



NIUMINCO GROUP LIMITED

**(formerly DSF INTERNATIONAL HOLDINGS LIMITED)
ABN 44 009 163 919**

**INTERIM REPORT FOR THE HALF YEAR
ENDED
31 DECEMBER 2011**

TABLE OF CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION.....	5
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION.....	20
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	21

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Niuminco Group Limited ("the Company") and the entities it controlled (together, "the Group"), at the end of, or during the half-year ended 31 December 2011.

DIRECTORS

The following persons were Directors of the Company during the half year and up to the date of this report unless otherwise stated:

- Andrew Davis
- David Fuller
- Ian Plimer
- Terence Willstead
- Arthur Jones (resigned 9th December 2011)
- Gavin Rezos (resigned 30th August 2011)
- Campbell Edmondson (alternate for David Fuller – resigned 31st October 2011)

PRINCIPAL ACTIVITIES

Niuminco Group Limited through its subsidiaries holds prospective exploration areas in Papua New Guinea which are subject to joint venture agreements with Mincor Resources NL under which Mincor Resources NL will acquire interests in the area after spending agreed sums on exploration. These include mining leases at Edie Creek.

OPERATING RESULTS

For the half year ended 31 December 2011 the consolidated loss of the group after income tax amounted to \$4,167,639 (2010: Loss of \$1,895,847). In February 2011, the Group ceased its mining operations to focus on exploration activities. There is a significant variation between this year's and the prior half year's results due to this change of activity as well as the non-cash loss on acquisition of Niuminco Ltd of \$2,906,814.

REVIEW OF OPERATIONS

On 23rd May 2011, the Company, Niuminco Ltd and its subsidiaries entered into a series of joint venture and other agreements with Mincor Resources N.L. (Mincor) a successful ASX listed miner with nickel mining interests in the Kalgoorlie area of Western Australia.

Under the agreements Mincor agreed to sole-fund up to \$15,000,000 on exploration on the areas at Edie Creek, to acquire up to a 51% interest in the area, and up to \$5,000,000 on each of the exploration areas at May River, Bolobip and Kubuna in each case to earn up to a 72% interest.

Mincor also entered into a put option agreement whereby they agreed, if required to do so, to invest \$5,000,000 in the Capital Raising under the Prospectus.

A Supplementary Prospectus was issued on the 12th July 2011 extending the date of closing of the Prospectus to 29th July 2011.

To raise the minimum subscription the Company exercised the Mincor put option and Mincor now holds 13.48% of the issued capital of the Company.

The issue was closed on 29th July 2011 when the minimum subscription was received and the ASX spread requirements were met.

DIRECTORS' REPORT

On 10th August 2011, the Company finalised the purchase of the issued capital of Niuminco Ltd and completed a number of other arrangements which accompanied the acquisition.

The ASX re-listed the Company's shares on 30th August 2011.

Mincor, as Operator of the Joint venture, has commenced operations on Joint Venture areas in Papua New Guinea.

At May River, Mincor has completed an airborne survey comprising both a time-domain electromagnetic system VTEM and the new state of art Z Axis Tipper Electromagnetic system ZTEM. The survey covered copper gold prospects in the south of the Exploration Licence area and high grade copper prospects in the north.

In Bolobip, a camp was established and trench sampling was conducted in areas of known mineralisation in the middle of the Exploration Area.

The results of the exploration at May River and Bolobip were reported to the ASX in the Company's Quarter Report published on 25th January 2012. Mincor is continuing to review the exploration results.

The conversion of the mining leases at Edie Creek to new leases under the Papua New Guinea Mining Act took place on the 6th October 2011. Although a number of the conditions precedent to the Mincor agreements are still outstanding, Mincor has commenced work at Edie Creek.

As outlined in my address to the Annual General Meeting of shareholders on 28 November 2011, the delays in the conversion of the mining leases resulted in the Group employing substantially more staff and security personnel than was originally envisaged. The additional staff employed were required to prevent artisanal mining on the leases and surrounds in order to secure the site for exploration purposes and to safeguard the Company's personnel.

During the last six months the Group has concentrated its activities on reducing its costs at Edie Creek and as exploration activities by Mincor at Edie Creek have commenced the Company is now receiving a contribution to its ongoing costs.

During the period covered by this report a total of \$3,592,150 provided by Mincor has been expended on exploration in the Company's areas. As the condition precedents to the joint venture agreements remain unsatisfied, and as such the joint ventures to be constituted under these arrangements have not yet been formed, for exploration works at the different areas to commence, the Group has agreed with Mincor to incur expenditure prior to formation of joint ventures and has agreed that Mincor will reimburse the Group in respect of such expenditure. As a result of these arrangements, exploration work commenced on the 8th August 2011 for Kubuna, May River and Bolobip and the 15th November 2011 for Edie Creek.

Mincor will only reimburse the Group for this expenditure after establishment of the joint ventures. No amount is billable if the joint ventures are not formed. Any amounts reimbursed by Mincor to the Group will count towards joint ventures expenditure and be deemed to have been incurred by Mincor during the earning period for the relevant area of interest.

At the same time the Group entered into loan agreements with Mincor whereby Mincor agreed to advance monies to the Group to fund the exploration work above. These loan amounts will be repayable on the date when the joint ventures are formed provided that if the joint venture agreements are terminated by Mincor because the conditions precedent to the joint ventures agreements are not satisfied by the end date under the terms of the agreements, then the loan amounts will not be repayable by the Group.

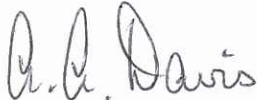
Under the loan agreements, Mincor has a right to set off any amount due by the Group for these loans against any amount which is due for payment by Mincor to the Group in respect of the exploration work which has been completed by the Group on Mincor's behalf.

At 31 December 2011, the agreed advances to, and repayments from, Mincor totalled \$3,592,150 which, if the joint ventures had been formed, would have earned Mincor interests in Edie Creek, Bolobip, Kubuna and May River of 1%, 1%, 1% and 18% respectively.

AUDITOR'S DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 December 2011.

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



A A DAVIS
CHAIRMAN

Dated this 9th day of March 2012



Auditor's Independence Declaration

As lead auditor for the review of Niuminco Group Limited for the half year 31 December 2011 I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Niuminco Group Limited during the period.

A handwritten signature in blue ink, appearing to read 'Brett Entwistle', is written over a light blue horizontal line.

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
09 March 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the half-year ended 31 December 2011

	NOTE	31/12/11 \$	31/12/10 \$
REVENUE			
Interest received		75,261	802
Sales revenue		--	2,550,607
		<u>75,261</u>	<u>2,551,409</u>
Other income – foreign exchange gain		62,662	4,560
EXPENSES			
Depreciation & amortisation expense		(237,630)	(394,800)
Employee benefit expense		(50,436)	(1,176,666)
Finance costs		(75)	(208,817)
Cost of listing	2	(2,906,814)	--
Mining & exploration site costs		(664)	(1,235,929)
Other expenses from ordinary activities		(272,505)	(540,775)
Professional services fees		(1,350,809)	(673,656)
Share based payment expense		(318,662)	--
Travel & accommodation		(11,343)	(221,173)
Loss for the half-year before tax		<u>(5,011,015)</u>	<u>(1,895,847)</u>
Income tax benefit		843,376	--
Loss for the year attributable to members of Niuminco Group Ltd		(4,167,639)	(1,895,847)
Other comprehensive income/(loss)			
Changes in foreign currency translation reserve		178,644	(386,382)
Total comprehensive income attributable to members of Niuminco Group Limited		<u>(3,988,995)</u>	<u>(2,282,229)</u>
Loss per share attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic loss per share		(2.5)	(1.8)
Diluted loss per share		(2.5)	(1.8)

This consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2011

	NOTE	31/12/11 \$	30/06/11 \$
CURRENT ASSETS			
Cash & cash equivalents		2,614,737	112,294
Trade & other receivables		281,174	140,046
Prepayments		35,361	22,000
Other current assets	3	3,592,150	--
Total Current Assets		6,523,422	274,340
NON-CURRENT ASSETS			
Exploration & evaluation expenditure	4	10,680,200	8,053,717
Plant, property & equipment		3,790,578	3,627,955
Total Non-Current Assets		14,470,778	11,681,672
TOTAL ASSETS		20,994,200	11,956,012
CURRENT LIABILITIES			
Bank overdraft		713,921	643,668
Trade & other payables		1,918,912	3,275,140
Borrowings		262,140	1,048,136
Convertible notes		--	3,703,781
Other current liability	3	3,592,150	--
Total Current Liabilities		6,487,123	8,670,725
NON-CURRENT LIABILITIES			
Borrowings		916,448	656,597
Total Non-Current Liabilities		916,448	656,597
TOTAL LIABILITIES		7,403,571	9,327,322
NET ASSETS		13,590,629	2,628,690
EQUITY			
Contributed equity	5	35,480,048	21,259,660
Share based payment reserve	6	2,968,133	2,237,587
Foreign currency translation reserve		1,157,429	978,785
Accumulated losses		(26,014,981)	(21,847,342)
TOTAL EQUITY		13,590,629	2,628,690

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2011

	Attributable to members of Niuminco Group Limited					
	Contributed Equity \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$	
Balance at 1 July 2010	19,540,813	2,074,253	1,434,805	(15,906,548)	7,143,323	
Loss for the half-year				(1,895,847)	(1,895,847)	
Other comprehensive income for the half-year	--	--	(386,382)	--	(386,382)	
Total comprehensive income for the half-year	--	--	(386,382)	(1,895,847)	(2,282,229)	
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	1,718,847	--	--	--	1,718,847	
Options exercised	--	--	--	--	--	
Share based payments	--	--	--	--	--	
Balance at 31 December 2010	21,259,660	2,074,253	1,048,423	(17,802,395)	6,579,941	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2011

	Attributable to members of Niuminco Group Limited					
	Contributed Equity \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$	
Balance at 1 July 2011	21,259,660	2,237,587	978,785	(21,847,342)	2,628,690	
Loss for the half-year	--	--	--	(4,167,639)	(4,167,639)	
Other comprehensive income for the half-year	--	--	178,644	--	178,644	
Total comprehensive income for the half-year	--	--	1,157,429	(4,167,639)	(3,988,895)	
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	14,219,988	--	--	--	14,219,988	
Options exercised	400	--	--	--	400	
Share based payments	--	730,546	--	--	730,546	
Balance at 31 December 2011	35,480,048	2,968,133	1,157,249	(26,014,581)	13,590,629	

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

CONSOLIDATED STATEMENT OF CASH FLOWS for the half-year ended 31 December 2011

	31/12/11 \$	31/12/10 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	--	2,550,607
Payments to suppliers & employees (inclusive of GST)	(2,634,559)	(3,743,737)
	(2,634,559)	(1,193,130)
Interest received	75,261	802
Interest paid	(75)	(186,799)
	(2,559,373)	(1,379,127)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(6,297)	(627,897)
Payment for exploration & evaluation expenditure	(1,265,510)	(1,303,922)
Interest paid	(181,486)	--
	(1,453,293)	(1,931,819)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	7,455,634	1,882,184
Cash acquired on acquisition of Niuminco Ltd	15,581	--
Advances made to JV partner	(3,592,150)	--
Proceeds from loan from JV partner	3,592,150	--
Proceeds from/(repayment of) loans from related parties	(241,812)	639,907
Proceeds from/(repayment of) interest bearing loans	(727,353)	445,428
	6,502,050	2,967,519
Net increase/(decrease) in cash & cash equivalents	2,489,384	(343,427)
Cash & cash equivalents at the beginning of the period	(531,374)	(105,663)
Effect of exchange rate changes	(57,194)	93,949
	1,900,816	(355,141)
Cash & cash equivalents at end of period	1,900,816	(355,141)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

This general purpose interim financial report is for Niuminco Group Limited ("the Company") and its controlled entities (together "the Group") in respect of the interim half-year reporting period ended 31 December 2011 and has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Niuminco Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) Business combination

Niuminco Group Limited is listed on the Australian Securities Exchange. Niuminco Group Limited completed the legal acquisition of Niuminco Ltd on 10th August 2011.

Niuminco Ltd was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer. Accordingly, the consolidated financial statements of Niuminco Group Limited have been prepared as a continuation of the financial statements of Niuminco Ltd. Niuminco Ltd (as the deemed acquirer) has accounted for the acquisition of Niuminco Group Limited from 10th August 2011. The comparative information presented in the consolidated financial statements is that of Niuminco Ltd.

The impact of the reverse acquisition on each of the primary statements is as follows:

Consolidated Statement of Comprehensive Income:

- The statement for the half year to 31st December 2011 comprise 6 months of Niuminco Ltd and 5 months of Niuminco Group Limited.
- The statement for the half year to 31st December 2010 comprise 6 months of Niuminco Ltd.

Consolidated Statement of Financial Position:

- The consolidated statement of financial position at 31st December 2011 represents both Niuminco Ltd and Niuminco Group Limited as at that date.
- The consolidated statement of financial position at 30th June 2011 represents Niuminco Ltd as at that date.

Statement of Changes in Equity

- The consolidated statement of changes in equity for the half year ended 31st December 2011 comprises Niuminco Ltd's equity balance at 1st July 2011, its loss for the year, and transactions with equity holders for 6 months. It also comprises Niuminco Group Limited's transactions with equity holders in the past 5 months and the equity balances of Niuminco Ltd and Niuminco Group Limited at 31st December 2011.
- The consolidated statement of changes in equity for the half year ended 31st December 2010 comprises 6 months of Niuminco Ltd's changes in equity.

Cash Flow Statement

- The consolidated cash flow statement for the half year ended 31st December 2011 comprises the cash balance of Niuminco Ltd at 1st July 2011, the cash transactions for the 6 months (6 months for Niuminco Ltd and 5 months for Niuminco Group Limited) and the cash balance of Niuminco Ltd and Niuminco Group Limited at 31st December 2011.
- The consolidated cash flow statement for the half year ended 31st December 2010 comprises 6 months of Niuminco Ltd's cash transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

(b) Going Concern

On 29th July 2011, the Group raised \$12,000,000 through a capital raising. The amount of cash received as a result of this transaction was reduced by converting outstanding convertible notes amounting to \$3,703,781 to equity and further reduced by capital raising costs paid of \$841,386.

The Group has experienced operating losses of \$4,167,639 and negative cash flows from operations of \$2,559,373 during the half year ended 31 December 2011. Consistent with the nature of the Group's activities and its ongoing investment of funds into exploration projects, additional funds will be required to continue to support the exploration efforts of the Group. The continuing viability of the Group and its ability to continue as a going concern and to meet its commitments as and when they fall due is dependent upon the Group being successful in:

- Raising additional debt or equity including the drawdown of the standby facility of \$900,000 (refer note 9).
- Curtailing materially, if necessary, the Group's ongoing operating costs to suit available resources and the timing of anticipated debt or equity raisings.
- Maintaining the overdraft facility in PNG together with the letter of credit provided by a Director's related entity.

As a result of these matters, there is a material uncertainty 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 business and at the amounts stated in the financial report. However, the Directors believe that the Group will be successful in achieving the above initiatives as necessary 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 financial report at 31 December 2011. 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.

2. BUSINESS COMBINATION

On 10th August 2011, Niuminco Group Limited (a non-operating public shell corporation) acquired 100% of the voting shares of Niuminco Ltd (a private operating entity), a mineral exploration company with assets in Papua New Guinea.

The purchase was satisfied by the issue of 108,538,178 shares with a fair value of \$0.20 each to the vendors of Niuminco Ltd.

The acquisition of Niuminco Ltd was not considered a business combination because the Niuminco Group Limited (the accounting acquiree) does not meet the definition of a business under AASB 3 Business Combinations. Instead, this transaction was considered to be a capital transaction of Niuminco Group Limited (the legal acquire) and is equivalent to the issuance of shares by Niuminco Limited for the net assets of Niuminco Group Limited, accompanied by a recapitalisation of the new combined entity.

Although this is not a business combination under AASB 3, the accounting result is similar to reverse acquisition accounting since the previous shareholders of Niuminco Ltd through their newly acquired Niuminco Group Limited's shares control the new combined entity. As a consequence, the reverse acquisition accounting principles were applied, but they did not result in the recognition of goodwill as Niuminco Group Limited (the accounting acquiree) is not a business. Instead the the deemed fair value of the shares issued by Niuminco Ltd (the consideration for the acquisition of the public shell company) was recognised as an expense in the income statement in accordance with the requirements of AASB 2 Share-based payments.

As the motive of this transaction was for Niuminco Ltd to obtain the listing status of Niuminco Group Limited, this expense in effect represents a cost of listing for the continuing entity and has therefore been presented as such on the face of the statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2011

Purchase consideration	
- Deemed fair value of shares issued	2,523,257
Total purchase consideration	2,523,257

The assets and liability recognised as a result of the acquisition are as follows:

	Fair value
Cash and cash equivalent	15,581
Trade and other receivables	30,195
Trade and other payables	(429,333)
Net deficiency assumed as a result of the transaction	(383,557)
Cost of listing	(2,906,814)

3. OTHER CURRENT ASSET & OTHER CURRENT LIABILITY

	31/12/11	30/06/11
	\$	\$
Other current asset	3,592,150	--
Other current liability	(3,592,150)	--
Balance of Other current asset & Other current liability	--	--

On the 23rd May 2011, the Group entered into a series of joint venture and other agreements with Mincor Resources N.L. (Mincor) an ASX listed miner with nickel mining interests in the Kalgoorlie area of Western Australia.

Under the agreements Mincor agreed to sole-fund up to \$15,000,000 on exploration on the areas at Edie Creek to acquire up to a 51% interest in the area and up to \$5,000,000 on each of the exploration areas at May River, Bolobip and Kubuna in each case to earn up to a 72% interest.

At this time, the condition precedents to the joint venture agreements remain unsatisfied and as such the joint ventures to be constituted under these arrangements have not yet been formed.

For exploration works at the different areas to commence, the Group has agreed with Minco to incur expenditure prior to formation of joint ventures and has agreed that Mincor will reimburse the Group in respect of such expenditure. As a result of these arrangements, exploration work commenced on the 8th August 2011 for Kubuna, May River and Bolobip and the 15th November 2011 for Edie Creek.

Mincor will only reimburse the Group for this expenditure after establishment of the joint ventures. No amount is billable if the joint ventures are not formed. Any amounts reimbursed by Mincor to the Group will count towards joint ventures expenditure and be deemed to have been incurred by Mincor during the earning period for the relevant area of interest. At the same time the Group entered into loan agreements with Mincor whereby Mincor agreed to advance monies to the Group to fund the exploration work above.

These loan amounts will be repayable on the date when the joint ventures are formed provided that if the joint venture agreements are terminated by Mincor because the conditions precedent to the joint ventures agreements are not satisfied by the end date under the terms of the agreements, then the loan amounts will not be repayable by the Group. Under the loan agreements, Mincor has a right to set off any amount due by the Group for these loans against any amount which is due for payment by Mincor to the Group in respect of the exploration work which has been completed by the Group on Mincor's behalf.

Expenditure by project on behalf of Mincor to 31 December 2011

Project	Amount Spent \$	% interest earned
Edie Creek	148,171	1%
Bolobip	891,342	1%
Kubuna	225,089	1%
May River	2,327,547	18%
Total expenditure to 31 December 2011	3,592,150	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

4. EXPLORATION AND EVALUATION EXPENDITURE

	31/12/11	30/06/11
	\$	\$
Opening balance	8,053,717	6,624,776
Expenditure incurred during the period	1,446,996	1,808,425
Foreign currency translation	1,179,487	(379,484)
Less impairment	--	--
Closing balance net of impairment	10,680,200	8,053,717

(a) Summary of accounting policy

Exploration on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

5. CONTRIBUTED EQUITY

(a) Share capital	31/12/11	31/12/11	30/06/11	30/06/11
	Shares	\$	Shares	\$
Ordinary shares fully paid	187,754,508	35,480,048	271,345,443	21,259,660
Total contributed equity	187,754,508	35,480,048	271,345,443	21,259,660

(b) Movements in ordinary share capital

Date	Details	31/12/11 Shares	31/12/11 \$
01-Jul-11	Balance at beginning of period	271,345,443	21,259,660
10-Aug-11	Elimination of existing Niuminco shares at acquisition date	(271,345,443)	--
10-Aug-11	Existing Niuminco Group Limited shares at acquisition date	12,104,330	--
10-Aug-11	Niuminco Group Limited shares issued upon acquisition	108,538,178	2,523,257
10-Aug-11	Issue of share under prospectus closed on 29 July 2011 in exchange for cash	41,481,095	8,296,219
10-Aug-11	Conversion of convertible notes to equity under prospectus closed on 29 July 2011	18,518,905	3,703,781
10-Aug-11	Shares issued as remuneration for services	2,500,000	500,000
30-Aug-11	Shares issued as consideration for cancellation of options	2,360,000	--
31-Aug-11	Exercise of options	2,000	400
06-Dec-11	Share placement	2,250,000	450,000
	Less transaction costs arising on share issues	187,754,508	36,733,317
		187,754,508	(1,253,270)
		187,754,508	35,480,048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

(c) Share options issued to equity holders

	Grant Date	Expiry date	Exercise price	Balance at beginning of period		Granted during the period	Exercised during the period	Expired during the period	Balance at end of period		Vested and exercisable at end of period
				Number	Number				Number	Number	
Half year ended 31 Dec 2011											
Listed options	22/12/2008	31/12/2012	\$0.60	3,506,412	--	--	--	--	3,506,412	3,506,412	3,506,412
Listed options	10/08/2011	30/09/2012	\$0.20	--	30,000,000	(2,000)	--	--	29,998,000	29,998,000	29,998,000
Unlisted options	10/11/2008	31/12/2012	\$0.40	900,000	--	--	--	--	900,000	900,000	900,000
Unlisted options	10/11/2008	31/12/2012	\$0.60	1,300,000	--	--	--	--	1,300,000	1,300,000	1,300,000
Unlisted options	10/11/2008	31/12/2012	\$1.00	1,500,000	--	--	--	--	1,500,000	1,500,000	1,500,000
Unlisted options	10/08/2011	30/09/2012	\$0.20	--	15,000,000	--	--	--	15,000,000	15,000,000	15,000,000
Unlisted options	10/08/2011	30/09/2013	\$0.20	--	15,000,000	--	--	--	15,000,000	15,000,000	15,000,000
				7,206,412	60,000,000	(2,000)	--	--	67,204,412	67,204,412	67,204,412
Weighted average exercise price				\$0.66	--	\$0.20	--	--	\$0.25	\$0.25	\$0.25

(d) 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 present 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.

6. SHARE-BASED PAYMENTS

(a) Movement in share based payment reserve

	31/12/11	31/06/11
Opening balance	2,237,587	2,074,253
Replacement of awards as part of the Niuminco Transactions	213,015	--
Options issued as remuneration for services	42,538	163,334
Options issued to convertible notes holders upon conversion	411,884	--
Options issued to employees	63,109	--
Closing balance	2,968,133	2,237,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

(b) Shares

Shares issued to Viaticus Capital Pty Ltd ('Viaticus') for no consideration to compensate Viaticus for its role in bringing the Niuminco transaction to the attention of the Company, negotiating the transaction and completing formal documentation for the transaction.

Half year ended 31 December 2011	2011	2011
Shares issued as remuneration for services	Number	Fair value per share Total fair value \$
	2,500,000	\$0.20 500,000

(c) Employee options

Details of options over ordinary shares in the Company provided as remuneration to the director and the key management personnel (current and previous) of the Company are set out below. When exercisable, each option is convertible into one ordinary share of the Company.

	Grant Date	Expiry date	Exercise price	Balance at beginning of period		Granted during the period	Exercised during the period	Expired during the period	Balance at end of period		Vested and exercisable at end of period
				Number	Number				Number	Number	
Half year ended 31 Dec 2011											
Unlisted options	10/11/2008	31/12/2012	\$0.40	600,000	--	--	--	--	600,000	--	600,000
Unlisted options	10/11/2008	31/12/2012	\$0.60	200,000	--	--	--	--	200,000	--	200,000
Unlisted options	10/11/2008	31/12/2012	\$1.00	500,000	--	--	--	--	500,000	--	500,000
Unlisted options	9/05/2011	30/03/2014	\$0.30	5,000,000	--	--	--	--	5,000,000	--	5,000,000
Unlisted options	9/05/12011	30/09/2013	\$0.30	5,000,000	--	--	--	--	5,000,000	--	5,000,000
				11,300,000	--	--	--	--	11,300,000	--	11,300,000
Weighted average exercise price					\$0.34				\$0.34		\$0.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

(d) Issued for payment of goods and services

Details of options over ordinary shares in the Company issued for payment of goods and services are set out below. When exercisable, each option is convertible into one ordinary share of the Company.

	Grant Date	Expiry date	Exercise price	Balance at beginning of period		Granted during the period	Exercised during the period	Expired during the period	Balance at end of period	
				Number	Number				Number	Number
Half year ended 31 Dec 2011										
Unlisted options	1/12/2009	31/12/2012	\$0.40	250,000	--	--	--	--	250,000	250,000
Unlisted options	10/08/2011	30/09/2013	\$0.20	--	6,150,000	--	--	--	6,150,000	6,150,000
Unlisted options	10/08/2011	30/09/2012	\$0.20	--	1,000,000	--	--	--	1,000,000	1,000,000
Weighted average exercise price				250,000	7,150,000	--	--	--	7,400,000	7,400,000
				\$0.40	\$0.20	--	--	--	\$0.21	\$0.21

Fair value of options granted

The model inputs for options granted during the half year ended 31 December 2011 included:

Grant date	10/08/2011	10/08/2011
Expiry date	30/09/2013	30/09/2012
Dividend yield (%)	--	--
Expected volatility (%)	80.00	75.00
Risk-free interest rate (%)	3.81	3.81
Expected life of options (years)	2.15	1.15
Underlying share price (\$)	0.16	0.16
Option exercise price (\$)	0.30	0.20
Value of option (\$)	0.09	0.07

The options were granted for no consideration and vested immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

7. SEGMENT INFORMATION

The company has one reportable operating segment being gold exploration operations.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The consolidated entity does not have any operating segments with discrete financial information. The group does not yet have any customers and all the group's exploration assets and liabilities are located within Papua New Guinea. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

8. COMMITMENTS AND CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

There are no material contingent liabilities, and there is no contingent liability for termination benefits under service agreements with directors or senior executives.

9. EVENTS SUBSEQUENT TO REPORTING DATE

At 31st January 2012, the agreed advances to, and repayments from Mincor, total \$3,803,817. If the conditions precedent had been satisfied and the joint ventures formed, Mincor would have earned interests in Edie Creek, Bolobip, Kubuna and May River of 1%, 1%, 1% and 18% respectively.

After the balance date the Company has entered into letter agreements with Nepean Engineering Pty Ltd, a company associated with director, Mr David Fuller, under which Nepean Engineering, or nominee, has agreed to the provision of a standby facility of \$750,000 and Alan Davis Pty Limited, a company controlled by Andrew Davis, or nominee, has agreed to the provision of a further standby facility of \$150,000. These agreements are dated 9th March 2012.

The letter agreements, both of which are in similar terms, provide that Niuminco Group Limited can draw down the funds at any time in the following 12 months and that no interest is payable and that the amount shall be repaid on 1 July 2014 but may be converted into shares in any pro-rata issue to shareholders or an issue approved by shareholders in accordance with the provisions of the Corporations Act and the ASX Listing Rules.

The agreements also provide for accelerated repayment in the event that there is a change in control of Niuminco Group Limited.

Other than the circumstances disclosed above, no other events have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations of the consolidated entity, the results of these operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 19 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 31 December 2011 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that Niuminco Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



A A DAVIS
CHAIRMAN

Dated this 9th day of March 2012.



Independent auditor's review report to the members of Niuminco Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Niuminco Group Limited, which comprises the statement of financial as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Niuminco Group Limited Group (the consolidated entity). The consolidated entity comprises both Niuminco Group Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Niuminco Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171

DX 77 Sydney, Australia

T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Niuminco Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 1(b) in the financial report which indicates that the consolidated entity has experienced operating losses and negative cash flows during the half year ended on 31 December 2011 and, as of that date, the continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the consolidated entity being successful in raising additional funds. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Brett Entwistle'.

Brett Entwistle
Partner

Sydney
09 March 2012