 3,900 tonnes of contained Tin using 0.2% Tin cutoff Or 5,200,000 tonnes @ 0.2% Tin for 10,400 tonnes of contained Tin using 0.1% Tin cutoff	JORC 2012 Inferred Mineral Resource
Royal George EL27/2004	NE Tasmania	Tin (Sn)	800,000 tonnes @0.33% Tin for 2,640 tonnes of contained Tin using 0.2% Tin cutoff Or 1,300,000 tonnes @0.25% Tin for 3,250 tonnes of contained Tin using 0.0% cutoff Or 600,000 tonnes @0.36% Tin for 2,160 tonnes contained Tin using a 0.25% Tin cutoff	JORC 2012 Inferred Mineral Resource

Schedule of Tenements

Permit Type	Permit Number	Location	Held Via	Beneficial %
Niuminco Group Limited – Papua New Guinea Assets				
Exploration licence	EL 1438	Bolobip	Niuminco (ND) Limited	100
Exploration licence	EL 2363	Hotmin	Niuminco (ND) Limited	100
Exploration licence	EL 2364	Wameimin	Niuminco (ND) Limited	100
Exploration licence	EL 2365	Ama	Niuminco (ND) Limited	100
Exploration licence	EL 1441	May River	Niuminco (ND) Limited	100
Mining lease	ML 144	Edie Creek	Niuminco Edie Creek Limited	100
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited	100
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited	100
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited	100

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Permit Type	Permit Number	Location	Held Via	Beneficial %
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited	100
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited	100
TNT Mines Limited – Tasmanian Assets*				
Exploration licence	EL27/2004	Aberfoyle Storeys Creek Royal George	TNT Mines Limited	100
Retention licence	RL2/2009	Great Pyramid	TNT Mines Limited	100

* Niuminco Group Limited has a 72.10% interest in TNT Mines Limited as at 30 June 2017.

UNISSUED SHARES UNDER OPTION

There are no unissued ordinary shares of Niuminco Group Limited under option at the date of this report.

REMUNERATION REPORT (AUDITED)

This remuneration report sets out remuneration information for Niuminco Group Limited's non-executive directors, executive directors, and key management personnel.

Principles used to determine the nature and amount of remuneration - Charter

The Directors of Niuminco Group Limited have adopted the following charter:

- To establish a set of remuneration levels and packages that is fair and designed to encourage and enhance individual performance and resultant corporate success.
- To motivate executives and senior management with a focus on long term benefits to the individuals and therefore the Group and its shareholders.
- To review performance of executive directors and senior management based on the Company's operational results, market penetration and profit and loss performance.

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Remuneration policy

The remuneration policy has been designed to provide a fixed remuneration to directors commensurate with their obligations, commitment, experience and performance. The Board believes the policy to be appropriate and effective in its ability to retain a high standard of executive staff and directors as well as create incentives in the interests of the Group.

The Board's policy for determining the nature and amount of remuneration for directors is set out in this policy. Consistent with the Board charter the remuneration policy was approved by the Board after considering:

- The history of the Group's management arrangements;
- The remuneration of past executives;
- The current financial position of the Group;
- The remuneration of industry peers;
- The interests of shareholders;
- The short, medium and long-term future of the industry.

The Board, taking into account the above factors will review remuneration annually. The Board may exercise some discretion in relation to approving incentives and bonuses. During the current year no incentives have been paid to key management personnel.

The Board determines executive directors' payments and reviews the remuneration based on best commercial practice. Independent external advice on the packages may be obtained at the discretion of the Board. As the remuneration is fixed at this time it is not linked to Group performance at this stage. No elements of remuneration are performance based. There is no relationship between the performance of the Group and remuneration over the past five years.

A summary of the general principles adopted by the Board is as follows:

Executives

- The adoption of a balance between fixed and incentive salary linking rewards with Company and executive performance but only when the industry and shareholder returns are at a more consistent and higher level.
- Consideration of relativities with other similar sized businesses.
- Reflect the nature of the business and the role expected of the individual.
- Consider both the Group and the individual's legal obligations.
- Consider whether the Group and the individual meets expected and budgeted targets.
- Consider whether equity-based performance benefits are appropriate.
- Executives are paid according to market and experience.

Non-Executives

- Non-executive remuneration is to be clearly distinguished from executive salary and packages. The Non-executive remuneration limit is \$150,000 cash per annum in total for all non-executive directors as approved by shareholders on 6th November 2009.

Performance-based remuneration

Currently no component of the key management personnel's remuneration is at risk. It is expected that going forward remuneration packages of executive directors will include remuneration at risk based on Group and individual performance.

Niuminco Group Limited

Director's Report

30 June 2017

Incentive Plans

A Share Plan and Employee Share Option Plan (ESOP) have been approved by shareholders. The object of both plans will be to assist in the recruitment, reward, retention and motivation of employees and officers of the Group.

Other incentive plans including partly paid shares, share purchase loans or other schemes may be utilised to provide longer-term incentives and rewards to executives and directors. Shareholder approval will be obtained in each case as required by law.

In view of the contribution of the non-executive directors and advancing the interest in the Group, the Group considers that the non-executives may continue to be rewarded with options. It is not considered that this will significantly affect their independence in light of their experience and reputation.

Names and positions held of Group and parent entity key management personnel in office at any time during the financial year

Key management personnel

- Tracey Lake	Managing Director	appointed 1 May 2012
- Ian Plimer	Director – Non Executive	appointed 9 May 2011
- Matthew Roberts	Director – Non Executive	appointed 26 November 2015, resigned 14 February 2017
- Neill Arthur	Director – Non Executive	appointed 26 November 2015, resigned 14 February 2017
- Mark Ohlsson	Director - Executive	appointed 13 February 2017
- Andrew Drummond*	Director – Non Executive (TNT Mines Limited)	appointed 2006, resigned 29 June 2017

Details of remuneration for the year ended 30 June 2017 and 30 June 2016

The remuneration for each director of the Group during the year was as follows:

2017	Short Term Benefits Salary, fees & commissions \$	Post-Employment Benefits Superannuation contributions \$	Termination benefits \$	Share Based Payments Options \$	Total \$
Executive					
T Lake	270,000	--	--	--	270,000
M Ohlsson*	--	--	--	--	--
Non executives					
I Plimer**	36,000	--	--	--	36,000
M Roberts***	29,167	--	--	--	29,167
N Arthur***	29,167	--	--	--	29,167
A Drummond****	--	--	--	--	--
	364,334	--	--	--	364,334

* M Ohlsson receives no remuneration in his capacity as director, but accrues fees of \$36,000 per annum for his services as company secretary.

** During the year, Inkex Pty Ltd, (a company related to Ian Plimer) converted \$70,000 of fees accrued to equity at \$0.0056 per share.

*** M Roberts and N Arthur resigned as directors on 14 February 2017.

**** A Drummond resigned as director of TNT Mines Limited on 29 June 2017 and received no remuneration during 2017.

Niuminco Group Limited

Director's Report

30 June 2017

Details of remuneration for the year ended 30 June 2017 and 30 June 2016 (continued)

2016	Short Term Benefits Salary, fees & commissions \$	Post-Employment Benefits Superannuation contributions \$	Termination benefits \$	Share Based Payments Options \$	Total \$
Executive					
T Lake*	270,000	--	--	--	270,000
Non executives					
I Plimer**	36,000	--	--	--	36,000
M Roberts	29,167	--	--	--	29,167
N Arthur	29,167	--	--	--	29,167
A Drummond***	--	--	--	--	--
	364,334	--	--	--	364,334

* During the year Goward Pty Ltd (a company related to Tracey Lake) converted \$188,649 of fees accrued to equity at \$0.002 per share.

**During the year Inkex Pty Ltd (a company related to Ian Plimer) converted \$22,000 of fees accrued to equity at \$0.002 per share.

***During the year Andrew Drummond converted \$5,000 of fees accrued to equity at \$0.002 per share.

Interests in the shares and options of the Company

i. Options provided as remuneration and shares issued on exercise of such options

There are no options outstanding to key management personnel.

ii. Option holdings

No options over ordinary shares in the Company were held by or issued to directors of Niuminco Group Limited and other key management personnel of the Group, including their personally related parties during 2017 or the prior year.

iii. Shareholdings

The number of shares in the Company held during the financial year by each director of Niuminco Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2017	Balance at start of the year	Received as remuneration	Issued on conversion of debt to equity	Shares purchased or sold	Other Change	Balance at end of the year
I Plimer	35,000,000	--	12,500,000	2,678,572	--	50,178,572
T Lake	175,815,362	--	--	--	--	175,815,362
M Roberts**	395,729,900	--	--	2,678,572	(398,408,472)	--
N Arthur**	--	--	--	--	--	--
M Ohlsson***	3,838,157	--	--	--	--	3,838,157
A Drummond	8,743,382	--	--	--	--	8,743,382
	619,126,801	--	12,500,000	5,357,144	(398,408,472)	238,575,473

** M Roberts & N Arthur resigned as directors on 14 February 2017

*** M Ohlsson was appointed as a director on 13 February 2017

Niuminco Group Limited

Director's Report

30 June 2017

Employment contracts of directors and senior executives

On appointment to the Board, all directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the board policies & terms and the director's duties and responsibilities. The contracts require directors to satisfy all legal duties imposed by the Corporations Act and the general law and to assist the board in fulfilling its functions. The directors are required to notify the Company of all other directorships held by the director and if directors intend to accept any subsequent directorships they must first discuss this with the Chairman.

The appointment and term of a director is made in accordance with the Company's constitution. The agreements provide for an indefinite period of appointment subject to reappointment requirements at annual general meetings under the terms of the constitution. The employment may be terminated pursuant to the Corporations Act and the Company's Constitution, in certain prescribed circumstances (such as bankruptcy, conviction of an offence, unsound mind). The director may resign by notice in writing at any time.

Directors are not automatically entitled to any termination or retirement benefits, other than those to be provided to all employees under normal legislative requirements; however, termination benefits may be agreed on an individual basis by the board.

Mr Tracey Lake as Managing Director provides his services in this position under a consultancy agreement with Goward Pty Limited. His agreement was varied on 1 July, 2015 to a monthly payment of \$25,000 with an expiry date of 30 June, 2018 with 9 months' notice of early termination. Tracey Lake voluntarily reduced his monthly fees to \$20,000 for a 12-month period from 1 January, 2016 to 31 December, 2016.

Transactions with related parties

On 21 October 2016, Mark Ohlsson took up 357,149 shares at \$0.0056 per share in the Share Purchase Plan to convert \$20,000 of debt to equity.

During the year Mark Ohlsson made cash advances of \$42,130 to the Company and received cash repayments of \$15,800. These advances are on a short term basis, are unsecured and no interest is payable.

The total fees paid, or payable, to Mark Ohlsson for his services as Company Secretary during the year is \$36,000, of which \$22,500 relate to the period prior to Mark Ohlsson becoming a Director.

On 20 January 2017, pursuant to an AGM resolution, 12,500,000 shares were issued to Inkex Pty Limited, a related entity of Ian Plimer at \$0.0056 per share to convert \$70,000 of debt to equity.

During the year Ian Plimer advanced \$27,000 to the Company, these advances are on a short term basis, are unsecured and no interest is payable.

The total fees paid, or payable, to Ian Plimer for his services as Chairman during the year is \$36,000. Ian Plimer also incurred \$5,686 of out of pocket expenses reimbursement of which was outstanding at year end.

On 20 January 2017, pursuant to an AGM resolution, 17,857,143 shares were issued at the direction of Goward Pty Limited, a related entity of Tracey Lake at \$0.0056 per share to convert \$100,000 of debt to equity.

During the year Tracey Lake charged the company \$13,500 for office rental of which \$780 was owing at year end.

The total fees paid, or payable, to Tracey Lake for his services as Director during the year is \$270,000.

During the year, \$33,840 was invoiced to Niuminco Group Limited by Fiona Russell, a related party of Tracey Lake, for bookkeeping services. At 30 June 2017 a balance of \$19,734 was outstanding to Fiona Russell.

Niuminco Group Limited

Director's Report

30 June 2017

The Company has entered into a Redeemable Convertible Note facility with Goward Pty Ltd, a company related to Tracey Lake, for a principal amount of \$50,000. Under the terms of the Note, interest is payable at 12.5% per annum and the amount of interest accrued during the period ending 30 June 2017 was \$6,250. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issuing the issued shares. The conversion or strike price will be the lower of \$0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

The total fees paid, or payable, to Matthew Roberts for his services as Director during the year is \$29,167.

The Company has entered into a Redeemable Convertible Note facility with Australian Metals Group Limited, a company related to Matthew Roberts, for a principal amount of \$200,000. Under the terms of the Note interest is payable at 12.5% per annum and the amount of interest accrued during the period ending 30 June 2017 was \$25,000. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issuing the issued shares. The conversion or strike price will be the lower of \$0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

The total fees paid, or payable, to Neill Arthur for his services as Director during the year is \$29,167.

Niuminco Group Limited

Director's Report

30 June 2017

Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2017	2016
	\$	\$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	203,127	108,549
Tracey J Lake	780	1,200
Fiona Russell	19,734	30,204
<i>Related to Mr Roberts*</i>		
Matthew Roberts	54,167	25,000
<i>Related to Mr Arthur*</i>		
Arthur Management Services	64,167	25,833
<i>Related to Prof Plimer</i>		
	24,000	62,496
The Plimer Trust	5,686	--
Ian Plimer	64,997	--
<i>Related to Mr Ohlsson</i>		
Ohlsson & Johnson Pty Ltd	--	48,665
<i>Related to Mr Drummond**</i>		
Andrew Drummond & Associates Pty Ltd	416,924	301,947
	--	48,665
	416,924	301,947

* Matthew Roberts and Neill Arthur resigned as directors on 14 February 2017.

** Andrew Drummond resigned as director of TNT Mines Limited on 29 June 2017.

Loans from related parties

	2017	2016
	\$	\$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	63,630	57,380
<i>Related to Mr Roberts & Mr Arthur</i>		
Australian Metals Group Limited	232,856	207,856
<i>Related to Prof Plimer</i>		
Inkex Pty Ltd	32,000	5,000
<i>Related to Mr Ohlsson</i>		
Mark Ohlsson	6,360	--
	334,846	270,236

This is the end of the Audited Remuneration Report

Niuminco Group Limited

Director's Report

30 June 2017

MEETINGS OF DIRECTORS

The number of directors' meetings held and number of meetings attended by each of the directors of the Company during the financial year were as follows:

	Number attended	Number eligible to attend
Tracey Lake	5	5
Ian Plimer	5	5
Matthew Roberts	2	3
Neill Arthur	2	3
Mark Ohlsson	3	3

The number of audit committee meetings held and number of meetings attended by each of the directors of the Company during the financial year were as follows:

	Number attended	Number eligible to attend
Ian Plimer	0	1
Neill Arthur	1	1
Matthew Roberts	1	1

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the end of the financial year the Company has neither paid nor agreed to pay insurance premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL

In Australia, the Group is subject to significant environmental regulation with respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, as far as it is aware is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of Australian environmental legislation for the year under review.

In Papua New Guinea the Department of Environment and Conservation administers a Code of Practice for Mining, which stipulates the environmental responsibilities of mining projects in PNG. The Environment Act 2000 and the regulations made under that Act provide the administrative mechanism for environmental impact assessment and evaluation of activities regulating impacts on the receiving environment through an established environment approval and permitting system. The Environment Act 2000 requirements include environmental permits, registration of intention to carry out preparatory work and environment impact assessment. The directors of the Group are not aware of any breach of PNG environmental legislation for the year under review.

Niuminco Group Limited
Director's Report
30 June 2017

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The auditors of the Company have not provided any non-audit services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s307C of the Corporations Act 2001 for the year ended 30 June 2017 has been received and can be found on page 21.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink on a light yellow background. The signature is cursive and appears to read 'Tracey Lake'.

Tracey Lake
Managing Director
Dated this 29th day of September 2017

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF NIUMINCO GROUP LIMITED

As lead auditor of Niuminco Group Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Niuminco Group Limited and the entities it controlled during the period.



Gareth Few
Partner

BDO East Coast Partnership

Sydney, 29 September 2017

Niuminco Group Limited
Consolidated statement of profit or loss and
other comprehensive income
For the year ended 30 June 2017

Revenue	Note	2017	2016
		\$	\$
Net proceeds of gold & silver sales	2	695,143	1,110,892
Net gain on sale of fixed assets		7,484	--
Finance income		456	724
Other income:			
Write off creditors		60,034	--
Refunds		5,011	--
		<u>768,128</u>	<u>1,111,616</u>
Expenses			
Direct mining costs	3	(1,552,519)	(1,332,110)
Depreciation & amortisation expense	8	(81,300)	(103,637)
Finance costs		(91,860)	(89,993)
Foreign exchange loss		--	(1,484)
Impairment of investment in TNT Mines Ltd		(317,677)	--
Impairment of assets of TNT Mines Ltd	7	(1,232,250)	--
Impairment of exploration costs	7	(5,725)	(318,402)
Loss on sale of fixed assets		--	(1,609)
Loss on fair value adjustment of embedded derivative	10	--	(57,117)
Exploration costs		(53,283)	(52,764)
Other expenses from ordinary activities		(439,856)	(364,650)
Professional services fees		(443,837)	(427,397)
Travel & accommodation		(33,529)	(39,238)
Net loss before tax		<u>(3,483,708)</u>	<u>(1,676,785)</u>
Income tax benefit	4	--	--
Net loss for the year		<u>(3,483,708)</u>	<u>(1,676,785)</u>
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be re-classified to profit or loss</i>			
Changes in foreign currency translation reserve	13	311,319	(31,475)
Total comprehensive income for the year		<u>(3,172,389)</u>	<u>(1,708,260)</u>
<i>Loss for the year is attributable to:</i>			
Owners of Niuminco Group Limited		(3,444,020)	(1,533,498)
Non-controlling interests		(39,688)	(143,287)
<i>Total comprehensive income for the year is attributable to:</i>			
Owners of Niuminco Group Limited		(3,132,701)	(1,564,973)
Non-controlling interests		(39,688)	(143,287)
Loss per share for loss attributable to the ordinary equity holders of the Niuminco Group Limited		Cents	Cents
Basic loss per share	21	0.21	0.13
Diluted loss per share	21	0.21	0.13

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Niuminco Group Limited
Consolidated statement of financial position
As at 30 June 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,146	124,661
Assets held for sale – TNT Mines Ltd	9	691,159	--
Trade and other receivables	6	50,333	59,558
Total Current Assets		<u>742,638</u>	<u>184,219</u>
NON CURRENT ASSETS			
Exploration & evaluation expenditure	7	3,351,783	4,961,307
Property, plant & equipment	8	657,230	654,599
Other non-current assets		--	7,304
Total Non-Current Assets		<u>4,009,013</u>	<u>5,623,210</u>
TOTAL ASSETS		<u>4,751,651</u>	<u>5,807,429</u>
CURRENT LIABILITIES			
Interest bearing loans & borrowings	10	754,631	787,406
Trade & other payables	11	2,453,818	2,306,567
Liabilities held for sale – TNT Mines Ltd	9	421,044	--
Total Current Liabilities		<u>3,629,493</u>	<u>3,093,973</u>
TOTAL LIABILITIES		<u>3,629,493</u>	<u>3,093,973</u>
NET ASSETS		<u>1,122,158</u>	<u>2,713,456</u>
EQUITY			
Contributed equity	12	45,289,953	43,708,862
Share based payment reserve	13	3,055,802	3,055,802
Foreign currency translation reserve	13	2,123,639	1,812,320
Accumulated losses	13	(49,537,900)	(46,093,880)
Capital & reserves attributable to owners of Niuminco Group Limited		931,494	2,483,104
Non-controlling interests		190,664	230,352
TOTAL EQUITY		<u>1,122,158</u>	<u>2,713,456</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Niuminco Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2017

	Attributable to members of Niuminco Group Limited					Non-controlling interests	Total Equity
	Contributed equity	Share based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total		
	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2015	42,526,850	3,055,802	1,843,795	(44,560,382)	2,866,065	373,639	3,239,704
Loss for the year	--	--	--	(1,533,498)	(1,533,498)	(143,287)	(1,676,785)
Other comprehensive income for the year	--	--	(31,475)	--	(31,475)	--	(31,475)
Total comprehensive income for the year	--	--	(31,475)	(1,533,498)	(1,564,973)	(143,287)	(1,708,260)
Transactions with owners in their capacity as owners							
Issued capital, net of transaction costs	1,182,012	--	--	--	1,182,012	--	1,182,012
Balance at 30 June 2016	43,708,862	3,055,802	1,812,320	(46,093,880)	2,483,104	230,352	2,713,456
Loss for the year	--	--	--	(3,444,020)	(3,444,020)	(39,688)	(3,483,708)
Other comprehensive income for the year	--	--	311,319	--	311,319	--	311,319
Total comprehensive income for the year	--	--	311,319	(3,444,020)	(3,132,701)	(39,688)	(3,172,389)
Transactions with owners in their capacity as owners							
Issued capital, net of transaction costs	1,581,091	--	--	--	1,581,091	--	1,581,091
Balance at 30 June 2017	45,289,953	3,055,802	2,123,639	(49,537,900)	931,494	190,664	1,122,158

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Niuminco Group Limited
Consolidated statement of cash flows
30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold & silver sales		695,143	1,110,892
Other receipts – bond refunds		5,011	--
Payments to suppliers & employees (inclusive of GST)		(243,567)	(409,879)
Costs of sales of gold and silver		(1,552,519)	(1,195,769)
Payment for mining & exploration site costs		--	(41,710)
Interest received		456	724
Interest paid		(59,448)	(71,475)
Net cash used in operating activities	20(b)	<u>(1,154,924)</u>	<u>(607,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant & equipment		14,616	-
Payment for property, plant & equipment		(110,176)	(80,098)
Payment for exploration & evaluation expenditure		(285,180)	(275,684)
Movement in security deposits		--	(276)
Net cash used in investing activities		<u>(380,740)</u>	<u>(356,058)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of issue of shares	12	1,560,820	994,997
Payment of share issue costs		(169,729)	(73,134)
Proceeds of convertible notes		150,000	250,000
Advances from related parties		33,360	10,000
Repayments by staff		7,168	990
Advances from chattel mortgages		51,650	--
Repayment of chattel mortgages		(130,132)	(93,343)
Net cash provided by financing activities		<u>1,503,137</u>	<u>1,089,509</u>
Net (decrease)/increase in cash & cash equivalents		<u>(32,527)</u>	<u>126,234</u>
Cash & cash equivalents at the beginning of the year		124,661	13,150
Effect of exchange rate changes		(4,240)	(14,723)
Cash & cash equivalents at the end of the year	5, 20(a)	<u><u>87,894</u></u>	<u><u>124,661</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Niuminco Group Limited
Notes to the consolidated financial statements
30 June 2017

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Niuminco Group Limited

Notes to the consolidated financial statements (continued)

30 June 2017

This annual report is for Niuminco Group Limited (“the Company”) and its controlled entities (together “the Group”) in respect of the full year reporting period ended 30 June 2017.

The financial statements were authorised for issue by the directors on 29 September 2017. The directors have the power to amend and reissue the financial statements.

This year’s financial report is re-ordered and re-written to aid improvement in communication. The flow of information is grouped as follows:

- Critical accounting judgements, estimates and assumptions – Note 1;
- Key financial performance of the Group – Notes 3 to 12;
- Additional information and disclosures required by Accounting Standards – Notes 13 to 25

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if:

- The amount is significant because of its size or nature;
- It is important for understanding the results of the Group or changes in the Group’s business; and
- It relates to an aspect of the Group’s operations that is important to its future operations.

Niuminco Group Limited is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Niuminco Group Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with IFRS

The consolidated financial statements of Niuminco Group Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Historical cost convention

These financial statements have been prepared under the historical cost convention.

iii. Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. In particular, information about significant areas of estimation, uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include the following:

Estimated impairment of property, plant and equipment

The Group’s assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in note 8 of the financial statements. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

Capitalised exploration and evaluation expenditure

Certain exploration and evaluation expenditure is capitalised where it is considered likely that the expenditure will be recovered by future exploitation or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves. This process necessarily requires management to make certain estimates and assumptions as to future events and circumstances, including estimates and assumptions regarding future commodity prices and level of demand for those commodities and cost of production, which will affect whether economically viable extraction operations can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy it is concluded unlikely that the expenditure will be recovered by future exploitation or sale, the relevant amount capitalised is written off in the statement of comprehensive income. Further information is provided in note 7 of the financial statements.

Disposal Group Held for Sale - TNT Mines Ltd

TNT Mines Ltd is classified as a disposal group held for sale in accordance with AASB 5. This is because the deemed disposal of TNT is highly probable at 30 June 2017 at the reporting date. The disposal group held for sale (TNT) should be measured at the lower of its carrying amount and fair value less costs to sell. The fair value should be determined as the fair value of the interest retained (that is, the fair value of each share after the capital raising multiplied with the number of shares retained after the capital raising) plus the value of non-controlling interest. The write down of the disposal group held for sale should be accounted for in profit or loss in the current reporting period as an impairment.

b. Going concern

The consolidated financial statements of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Group raised \$1,750,820 through capital raisings generating net proceeds of \$1,581,091. The Group has incurred a net loss before tax of \$3,483,708 (including a non-cash depreciation of \$81,300, impairment of asset on disposal of TNT Mines Ltd of \$1,232,250 and impairment in investment in TNT Mines Limited of \$317,677) and total net operating cash outflows of \$1,154,924 for the year ended 30 June 2017 and, as of that date the Group's current liabilities exceeded its current assets by \$2,886,855.

Current liabilities at balance sheet date include Directors and Director's related balances amounting to \$341,950. The Directors have confirmed that the repayment of these amounts in cash will not be called upon while the Group continues to suffer operating losses and does not generate sufficient cash. At balance date, the Group was in arrears on the payment of the Chattel mortgages, and as a result, the balance of the liability amounting to \$406,028 is classified as a current liability. In the absence of these arrears, an amount of \$195,878 would have been classified as a non-current liability. The remaining current liability balance amounting to \$3,223,465 represents convertible notes payable, trade creditors and payroll liabilities the majority of which at balance sheet date were not within their normal credit terms. During the year, the Group has not been able to meet its planned production targets at Edie Creek mine of 3 to 5 ounces per day averaging 1.0 ounce per day.

Consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds are likely to be required to continue to support the exploration efforts of the group.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group's operational and financial performance will improve and will be able to continue as a going concern. As such the financial report is prepared on a going concern basis. In arriving at this conclusion, the Directors considered that:

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- The Directors have designed a plan to ensure that the production targets at Edie Creek can be achieved including making additional investments at the mine. The plan anticipates that positive cash flows from Edie Creek mine through gold and silver sales in the order of \$250,000 to \$300,000 per month will be achieved consistently. This approximates production at a rate of 5 to 6 ounces per day. This level of production is significantly higher than what has been consistently achieved to date.
- To achieve the production rate of 5 to 6 ounces per day, the scaling up of the production at Edie Creek includes increasing the ore processing capacity with the installation of the 5 tonne per hour ball mill, a roller crusher and mechanical feed system, and also includes the purchase of additional mining equipment which will be partly financed by external borrowings for an amount of approximately \$100,000. Management are testing and commissioning the plant with production planned to increase to full capacity on completion of the current testing and modification works..
- The Group has been successful in the past in managing the balances that are owed to creditors by either deferring payments or negotiating a plan in order to spread repayment to accommodate the Group's cash flow requirements. The Directors believe that the Group will be able to continue to do so until the increased production from Edie Creek and the receipt of loan repayments from TNT Mines Limited enables creditors to return to normal payment terms. The Directors note that a portion of the proceeds from the \$775,000 TNT Mines repayment will be directed to the repayment of the overdue balances.
- As noted above, the Directors have confirmed that the repayment of the Directors and Director's related balances amounting to \$341,950 will not be called upon in cash while the Group continues to suffer operating losses and does not generate sufficient cash.

If the Directors are unsuccessful in achieving the above plan, alternative measures would be pursued which would include:

- Raising additional equity or debt. The Group has a successful track record over many years of raising new capital from both existing shareholders and strategic investors.
- Curtailing materially, if necessary, the Group's ongoing costs. This could include reducing the amounts to be paid to Directors for the next financial year' fees and temporarily reducing the exploration spend.
- The sales of assets, or entering into farm-in agreements with another party. While it is not their preferred option the Directors believe that, should it be necessary, that certain assets could be sold to realise the funds to enable the Group to continue as a going concern.

The Directors believe that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. At this time the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the consolidated interim financial statements at 30 June 2017.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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Notes to the consolidated financial statements (continued)
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c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Niuminco Group Limited ('Company' or 'parent entity') at 30 June 2017 and the results of all subsidiaries for the year then ended. Niuminco Group Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

2. GOLD & SILVER SALES

	2017	2016
	\$	\$
Gross sales	721,552	1,153,106
Commissions paid on sales	(26,409)	(42,214)
Net sales proceeds	695,143	1,110,892

Gold and silver revenue

Mining and production by the group at Edie Creek resulted in gold & silver revenues in the financial year. The revenues have been generated prior to the finalisation of technical feasibility evaluation process, and are not representative of the area of interest reaching a stage of development.

The revenues have not been generated in order to develop the area of interest to the condition necessary for it to be capable of operating in a manner intended by management. As a result, recognising revenues (and the costs of producing the saleable material) directly in the income statement is deemed to be the appropriate accounting treatment.

Revenue is recognised when gold and silver is delivered. Delivery occurs when the products have been shipped to the specified location upon completion of the refinery process. The sale transaction is completed upon delivery to a third party and an adjustment is made for final assayed outturn amounts. Revenues are recorded net of commissions paid and the transportation and refinery costs are expensed as cost of sales when incurred.

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Notes to the consolidated financial statements (continued)
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3. DIRECT MINING COSTS

	2017	2016
	\$	\$
PNG administration costs	101,732	73,444
Building & equipment maintenance	129,642	139,228
Other mine site costs including wages	1,321,145	1,119,438
	<u>1,552,519</u>	<u>1,332,110</u>

4. INCOME TAX EXPENSE

a) Income tax expense

	2017	2016
	\$	\$
Deferred tax	--	--
	<u>--</u>	<u>--</u>

b) Numerical reconciliation of income tax expense to prima facie tax payable

	2017	2016
	\$	\$
Loss from continuing operations	(3,483,708)	(1,676,785)
Tax at the Australian tax rate of 27.5% (2016 – 30%)	(958,020)	(503,036)
Difference in overseas tax rates	(40,872)	(21,690)
Taxable losses not recognized or deductible	998,892	524,726
Income tax expense	<u>--</u>	<u>--</u>

c) Unused tax losses

	2017	2016
	\$	\$
Unused tax losses relating to the Australian entities for which no deferred tax asset has been recognised	12,377,580	11,424,973
Potential tax benefit at 27.5% (2016: 30%)	<u>3,403,835</u>	<u>3,427,492</u>
Unused tax losses relating to the PNG entities for which no deferred tax asset has been recognised	22,770,109	21,901,875
Potential tax benefit at ranged from 30% up to 40%	<u>7,400,285</u>	<u>8,236,884</u>

The unused tax losses are not recognised as deferred tax assets due to the uncertainty about whether a future profit will be generated against which the unused tax losses can be utilized.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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Notes to the consolidated financial statements (continued)
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5. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank and in hand	1,146	124,661
	<u>1,146</u>	<u>124,661</u>

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

a. Risk exposure

The Group's exposure to interest rate risk is discussed in note 24. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

6. TRADE AND OTHER RECEIVABLES

	Note	2017	2016
		\$	\$
CURRENT			
GST receivables		24,463	27,716
Staff advances		--	331
Deposits paid		56,971	31,511
Reclassification to assets held for sale (TNT Mines Ltd)	9	(31,101)	--
		<u>50,333</u>	<u>59,558</u>

7. EXPLORATION AND EVALUATION EXPENDITURE

		2017	2016
		\$	\$
NON-CURRENT			
Costs carried forward in respect of areas of interest in the exploration and evaluation phase			
Opening balance		4,961,307	5,146,230
Expenditure incurred during the year		285,180	275,684
Foreign currency translation		(136,069)	(142,205)
Less: reclassified as assets held for sale net of impairment	9	(520,660)	--
Less: impairment		(1,237,975)	(318,402)
		<u>3,351,783</u>	<u>4,961,307</u>

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and indirect costs having a specific nexus with a particular area of interest.

Included in the impairment recognised in the exploration and evaluation expenditure, \$1,232,250 relates to the write-down of the assets of TNT Mines Ltd to their fair value as a results of its reclassification to assets held for sales, refer to Note 9. The remaining represents the write-off of exploration asset capitalised for tenements held by the Group during the year.

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30 June 2017

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. The carrying value of exploration and evaluation assets is assessed in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

The Group has not yet completed the technical feasibility evaluation process over the areas of interest, and therefore, considers the classification of the capitalised exploration and evaluation costs appropriate. While revenues have been generated by Edie Creek, they are not representative of the mine reaching a stage of development, nor have they been generated in order to develop the area of interest to the condition necessary for it to be capable of operating in a manner intended by management.

The ultimate recoupment of the book value of exploration assets relating to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest and the Group's ability to continue to meet its financial obligations to maintain the areas of interest.

During the year in PNG the Group has spent and capitalised \$88,350 of exploration costs on the Edie Creek project and \$117,540 of exploration costs on the May River, and Bolobip projects in PNG. In Tasmania, \$79,290 was spent and capitalised on the TNT Mines projects.

An amount of \$5,725 of capitalised exploration expenditure has been impaired during the period. This relates to expenditure on an ancillary tenement at Bolobip, EL2362, which was surrendered in February.

Impairment of exploration expenditure

In respect of exploration and evaluation assets, some impairment indicators that the Group considers include, whether any of its right to explore has lapsed or is expected to lapse and is not expected to be renewed, the plans and budget that the Group has regarding future substantive expenditure, the results of its exploration activities and whether such results are not positive or are sufficient to demonstrate that a future successful development of an asset is unlikely.

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8. PROPERTY, PLANT & EQUIPMENT

NON-CURRENT	Mining equipment & vehicles
	\$
Year ended 30 June 2016	
Opening net book amount	760,118
Exchange differences	(74,843)
Additions	80,098
Disposals	(7,137)
Depreciation	<u>(103,637)</u>
Closing net book amount	654,599
At 30 June 2016	
Cost or fair value	1,004,357
Accumulated depreciation	<u>(349,758)</u>
Net book amount	654,599
Year ended 30 June 2017	
Opening net book amount	654,599
Exchange differences	(18,760)
Additions	110,175
Disposals	(7,484)
Depreciation	<u>(81,300)</u>
Closing net book amount	657,230
At 30 June 2017	
Cost or fair value	1,080,138
Accumulated depreciation	<u>(422,908)</u>
Net book amount	657,230

Property, plant and equipment are stated at historical cost less depreciation and any impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation on all assets is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives of between 3 to 10 years. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Group's assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment provision is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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9. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

CURRENT	2017	2016
	\$	\$
Assets held for sale	691,160	--
Liabilities held for sale	(421,044)	--
	<u>270,116</u>	

Assets and Liabilities held for sale comprises a subsidiary of the Group, TNT Mines Ltd which is expected to be listed on the ASX within 12 months from the reporting date.

d. Reconciliation of the non-current assets held for sale at the beginning and end of the financial years set out below:

	Note	2017	2016
		\$	\$
Cash and cash equivalents	20(a)	86,748	--
Trade and other receivables	6	31,101	--
Exploration & evaluation expenditure net of impairment	7	573,311	--
Assets held for sale		<u>691,160</u>	-
Reclassification from interest bearing loans & borrowings	10	(150,000)	--
Reclassification from trade & other payables	11	(271,044)	--
Liabilities held for sale		<u>(421,044)</u>	

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

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10. INTEREST BEARING LOANS AND BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

CHATTEL MORTGAGES

	2017	2016
	\$	\$
CURRENT		
Chattel mortgage liability	406,028	470,053
	<u>406,028</u>	<u>470,053</u>

The average effective interest rate during the year was 14.2%. The outstanding liability is secured over the assets. The liability is classified as current due the Group did not have an unconditional right to defer settlement of the chattel mortgages.

The Group has financed the purchase of plant and equipment in PNG by chattel mortgages. The chattel mortgages are capitalised at the loan inception at the fair value of the mortgaged property. The corresponding mortgage obligations, net of finance charges, are included in other short term or long term payables.

Each mortgage payment is allocated between the liability and the finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment mortgaged are depreciated over the assets' useful lives.

CONVERTIBLE NOTES

		2017	2016
		\$	\$
CURRENT			
Convertible notes liability at amortised cost		291,486	260,236
Derivative on convertible note at fair value		57,117	57,117
TNT Mines Limited convertible notes		150,000	--
Reclassified to liabilities held for sale	9	(150,000)	--
		<u>348,603</u>	<u>317,353</u>

The Company has borrowed \$200,000 under a Redeemable Convertible Note facility from Australian Metals Group Limited, a related entity of Matthew Roberts and Neill Arthur. The Company has also entered into a Redeemable Convertible Note facility with Goward Pty Ltd, a company related to Tracey Lake, on identical terms for a principal amount of \$50,000.

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Under the terms of the Note interest is payable at 12.5% per annum. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issued shares. The conversion or strike price will be the lower of \$0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

On issuance of the convertible notes, it was determined that the notes were a financial liability and the conversion options within these notes represent an embedded derivative. The embedded derivative has been recognised at fair value upon inception and at each subsequent reporting period.

The carrying value of the host contract, at initial recognition is determined as the difference between the consideration received and the fair value of the embedded derivative. The host contract is subsequently measured at amortised cost using the effective interest rate method. The embedded derivative is subsequently measured at fair value at the end of each reporting period through the profit and loss. The convertible note and the derivative are presented as a single number on the balance sheet within interest-bearing loans and borrowings.

In addition, TNT Mines Limited has raised a total of \$150,000 by issuing convertible notes. The amount raised is to be used to fund expenses associated with the IPO.

The term of the notes is 6 months or mandatory conversion at a 20% discount to the IPO issue price upon approval of quotation of the Company's shares on the ASX. The term of the notes can be extended on a monthly basis by mutual agreement. Interest at 10% per annum is payable on the notes, interest accrues and the principal and interest is repayable in full at the end of the term.

TNT Mines Limited has also issued convertible notes with a face value of \$12.50 which will convert to 1,250,000 shares at an issue price of 0.001 cents per share upon approval of quotation of the Company's shares on the ASX. No interest is payable on these notes.

11. TRADE AND OTHER PAYABLES

CURRENT		2017	2016
		\$	\$
Payroll liabilities		1,163,363	1,047,650
Accrued expenses		183,809	230,701
Trade creditors		1,334,330	1,018,216
Loans from related parties		43,360	10,000
Reclassification to liabilities held for sale	9	(271,044)	--
		<u>2,453,818</u>	<u>2,306,567</u>

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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12. CONTRIBUTED EQUITY

a. Share capital

	30/06/17 Shares	30/06/17 \$	30/06/16 Shares	30/06/16 \$
Ordinary shares fully paid	1,831,060,440	45,289,953	1,475,556,749	43,708,862
Total contributed equity	1,831,060,440	45,289,953	1,475,556,749	43,708,862

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

b. Movements in ordinary share capital

2016	Details	Shares	\$
01.07.15	Balance at beginning of period	847,784,515	42,526,850
25.11.15	Issue under offer document dated 3 November 2015 for cash	497,496,339	994,997
25.11.15 [^]	Conversion of debt to equity offer document 3 November 2015	67,826,145	135,649
30.11.15 [^]	Conversion of debt to equity approved at AGM	40,000,000	80,000
20.01.16 [^]	Placement – debt to equity	22,249,750	44,500
			43,781,996
	Less transaction costs arising on share issues		(73,314)
30-Jun-16	Balance	1,475,556,749	43,708,862

2017	Details	Shares	\$
01.07.16	Balance at beginning of period	1,475,556,749	43,708,862
14.10.16	Security purchase plan for cash	147,946,548	828,500
21.10.16	Top up placement for cash	23,628,571	132,320
21.10.16 [^]	Conversion of debt to equity under AGM resolution	3,571,429	20,000
20.01.17 [^]	Conversion of debt to equity under AGM resolution	30,357,143	170,000
20.01.17	Share placement	150,000,000	600,000
			45,459,682
	Less transaction costs arising on share issues		(169,729)
30-Jun-17	Balance	1,831,060,440	45,289,953

[^]These items were non-cash operating and investing activities, 2017 \$190,000 (2016 \$260,149)

c. Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares presents at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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Notes to the consolidated financial statements (continued)
30 June 2017

12. CONTRIBUTED EQUITY (CONTINUED)

d. Share options issued

At reporting date there were 180,000,000 options issued outstanding (2016: nil).

On 19 January 2017, 150,000,000 options were issued to investors who participated in the share placement, with one option being issued for each ordinary share subscribed for. These options are listed on the ASX. In addition, 30,000,000 options were issued to the brokers pursuant to the share purchase plan and share placement mandates.

	Grant Date	Expiry Date	Exercise Price	Granted during the Period	Vested and exercisable at the end of the Period
Unlisted options	19/12/16	31/01/19	\$0.007	20,000,000	20,000,000
Listed options	19/01/17	31/01/19	\$0.007	160,000,000	160,000,000
<i>Weighted average exercise price</i>				<i>\$0.007</i>	<i>\$0.007</i>

No options over ordinary shares in the Company have been provided in the current or the prior period as remuneration to the directors and the key management personnel (current and previous) of the Company.

No options over ordinary shares in the Company have been issued in the current or the prior period for payment of goods and services.

e. Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. As the equity market is constantly changing management may issue new shares to provide for future exploration and development activity.

13. OTHER RESERVES AND ACCUMULATED LOSSES

	Note	2017 \$	2016 \$
a. Other reserves			
Share based payments	22	3,055,802	3,055,802
Foreign currency translation		2,123,639	1,812,320
		<u>5,179,441</u>	<u>4,868,122</u>
<i>i. Movements:</i>			
<u>Share based payments</u>			
Opening balance		3,055,802	3,055,802
Closing balance		<u>3,055,802</u>	<u>3,055,802</u>
<u>Foreign currency translation</u>			
Opening balance		1,812,320	1,843,795
Currency translation differences arising during the year		311,319	(31,475)
Closing balance		<u>2,123,639</u>	<u>1,812,320</u>

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

13. OTHER RESERVES AND ACCUMULATED LOSSES (CONTINUED)

b. Accumulated losses

Movements in accumulated losses were as follows:

	2017	2016
	\$	\$
Opening balance	(46,093,880)	(44,560,382)
Net loss for the year	(3,444,020)	(1,533,498)
Closing balance	(49,537,900)	(46,093,880)

c. Nature and purpose of other reserves

i. Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised;
- the grant date fair value of shares issued to employees; and
- the grant date fair value of shares issued to third parties in exchange for goods and services.

ii. Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described below and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

iii. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Niuminco Group Limited's functional and presentation currency.

iv. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

v. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

13. OTHER RESERVES AND ACCUMULATED LOSSES (CONTINUED)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

14. RELATED PARTY TRANSACTIONS

a. Parent entity

The parent entity within the Group is Niuminco Group Limited.

b. Subsidiaries

Interests in subsidiaries are set out in note 19.

c. Key management personnel

Disclosures relating to key management personnel are set out in this note and the remuneration report on pages 12 to 18.

d. Transactions with related parties

On 21 October 2016, Mark Ohlsson took up 357,149 shares at \$0.0056 per share in the Share Purchase Plan to convert \$20,000 of debt to equity.

During the year Mark Ohlsson made cash advances of \$42,130 to the Company and received cash repayments of \$15,800. These advances are on a short term basis, are unsecured and no interest is payable. Refer note 14f. for loans outstanding at year end.

The total fees paid, or payable, to Mark Ohlsson for his services as Company Secretary during the year is \$36,000, of which \$22,500 relate to the period prior to Mark Ohlsson becoming a Director. Refer to note 14e below for the balance of fees payable to Mark Ohlsson at 30 June 2017.

On 20 January 2017, pursuant to an AGM resolution, 12,500,000 shares were issued to Inkex Pty Limited, a related entity of Ian Plimer at \$0.0056 per share to convert \$70,000 of debt to equity.

During the year Ian Plimer advanced \$27,000 to the Company, these advances are on a short term basis, are unsecured and no interest is payable. Refer note 14f. for loans outstanding at year end.

The total fees paid, or payable, to Ian Plimer for his services as Chairman during the year is \$36,000. Refer to note 14e below for the balance of fees payable to Ian Plimer at 30 June 2017. Ian Plimer also incurred \$5,686 of out of pocket expenses reimbursement of which was outstanding at year end.

On 20 January 2017, pursuant to an AGM resolution, 17,857,143 shares were issued at the direction of Goward Pty Limited, a related entity of Tracey Lake at \$0.0056 per share to convert \$100,000 of debt to equity.

During the year Tracey Lake charged the company \$13,500 for office rental of which \$780 was owing at year end, refer note 14e below.

The total fees paid, or payable, to Tracey Lake for his services as Director during the year is \$270,000. Refer to note 14e below for the balance of fees payable to Tracey Lake at 30 June 2017

During the year, \$33,840 was invoiced to Niuminco Group Limited by Fiona Russell, a related party of Tracey Lake, for bookkeeping services. At 30 June 2017 a balance of \$19,734 was outstanding to Fiona Russell.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

14. RELATED PARTY TRANSACTIONS (CONTINUED)

d. Transactions with related parties (continued)

The Company has entered into a Redeemable Convertible Note facility with Goward Pty Ltd, a company related to Tracey Lake, for a principal amount of \$50,000. Under the terms of the Note interest is payable at 12.5% per annum and the amount of interest accrued during the period ending 30 June 2017 was \$6,250. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issuing the issued shares. The conversion or strike price will be the lower of \$0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

The total fees paid, or payable, to Matthew Roberts for his services as Director during the year is \$29,167. Refer to note 14e below for the balance of fees payable to Matthew Roberts at 30 June 2017.

The Company has entered into a Redeemable Convertible Note facility with Australian Metals Group Limited, a company related to Matthew Roberts, for a principal amount of \$200,000. Under the terms of the Note interest is payable at 12.5% per annum and the amount of interest accrued during the period ending 30 June 2017 was \$25,000. The Noteholder may after 60 days' notice require the Company to redeem the note Total Outstanding (principal and including accumulated interest) for cash. Otherwise, after a period of 24 months past the Issue Date, or if not exercised each subsequent annual anniversary of the Issue Date, the Noteholder may call upon the Company to redeem the Total Outstanding Note for cash on or before the Repayment Date or apply for its conversion into ordinary shares in the Company. The Noteholder may upon delivery of a conversion notice require repayment of the Total Outstanding balance within 7 days of receipt of the Conversion Notice rather than accepting issuing the issued shares. The conversion or strike price will be the lower of \$0.002 per share or the volume weighted average selling price recorded at the close of ASX trading on the 5 trading days prior to and including the date of the conversion notice. The Notes have been issued on normal arms-length commercial terms and the conversion to shares will be subject to shareholder approval.

The total fees paid, or payable, to Neill Arthur for his services as Director during the year is \$29,167. Refer to note 14e below for the balance of fees payable to Neill Arthur at 30 June 2017

e. Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2017	2016
	\$	\$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	203,127	108,549
Tracey J Lake	780	1,200
Fiona Russell	19,734	30,204
<i>Related to Mr Roberts*</i>		
Matthew Roberts	54,167	25,000
<i>Related to Mr Arthur*</i>		
Arthur Management Services	64,167	25,833
<i>Related to Prof Plimer</i>		

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

	2017 \$	2016 \$
The Plimer Trust	24,000	62,496
Ian Plimer	5,686	--
<i>Related to Mr Ohlsson</i>		
Ohlsson & Johnson Pty Ltd	64,997	--
<i>Related to Mr Drummond**</i>		
Andrew Drummond & Associates Pty Ltd	--	48,665
	416,924	301,947

* Matthew Roberts and Neill Arthur resigned as directors on 14 February 2017.

** Andrew Drummond resigned as director of TNT Mines Limited on 29 June 2017.

f. Loans from related parties

	2017 \$	2016 \$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	63,630	57,380
<i>Related to Mr Roberts & Mr Arthur</i>		
Australian Metals Group Limited	232,856	207,856
<i>Related to Prof Plimer</i>		
Inkex Pty Ltd	32,000	5,000
<i>Related to Mr Ohlsson</i>		
Mark Ohlsson	6,360	--
	334,846	270,236

g. Key management personnel compensation

	2017 \$	2016 \$
Short-term employee benefits	364,334	364,334
	364,334	364,334

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 16.

15. AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:

	2017 \$	2016 \$
BDO East Coast Partnership		
Audit or review of financial statements	64,000	--
BDO PNG		
Audit or review of financial statements	10,380	--
PricewaterhouseCoopers		
Audit or review of financial statements	--	95,000
	74,380	95,000

Remuneration of the auditor of TNT Mines Ltd
(an unrelated entity of BDO):

	2017 \$	2016 \$
Bentleys		
Audit or review of financial statements	5,000	11,000
	5,000	11,000

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

16. COMMITMENTS

(a) Chattel mortgage commitments

The minimum repayments under chattel mortgage arrangements are set out in the following table.

	2017	2016
	\$	\$
Within 1 year	248,620	210,900
Between 1 and 5 years [^]	216,489	369,282
Total future mortgage payments	465,109	580,182
Less: future finance charges	(59,081)	(110,129)
Chattel mortgage liability	406,028	470,053
Represented by:		
Current chattel mortgage liability	406,028	470,053
Non-current chattel mortgage liability	--	--
Chattel mortgage liability	406,028	470,053

[^] As at 30 June 2017 the Group did not have an unconditional right to defer settlement of the chattel mortgages resulting in the balance being classified as current. Payments between 1 and 5 years are reflective of anticipated cash flows from chattel mortgages.

(b) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2017	2016
	\$	\$
within one year	600,000	988,287
later than one year but not later than five years	640,000	99,807
	1,240,000	1,088,094

17. CONTINGENCIES

In relation to tenement acquisition agreements entered into by the Group, the following additional cash may be paid or shares issued dependent on future events:

PNG Tenements

- (a) Edie Creek
ML144 – production royalty payable to Barrick (Niugini) Limited of PGK10 per ounce for the first 20,000 ounces and PGK7.5 per ounce in excess of 20,000 ounces produced.
- (b) May River and Bolobip
5% net smelter royalty payable to Mincor Resources NL.

Tasmanian Tenements

- (a) Tasmanian Tin and Tungsten Agreement
- \$1,000,000 (or \$1,100,000 of shares in TNT Mines Limited) upon commencement of mining operations, along with a 2.5% net smelter royalty.
- (b) Minemakers Royalty Deed
Upon commencement of mining 1.5% net smelter royalty capped at \$5,000,000 on either of the Tasmanian tenements.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

18. SEGMENT REPORTING

The Board of Directors has identified three reportable operating segments being mineral exploration in Papua New Guinea and Tasmania, and mining operations in Papua New Guinea.

The Board determined the operating segments based on the reports that are used to make strategic decisions.

a. Segment results

The segment information provided to the Board for the reportable segments for the year ended 30 June 2017 is as follows:

2017	Edie Creek– PNG \$	Bolobip, May River and Laloki – PNG \$	Exploration – Tasmania \$	Total \$
Total segment revenue	702,627	--	--	702,627
Depreciation	81,300	--	--	81,300
Impairment of exploration assets	--	5,725	1,232,250	1,237,975
Total segment assets	3,359,511	1,424,182	691,159	5,474,852
Total segment liabilities	17,112,464	2,217,259	421,043	19,750,766

2016	Edie Creek – PNG \$	Bolobip, May River and Laloki – PNG \$	Exploration – Tasmania \$	Total \$
Total segment revenue	1,110,892	--	--	1,110,892
Depreciation	103,637	--	--	103,637
Impairment of exploration assets	--	9,516	308,886	318,402
Exploration expensed in the year	52,764	--	--	52,764
Total segment assets	3,412,554	1,321,110	1,670,213	6,403,877
Total segment liabilities	16,031,661	2,085,459	853,257	18,970,377

b. Reconciliations

Segment revenue reconciles to total revenue in the statement of financial performance as follows:

	2017 \$	2016 \$
Total segment revenue	702,627	1,111,616
Write back creditors	60,034	–
Total revenue	<u>762,661</u>	<u>1,111,616</u>

All gold sales transactions are with Italtrezi South Pacific Ltd which operates as a buyer and exporter of gold and silver based in Port Moresby.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

Reportable segments' assets are reconciled to total assets as follows:

	2017 \$	2016 \$
Total segment assets	5,474,852	6,403,877
Intersegment eliminations	(738,265)	(606,464)
Current cash & receivables of parent entity	15,064	10,016
Total assets as per statement of financial position	<u>4,751,651</u>	<u>5,807,429</u>

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2017 \$	2016 \$
Total segment liabilities	19,750,766	18,970,377
Intersegment eliminations	(17,226,874)	(16,782,885)
Current liabilities of parent entity	1,105,651	906,481
Total liabilities as per statement of financial position	<u>3,629,493</u>	<u>3,093,973</u>

19. SUBSIDIARIES

Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries). Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Niuminco Group Limited.

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			2017	2016
Niuminco Pty Limited	Australia	Ordinary	100	100
Niuminco Exploration (PNG) Pty Ltd	Australia	Ordinary	100	100
TNT Mines Limited	Australia	Ordinary	72.1	72.54

Niuminco Pty Ltd has two wholly owned subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			2017	2016
Niuminco Edie Creek Limited	Papua New Guinea	Ordinary	100	100
Niuminco Laloki Limited	Papua New Guinea	Ordinary	100	100

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

Niuminco Exploration (PNG) Pty Ltd has one wholly owned subsidiary:

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			2017	2016
Niuminco ND Limited	Papua New Guinea	Ordinary	100	100

20. CASH FLOW INFORMATION

a. Cash held by the following entities:

		2017	2016
		\$	\$
Niuminco Group Limited	5	1,146	124,661
TNT Mines Ltd	9	86,748	-
		87,894	124,661

The above consist of cash balance recorded in TNT Mines Ltd which reclassified to assets held for sale as noted in Note 9. It is treated as a deemed disposal that listed subsequently in ASX stock exchange as mentioned in Note 25.

b. Reconciliation of operating loss to cash flows used in operating activities

	2017	2016
	\$	\$
Loss for the year	(3,483,708)	(1,676,785)
<i>Non-cash flows items</i>		
Debt to equity conversion	190,000	260,149
Depreciation	81,300	103,637
Impairment of assets of TNT Mines Ltd	1,232,250	--
Impairment of investment in TNT Mines Limited	317,677	--
Impairment of capitalised exploration and mining leases	5,725	318,402
Loss on fair value of embedded derivative	--	57,117
Property, plant and equipment sold	--	1,610
Write back creditors	(60,034)	--
Interest on convertible notes	31,250	--
Net exchange differences	--	1,484
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade & term receivables	(37,972)	10,928
Increase in trade payables and accruals	568,588	316,241
Net cash outflow from operating activities	(1,154,924)	(607,217)

21. LOSS PER SHARE

	2017	2016
	cents	cents
a. Basic loss per share		
Total basic loss per share attributable to the ordinary equity holders of the Company	0.21	0.13
b. Diluted loss per share		
Total diluted loss per share attributable to the ordinary equity holders of the Company	0.21	0.13

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

c. Weighted average number of shares used as the denominator

	2017 No.	2016 No.
Weighted average number of shares used as the denominator in calculating basic and diluted loss per share	1,679,920,474	1,216,398,281

i. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The diluted loss per share is the same as the basic loss per share as the consolidated entity is in a loss position

The Company's potential ordinary shares, being its options granted and convertible notes issued, are not considered dilutive as the conversion of these options and notes would result in a decrease in net loss per share.

22. SHARE-BASED PAYMENTS

Equity instruments (shares and options) issued for the payments of goods and services other than employee services are recognised when the instruments are issued. The fair value of equity instruments granted is recognised in the statement of comprehensive income or directly in the statement of financial position depending on the nature of the share-based payment. The total amount to be recognised is determined by reference to the fair value of the equity instruments granted.

a. Shares issued under a share based payment arrangement during the year

There were no shares issued during the year under a share based payment arrangement.

b. Employee options

Share-based compensation benefits may be provided to employees via the Niuminco Group Limited Share Plan and Employee Share Option. No options were issued under this plan during the year to 30 June 2017 and there were no employee options outstanding at the end of the year.

c. Other share based payments options

There was no share based payments options issued during the year or outstanding at the end of the year.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

d. Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period in share based payment expense but relating to directors' remuneration is \$nil (2016: \$nil).

23. PARENT ENTITY INFORMATION

The following information is for the legal parent entity Niuminco Group Limited

	2017 \$	2016 \$
Current assets	15,064	10,016
Non-current assets	854,669	1,120,954
Total assets	869,733	1,130,970
Current liabilities	1,105,601	906,481
Non-current liabilities	--	--
Total liabilities	1,105,601	906,481
Contributed equity	44,434,710	42,853,619
Share based payments	1,048,165	1,048,165
Retained earnings	(45,718,743)	(43,677,295)
Total equity	(235,868)	224,489
Loss for the year	(816,870)	(1,377,012)
Other comprehensive income net of tax for the year	--	--
Total comprehensive income net of tax for the year	(816,870)	(1,377,012)

The contributed equity of the parent differs to the contributed equity of the consolidated entity due to prior year accounting treatment arising on the reverse acquisition of Niuminco Pty Limited.

24. RISK MANAGEMENT

a. Financial risk management policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and borrowings.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

i. Financial risk exposures and management

The main risk the Group is exposed to through its financial instruments is liquidity risk.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and making regular provision for outgoings. The Board reviews the cash forecasts of the Group on a regular basis to ensure that sufficient funds are available to meet the obligations of the Group as and when they fall due.

Financial instrument composition and maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

	Less than 6 months		6–12 months		12–24 months	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Trade creditors*	1,225,025	1,018,216	--	--	--	--
Borrowings	406,028	470,062	--	--	--	--
Convertible Notes	291,486	260,236	--	--	--	--
Accruals	1,285,910	1,288,351	--	--	--	--
Liabilities – held for sale	421,044	--				
Total	3,629,493	3,046,865	--	--	--	--

* Inclusive of TNT Mines Limited

The weighted average effective interest rate of financial instruments held at balance date was:

Cash & cash equivalents: 0 % (2016: 0%)

Borrowings: 14.2% (2016: 14.2%)

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefit obligations are presented as payables.

Credit risk

Credit risk is managed on a Group basis. It arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2017	2016
	\$	\$
Cash at bank*	87,894	124,661
	<u>87,894</u>	<u>124,661</u>

* Inclusive of TNT Mines Limited

Interest rate risk

The Group has chattel mortgage liabilities with fixed interest rates of 14% and 16%, and convertible notes with interest at 12.5% that are not sensitive to changes in interest rates. The Group's fixed rate borrowings are carried at amortised cost and they are therefore not subject to interest rate risk as defined in AASB 7, since the carrying amount will not fluctuate because of a change in market interest rates.

Foreign exchange risk

The Group is not exposed to foreign exchange risk from the PNG Kina as the PNG entities' functional currency is the PNG Kina. The PNG Kina denominated chattel mortgages are expected to be repaid with receipts from PNG Kina sales.

b. Financial instruments

i. Fair Values

The carrying values of all of the Group's financial instruments approximate their net fair value due to their short term nature.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2017

25. EVENTS OCCURRING AFTER BALANCE DATE

On 4 August, 2017, Niuminco Group Limited and two of its subsidiaries completed with Mincor PNG Limited the agreement to purchase its 17% interest in the Edie Creek mining leases on a two year, deferred settlement basis.

On 14 September, the IPO by TNT Mines Limited closed fully subscribed, and 27,500,000 new shares in TNT are to be issued and listed on the ASX. As a result of the IPO, Niuminco's holding in TNT Mines Limited of 397,347 shares will be reduced from 72.1% to 1.3% of the total issued capital and it will no longer have control of the Company. The management agreement between Niuminco and TNT automatically terminates once Niuminco's holding in the company drops below 51%.

At the close of the IPO, the balance of the loan comprising cash advances and accrued management fees from Niuminco to TNT Mines Limited was agreed at \$775,000 and is due to be repaid upon the listing of TNT's shares on the ASX. Conditional approval for the listing was given by the ASX to TNT Mines Limited on 8 September, 2017.

A decision to relinquish two of the minor PNG exploration licences (EL 2363 and EL 2364) was made and these were cancelled on 11 September, 2017.

On 14 September, 2017 applications were lodged for extensions of terms for a further two years for the main May River (EL 1441) and Bolobip (EL 1438) exploration licences.

No other matter or circumstance has arisen since 30 June 2017 which significantly affected or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Niuminco Group Limited
Directors' declaration
30 June 2017

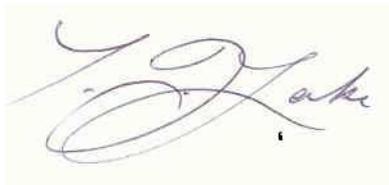
In the directors' opinion:

- (a) the financial statements and notes set out on pages 19 to 51 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Managing Director required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'Tracey Lake', is written on a light yellow rectangular background.

Tracey Lake
Managing Director
Dated this 29th day of September, 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Niuminco Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Niuminco Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Expenditures

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2017 the carrying value of capitalised Exploration and Evaluation expenditures was \$3,351,783 (2016: \$4,961,307) as disclosed in Note 7. The Group accounting policy with respect to Exploration and Evaluation expenditures is disclosed in Note 7.</p> <p>The carrying value of exploration and evaluation expenditures represents a significant asset of the company and judgement is applied in considering whether facts and circumstances indicate that the exploration expenditures should be tested for impairment. As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Reserves</p>	<p>We have critically evaluated management’s assessment of each impairment trigger per AASB 6 Exploration for and Evaluation of Mineral Resources, and performed audit procedures including but not limited to:</p> <ul style="list-style-type: none"> • Obtained from management a schedule of areas of interest held by the group and assessed as to whether the group had rights to tenure over the relevant exploration assets by obtaining supporting documentation such as tenement agreements • Assessed as to whether the additional exploration and evaluation expenditures capitalised during the year are recognised in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources • Held discussions with management with respect to the status of ongoing exploration programmes in the respective areas of interest • Considered whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed • Considered whether the licenses held at 30 June 2017 are in good standing and funding is available to meet the remainder of the commitments under the license term by reviewing cash flow forecasts and ensure adequate expenditures is planned to meet the commitments under the license term, and • Considered whether there are any other facts or circumstances that existed to indicate impairment testing was required <p>We have also assessed the adequacy of the related disclosures in Note 7 to the financial statements.</p>

Non-Current Assets held for sale - TNT Mines Limited

Key audit matter	How the matter was addressed in our audit
<p>On 29 June 2017, the Group lodged a Prospectus with ASIC on behalf of TNT Mines Limited ('TNT'), a 72.1% owned subsidiary, for an Initial Public Offering of 27,500,000 shares at \$0.20 per share. Upon successful completion of the offer, the Group will retain 1.3% interest in TNT.</p> <p>We have concluded that this is a key audit matter due to the complexity over the measurement and presentation of TNT as a Non-Current Asset held for sale in accordance with AASB 5 - <i>Non Current Assets Held for Sale and Discontinued Operations</i> as well as the extensive disclosures required. The disclosure in relation to the reclassification of TNT's assets and liabilities as non-current assets and liabilities held for sale are included in Note 9 of the financial statements.</p>	<p>Our audit procedures included but are not limited to:</p> <ul style="list-style-type: none"> • Reviewed the prospectus lodged by the Group in relation to the IPO to confirm deemed sales proceeds on which fair value has been based; • Held discussions with management and reviewed correspondence with brokers in respect to the status and progress of the IPO; • Reviewed the presentation of the assets and liabilities of TNT in the consolidated financial statements to ensure compliance with AASB 5; and • Considered whether the reclassification indicates impairment testing was required under AASB 5. <p>We have also assessed the adequacy of the related disclosures in Note 9 to the financial statements.</p>

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Niuminco Group Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

A handwritten signature in black ink that reads 'Gareth Few'. Above the signature, the letters 'BDO' are written in a smaller, cursive script.

Gareth Few
Partner

Sydney, 29 September 2017

DISTRIBUTION OF MEMBERS AND THEIR HOLDINGS AT 16 SEPTEMBER 2017

Name of 20 largest ordinary shareholders	Number of ordinary fully paid shares held	% held of issued ordinary capital
AUSTRALIAN METALS GROUP LTD *	326,040,821	17.81%
GOWARD PL *	175,344,250	9.58%
VICTORIA PARK INV PL *	117,362,723	6.41%
KURRABA INV PL	76,700,000	4.19%
HASSLINGER A H	72,700,000	3.97%
INKEX PL	48,511,905	2.65%
WARD W S + R A	26,010,000	1.42%
PRETORIUS L E	24,046,895	1.31%
MGL CORP PL	22,500,000	1.23%
HASSLINGER A H & J	20,500,000	1.12%
NEFF RIA JOANNE	18,166,666	0.99%
HERNSTADT W H	16,928,571	0.92%
IBT HLDGS PL	16,000,000	0.87%
HARCODE PL	15,842,263	0.87%
MINEMAKERS LTD	15,619,524	0.85%
WATES G A	15,500,000	0.85%
RYAN S J	13,667,469	0.75%
HASSLINGER A H & A J	10,400,000	0.57%
DRUMMOND A J + S M	9,121,430	0.50%
PEECEEBEE PL	9,000,000	0.49%

MARKETABLE PARCEL

At 16 September 2017, 3,127 shareholders held less than a marketable parcel.

SUBSTANTIAL SHAREHOLDERS

Shares held by substantial shareholders listed in the Company's register at are indicated by * above.

VOTING RIGHTS – ORDINARY SHARES

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Ltd.

DISTRIBUTION OF SHAREHOLDERS

Spread of holdings

Holding	No. of Holders
1 - 1,000	720
1,001 - 5,000	1,055
5,001 - 10,000	517
10,001 - 100,000	799
Over 100,000	842
Total on register	3,987