



NIUMINCO GROUP LIMITED
And Controlled Entities
ABN 44 009 163 919

2020 ANNUAL REPORT

Niuminco Group Limited
Corporate directory
30 June 2020

DIRECTORS:	Mr Tracey Lake (Managing Director) Prof Ian Plimer (Chairman) Mr John Nethery Mr Lawrence Chartres
SECRETARY:	Mr Tracey Lake
REGISTERED AND PRINCIPAL OFFICE:	Suite 50, 14 Narabang Way Belrose, NSW 2085 Telephone: (02) 9450 0828 Facsimile: (02) 9450 0877
SHARE REGISTRAR:	Automic Group GPO Box 5193 Sydney NSW 2001 Telephone: 1300 288 664 (within Australia) : +61 2 9698 5414 (International)
HOME EXCHANGE:	Australian Securities Exchange (Sydney) Limited ASX Code: NIU The Company's shares are also listed on PNGX Markets Limited PNGX Code: NIU
AUDITORS:	Rothsay Audit & Assurance Pty Ltd Level 1, 12 O'Connell 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 dollars.

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 23 November 2020. 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

Auditor's Independence Declaration

30 June 2020

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 2020.

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 – Chairman

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 Board of the unlisted Hancock Prospecting companies [Roy Hill Holdings Pty Ltd, Hope Downs Iron Ore Pty Ltd and Queensland Coal Investments Pty Ltd], and the US-incorporated High Power Exploration Inc.

Mr John Nethery -- Non-Executive Director

Appointed 9 March 2018

Mr John Nethery (BSc., Dip. Ed., FAusIMM (CP), FAIG, FSEG, MGSA) who has acted as an independent geological consultant to the Niuminco Group since 2012, is a highly regarded geologist with over 50 year's world-wide experience, and who has had an association with Papua New Guinea since the 1970's.

Mr Nethery was a founding Director of Queensland Gold and Minerals Limited and General Manager Minerals of AOG Minerals Limited.

Mr Lawrence Chartres – Non-Executive Director

Appointed 9 March 2018

Mr Lawrence Chartres (B Comm.), who qualified as a Chartered Accountant in 1978, has held positions as a Senior professional accountant in a top-tier accounting firm, including four years full time in Papua New Guinea, and as a Company Secretary and Director in listed public and private companies over the past 40 years. Mr Chartres speaks fluent Pidgin English, and brings extensive commercial experience to the Company.

Niuminco Group Limited

Directors' Report

30 June 2020

Directorships of other listed companies during the past 3 years

Name	Company	Commenced	Ceased
Prof I Plimer	Lakes Oil NL	27 January 2013	20 November 2019

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	19,754,126	
Direct	36,643	
Mr I Plimer		--
Indirect – Inkex Pty Ltd	5,661,707	
Direct	97,223	
Mr J Nethery		--
Indirect – Nedex Pty Ltd	52,203	
Direct	--	
Mr L Chartres		--
Indirect	--	
Direct	166,667	

COMPANY SECRETARY

At the end of the financial year, Mr Tracey Lake held the position of Company Secretary.

PRINCIPAL ACTIVITIES

Niuminco Group Limited, through its subsidiaries, holds prospective exploration areas and mining leases in Papua New Guinea. These include an exploration licence at May River and mining leases at Edie Creek. Subsequent to year-end the Company acquired a 90% interest in three mining leases in Far North Queensland.

OPERATING RESULTS

For the financial year ending 30 June 2020, the consolidated loss of the Group after income tax amounted to \$1,425,000 (2019: \$1,131,610) which includes a non-cash expense of depreciation of \$102,651, gold and silver sales of \$293,119 (2019: \$275,118) and other revenue of \$36,735 (2019: \$510,163).

DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended a final dividend for the 2020 financial year (2019: \$nil).

CORPORATE GOVERNANCE

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

Niuminco Group Limited

Directors' Report

30 June 2020

REVIEW OF OPERATIONS

Exploration & evaluation
Edie Creek

Geological field work was carried out in a number of areas within the mining leases including the Surmans, Enterprise-Karuka, Ingopae and main Edie Lode vein systems.

Preparation commenced for the proposed drilling plan which has been finalised for the **7m wide quartz limonite sulphide vein structure** (named the Koesi vein after our PNG national geologist Lewsi Koesi) in the Enterprise-Karuka stock-work area (pictured below). Samples from this vein returned assay results of **4.1g/t** and is thought to be the south-bounding structure of the Karuka stock-work zone which is estimated to be approximately 300m wide.



The “Koesi Vein” – a 7m wide quartz vein in the Karuka stock-work area.

Drilling preparation was also done for the Enterprise diatreme and the other Karuka-Enterprise vein systems and stock-work areas.

The proposed 62 hole, 2700m drilling program will form part of the mine grade control program and will assist in prioritising the mining of higher-grade vein material feed for the ball mill and processing circuit, as well as advancing an intended JORC 2012 resource delineation program. A summary of the program follows (Table 1).

TABLE 1:

Site	Lines	Intvl	Zone (m)	Hole A (m)	Incl A (°)	Az A (°)	Hole B (m)	Incl B (°)	Az B (°)	Holes	m/line	Total (m)
Edie	7	25	150	30	45	225	50	60	225	14	80	1120
Karuka	8	25	200	30	45	225	40	90	225	16	70	560
Ent. Diat.	5	25	200	25	90					10	50	250
Koesi	8	25	200	30	45	250	40	90	250	16	70	560
Surmans	6	50	300	40	60	270				6	40	240
TOTAL	26									62	310	2730

Niuminco Group Limited

Directors' Report

30 June 2020

May River & Bolobip

Exploration planning works were undertaken on EL 2527 at May River, which includes the exciting Iku Hill prospect. On 3 April 2020, an Application for an Extension of Term of a Tenement in respect of EL 2527 was lodged with the Mineral Resources Authority for a further 2-year term.

Edie Creek Mine

Mining and Production

In August 2019 Mr Eric Namaliu was appointed as the Company's Registered Mine Manager at the Edie Creek Mine. Eric, who enjoys an excellent reputation in the PNG mining industry, rejoined Niuminco at Edie Creek where he was previously the very successful Mine Manager from 2013 to 2015.

In the September 2019 Quarter the Company took delivery of, and put into operation, the remaining two second-hand items of mobile mining equipment purchased from the Hidden Valley mine in June 2019 - a 30-tonne Komatsu PC 300 excavator and a Komatsu wheel loader.

During the year the Company undertook limited development and pilot mining work mainly at the Mounts, Alpha West and Alpha East (Edie lode) vein areas.

Production for the period 1 July 2019 to 30 June 2020 was 3,631.3grams (116.8ounces) of gold and 2,905.9grams (93.4ounces) of silver for total net sales of AUD\$293,119.

A total of 300.1 wet tonnes of ore was processed at an average recovered gold grade of 12.1grams per processed tonne of ore.

In June 2020, the Mineral Resources Authority (MRA) advised the Company that the Minister had approved the consolidation of the five contiguous mining leases at Edie Creek into one new mining lease, ML 511.

Corporate

During the year the board engaged in negotiations on a number of potential joint ventures, asset acquisitions and corporate transactions. One of these acquisitions was completed in August 2020 and is referred to later in this report.

The Company's difficulty in raising capital whilst its shares remained suspended restricted the Company's ability to upgrade its equipment and accelerate its drilling and exploration programs. Despite this, the Company raised \$544,480 cash from net borrowings and convertible notes which was used for general working capital purposes.

A chronology of corporate actions/events during the 2020 financial year follows:

On 1 July 2019 the ASX released its Query Letter of 21 February 2019 and the Company's response to that letter.

On 20 September 2019 at the request of ASX, the Company appointed an independent expert to review and recommend changes to the Company's practices, policies, procedures and resources for complying with its listing obligations.

Niuminco Group Limited

Directors' Report

30 June 2020

On 28 October 2019 the Company entered into a \$250,000 redeemable convertible note and loan facility at an interest rate of 12%pa, capitalised for 12 months. The Note, which was convertible to ordinary shares at the lower of \$0.001 or at a 10% discount to the 5-day VWAP prior to conversion, was converted subsequent to year-end.

On 31 October 2019 the \$500,000 facility under a "Deed of Advance" ended as a result of neither the proposed possible corporate or alternative commercial transaction being completed by this date. Negotiations are continuing on the repayment of the \$238,000 advanced under the facility.

On 17 December 2019 the Company entered into a \$120,000 loan facility with One AR Pty Ltd. Interest at a rate of 15%pa to be capitalised for 12 months, at which time the loan and any capitalised interest was repayable.

On 20 January 2020 the Company announced a change of Share Registrar.

On 28 January 2020 the Company announced a change of Auditors.

On 11 February 2020 the Company released the 31 December 2018 Half Yearly Report.

On 20 February 2020 the Company released the 2019 Annual Report, the Niuminco Corporate Governance Statement and an Appendix 4G.

On 6 March 2020 the Company released to ASX the recommendations from the Independent Expert's Report and its intention to implement all recommendations

On 3 June 2020 a \$250,000 (plus \$60,000 capitalised interest) secured loan facility was entered into with One AR Pty Ltd ATF Sydney Metro Fund for a 2-year period, with interest capitalised at a rate of 12%pa. This loan refinanced the \$120,000 loan drawn on 17 December 2019.

The attached financial report for the year ended 30 June 2020 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 \$544,480 cash from net borrowings and convertible notes. The Group has incurred a net loss before tax of \$1,425,000 (including the non-cash item of depreciation of \$102,651) and total net operating cash outflows of \$529,588 for the year ended 30 June 2020. As of that date the Group's liabilities exceeded its assets by \$2,319,745. It is noted that subsequent to year-end the \$250,000 Redeemable Convertible Note was converted to equity at \$0.018 per share.

Current liabilities at balance sheet date include Directors and Director's related balances amounting to \$815,817. The Directors have confirmed that the repayment of any outstanding amounts in cash will not be called upon while the Group continues to suffer operating losses and does not generate sufficient cash, and it is intended that these liabilities will be converted to equity in a proposed entitlement offer. The remaining current liability balance amounting to \$3,484,275 represents trade creditors, interest bearing loans and payroll liabilities, the majority of which at balance sheet date were not within their normal credit terms.

During the year, the Group did not meet its planned production targets at Edie Creek mine of 1-2 ounces per day for the reasons outlined in the Quarterly Activities Reports and Review of Operations.

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

Niuminco Group Limited

Directors' Report

30 June 2020

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 implemented a plan to assist in achieving the production targets at Edie Creek including having made investments in additional mobile mining equipment. The plan anticipates positive cash flows from Edie Creek mine through gold and silver sales, with the level of production higher than that achieved in the year ending 30 June 2020, and a reduction in operating costs.
- The Directors believe that a consistent production rate is now capable of being achieved as a result of the upgrades to both the processing plant and mining fleet completed over the past 18 months at Edie Creek.
- 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 enables creditors to return to normal payment terms or are repaid in full from capital raisings and/or joint-venture partner payments.
- As noted above, the Directors have confirmed that the repayment of the Directors and Director's related balances amounting to \$815,817 at 30 June 2020 will not be called upon in cash while the Group continues to suffer operating losses and does not generate sufficient cash, and will be converted to equity in a proposed entitlement offer.

If the Directors are unsuccessful in achieving the above plan, or additional funds are required, 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 and/or loans from both existing shareholders and strategic investors, and, as stated above, the directors intend to convert their outstanding loans and fees to equity in a proposed entitlement offer capital raising.
- Curtailing materially, if necessary, the Group's ongoing costs. This could include further reducing the amounts to be paid to Directors for the next financial year's fees, temporarily reducing the exploration spend and reducing the operating costs at Edie Creek.
- The sale of assets or entering into farm-in or joint-venture agreements with other parties. While it is not their preferred option the Directors believe that, should it be necessary, certain assets could be sold to realise the funds required 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 2020.

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.

AFTER BALANCE DATE EVENTS

On 3 July 2020 the Company received an 8-page letter from ASX in respect of the on-going suspension of the Company's shares requesting further information amongst other matters. The Company is compiling information in preparation for a response to this query letter.

Niuminco Group Limited

Directors' Report

30 June 2020

On 3 August 2020 the Company announced that the implementation of the recommendations of the Independent Corporate Expert's Report with the exception of the appointment of a new Company Secretary and the annual board evaluation process, which have been postponed until later in the financial year.

On 26 August 2020 the Company entered into an agreement to acquire a 90% interest in three mining leases in Far North Queensland. Final settlement is subject to the registration of transfers by the relevant Queensland Government department.

On 9 October 2020 the Company's held its 2019 Annual General Meeting at which the Company's shares were consolidated on a 20 to 1 basis with the resulting issued capital reducing to 140,009,830 shares.

On 28 October 2020 the Company received a notice from the Redeemable Convertible Note holder to convert the \$250,000 Note into shares.

On 5 November 2020 the Company issued 13,888,889 fully paid ordinary shares in respect of the Redeemable Convertible Note, which will be held in voluntary escrow until 4 November 2021.

No other matter or circumstance has arisen since 30 June 2020 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 programs at May River and Chillagoe (Far North Queensland), increase the mining and gold/silver production at the Edie Creek mining leases and continue the exploration and drilling programs at Edie Creek. The Company intends to prepare and lodge an application for renewal of its mining leases at Edie Creek over coming months.

The Company proposes to raise capital through a partially underwritten, non-renounceable entitlement offer to shareholders under a "transaction specific" or full prospectus to be lodged with ASIC and ASX in the near future.

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.

**Niuminco Group Limited
Directors' Report
30 June 2020**

Schedule of Tenements as at 30 June 2020

Permit Type	Permit Number	Location	Held Via	Beneficial %
NIUMINCO GROUP LIMITED – PAPUA NEW GUINEA ASSETS				
Exploration licence	EL 2527 Expired April 2020. Renewal lodged	May River	Niuminco (ND) Limited	100
Mining lease	ML 511 (Consolidation of MLs 144,384-392,402-410,444-446,462))	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17

Niuminco Group Limited

Directors' Report

30 June 2020

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.

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; and
- 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.

Niuminco Group Limited

Directors' Report

30 June 2020

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.

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
- John Nethery	Director -- Non Executive	Appointed 9 March 2018
- Lawrence Chartres	Director – Non Executive	Appointed 9 March 2018

Details of remuneration for the year ended 30 June 2020 and 30 June 2019

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

2020	Short Term Benefits Salary, fees & commissions \$	Post-Employment Benefits Superannuation contributions \$	Termination benefits \$	Share Based Payments Options \$	Total \$
Executive					
T Lake*	285,000	--	--	--	285,000
Non executives					
I Plimer**	22,800	--	--	--	22,800
J Nethery	22,800	--	--	--	22,800
L Chartres	22,800	--	--	--	22,800
	353,400	--	--	--	353,400

Niuminco Group Limited

Directors' Report

30 June 2020

* During the year, Goward Pty Ltd (a company related to Tracey Lake) accrued fees of \$285,000.

** During the year Ian Plimer accrued fees of \$22,800 per annum.

Details of remuneration for the year ended 30 June 2020 and 30 June 2019 (continued)

2019	Short Term Benefits Salary, fees & commissions \$	Post-Employment Benefits Superannuation contributions \$	Termination benefits \$	Share Based Payments Options \$	Total \$
Executive					
T Lake	235,000	--	--	--	235,000
Non executives					
I Plimer	25,000	--	--	--	25,000
J Nethery	24,000	--	--	--	24,000
L Chartres	24,000	--	--	--	24,000
	308,000	--	--	--	308,000

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 2020 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.

2020	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	115,178,568	--	--	--	--	115,178,568
T Lake	395,815,358	--	--	--	--	395,815,358
J Nethery	1,044,045	--	--	--	--	1,044,045
L Chartres	3,333,333	--	--	--	--	3,333,333
	515,371,304	--	--	--	--	515,371,304

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 2001 and the general law and to assist the board in fulfilling its functions.

Niuminco Group Limited

Directors' Report

30 June 2020

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 2001 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. This agreement was varied on 1 January 2019 to a monthly payment of \$25,000 with an expiry date of 30 June 2021 with 6 months' notice of early termination. The 6 months' notice clause was removed by agreement in June 2020, and the monthly payment was agreed to be reduced to \$20,000 per month for the months of April through to September 2020.

Transactions with related parties

During the year Ian Plimer advanced \$2,399 to the Company. These advances are on a short-term basis, are unsecured and no interest is payable.

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:

	2020 \$	2019 \$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	542,313	256,812
<i>Related to Mr Nethery</i>		
Nedex Pty Ltd	57,780	32,000
Mr Chartres	54,800	32,000
<i>Related to Prof Plimer</i>		
Ian Plimer	64,800	43,000
	719,693	363,812

Loans from related parties

	2020 \$	2019 \$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	--	19,125
<i>Related to Prof Plimer</i>		
Inkex Pty Ltd	81,125	78,725
<i>Related to Mr Nethery</i>		
Nedex Pty Ltd	15,000	15,000
	96,125	112,850

This is the end of the Audited Remuneration Report

Niuminco Group Limited

Directors' Report

30 June 2020

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	14	14
Ian Plimer	14	14
John Nethery	14	14
Lawrence Chartres	14	14

The number of audit committee meetings (comprising the full board) 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	3	3
Tracey Lake	3	3
John Nethery	3	3
Lawrence Chartres	3	3

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, and during the year a new environmental permit was issued for the consolidated mining lease ML 511 at Edie Creek.

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.

**Niuminco Group Limited
Directors' Report
30 June 2020**

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 2020 has been received and can be found on page 17.

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

A handwritten signature in blue ink, appearing to read 'T. Lake', is written over a light yellow rectangular background.

Tracey Lake
Managing Director
Dated this 23rd day of November 2020

NIUMINCO GROUP LIMITED

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF *THE CORPORATIONS ACT 2001*

As lead auditor for the audit of Niuminco Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit: and
- No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Niuminco Group Limited and the entities it controlled during the period.



Daniel Dalla

Director

Rothsay Audit & Assurance Pty Ltd

Sydney, 23 November 2020

Niuminco Group Limited
Consolidated statement of profit and loss and other comprehensive
income
For the year ended 30 June 2020

Revenue	Note	2020 \$	2019 \$
Net proceeds of gold & silver sales	2	293,119	275,118
Net gain on sale of fixed assets		--	--
Other sales income		36,735	92,345
Other Income			
Write off creditors		--	417,818
		329,854	785,281
Expenses			
Direct mining costs	3	(778,135)	(798,502)
Depreciation & amortisation expense	8	(102,651)	(143,270)
Finance costs		(58,408)	(149,912)
Impairment of investment	9	--	(45,894)
Exploration costs		(4,497)	(64,000)
Other expenses from ordinary activities		(246,501)	(263,860)
Professional services fees		(555,493)	(420,413)
Travel & accommodation		(9,169)	(31,040)
Net loss before tax		(1,425,000)	(1,131,610)
Net loss for the year		(1,425,000)	(1,131,610)
<i>Other comprehensive income/(loss)</i>			
<i>Items that may be re-classified to profit or loss</i>			
Changes in foreign currency translation reserve	14	(15,256)	13,072
Total comprehensive income for the year		(1,440,256)	(1,118,538)
<i>Loss for the year is attributable to:</i>			
Owners of Niuminco Group Limited		(1,425,000)	(1,131,610)
<i>Total comprehensive income for the year is attributable to:</i>			
Owners of Niuminco Group Limited		(1,440,256)	(1,118,538)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the Niuminco Group Limited			
Basic loss per share	22	0.05	0.04
Diluted loss per share	22	0.05	0.04

Niuminco Group Limited
Consolidated statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	30,212	207
Trade and other receivables	6	63,788	54,985
Total Current Assets		<u>94,000</u>	<u>55,192</u>
NON-CURRENT ASSETS			
Exploration & evaluation expenditure	7	2,237,941	2,239,173
Plant & equipment	8	489,554	637,723
Investment in TNT Mines	9	--	33,775
Other non-current assets	10	33,047	--
Total Non-Current Assets		<u>2,760,542</u>	<u>2,910,671</u>
TOTAL ASSETS		<u>2,854,542</u>	<u>2,965,863</u>
CURRENT LIABILITIES			
Interest bearing loans & borrowings	11	873,627	608,080
Trade & other payables	12	3,771,970	3,077,800
Lease liability		16,983	--
Total Current Liabilities		<u>4,662,580</u>	<u>3,685,880</u>
NON-CURRENT LIABILITIES			
Interest bearing loans & borrowings	11	495,644	108,909
Other payables	12	--	50,563
Lease liability		16,063	--
		<u>511,707</u>	<u>159,472</u>
TOTAL LIABILITIES		<u>5,174,287</u>	<u>3,845,352</u>
NET ASSETS		<u>(2,319,745)</u>	<u>(879,489)</u>
EQUITY			
Contributed equity	13	47,106,082	47,106,082
Share based payment reserve	14	3,055,802	3,055,802
Foreign currency translation reserve	14	2,937,479	2,952,735
Other reserve	14	16,742	16,742
Accumulated losses	14	(55,435,850)	(54,010,850)
Capital & reserves attributable to owners of Niuminco Group Limited		<u>(2,319,745)</u>	<u>(879,489)</u>
TOTAL EQUITY		<u>(2,319,745)</u>	<u>(879,489)</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 2020

	Attributable to members of Niuminco Group Limited						Total Equity
	Contributed equity	Share based payment reserve	Foreign currency translation reserve	Other reserves	Accumulated Losses	Total	
	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2018	46,424,590	3,055,802	2,939,663	16,742	(52,879,240)	(442,443)	(442,443)
Loss for the year	--	--	--	--	(1,131,610)	(1,131,610)	(1,131,610)
Other comprehensive income for the year	--	--	13,072	--	--	13,072	13,072
Total comprehensive income for the year	--	--	13,072	--	(1,131,610)	(1,118,538)	(1,118,538)
Transactions with owners in their capacity as owners							
Issued capital, net of transaction costs	681,492	--	--	--	--	681,492	681,492
Balance at 30 June 2019	47,106,082	3,055,802	2,952,735	16,742	(54,010,850)	(879,489)	(879,489)
Loss for the year					(1,425,000)	(1,425,000)	(1,425,000)
Other comprehensive income for the year			(15,256)	--	--	(15,256)	(15,256)
Total comprehensive income for the year	--	--	(15,256)	--	(1,425,000)	(1,440,256)	(1,440,256)
Transactions with owners in their capacity as owners							
Issued capital, net of transaction costs	--	--	--				
Balance at 30 June 2020	47,106,082	3,055,802	2,937,479	16,742	(55,435,850)	(2,319,745)	(2,319,745)

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 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from gold & silver sales		293,119	275,118
Other receipts		90,735	66,370
Payments to suppliers & employees (inclusive of GST)		(270,094)	(152,943)
Costs of sales of gold and silver		(585,906)	(798,502)
Interest paid		(57,442)	(9,994)
Net cash used in operating activities	21(b)	<u>(529,588)</u>	<u>(619,951)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of TNT shares		33,774	--
Payment for plant & equipment		--	(68,985)
Payment for exploration & evaluation expenditure		--	--
Net cash used in investing activities		<u>33,774</u>	<u>(68,985)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of issue of shares	13	--	438,826
Payment of share issue costs		--	(1,155)
Issuance of redeemable convertible note		235,000	--
Repayment of loans/mortgages		(31,520)	--
Advances from related parties		2,399	55,370
Repayments to related parties		--	--
Other loans		338,601	132,109
Advances to staff		--	(9,662)
Advances from chattel mortgages		--	68,985
Net cash provided by financing activities		<u>544,480</u>	<u>684,473</u>
Net (decrease)/increase in cash & cash equivalents		<u>48,666</u>	<u>(4,463)</u>
Cash & cash equivalents at the beginning of the year		207	4,670
Effect of exchange rate changes		(18,661)	--
Cash & cash equivalents at the end of the year	5, 21(a)	<u>30,212</u>	<u>207</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 2020

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Niuminco Group Limited

Notes to the consolidated financial statements (continued)

30 June 2020

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 2020.

The financial statements were authorised for issue by the directors on 23 November 2020. The directors have the power to amend and reissue the financial statements.

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 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.

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.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$544,480 cash from net borrowings and convertible notes. The Group has incurred a net loss before tax of \$1,425,000 (including the non-cash item of depreciation of \$102,651) and total net operating cash outflows of \$529,588 for the year ended 30 June 2020. As of that date the Group's liabilities exceeded its assets by \$2,319,745.

Current liabilities at balance sheet date include Directors and Director's related balances amounting to \$815,817. The Directors have confirmed that the repayment of any outstanding amounts in cash will not be called upon while the Group continues to suffer operating losses and does not generate sufficient cash. The remaining current liability balance amounting to \$3,484,275 represents trade creditors, interest bearing loans and payroll liabilities, the majority of which at balance sheet date were not within their normal credit terms.

During the year, the Group did not meet its planned production targets at Edie Creek mine of 1-2 ounces per day for the reasons outlined in the Quarterly Activities Reports and Review of Operations.

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

- The Directors have implemented a plan to assist in achieving the production targets at Edie Creek including having made investments in additional mobile mining equipment. The plan anticipates positive cash flows from Edie Creek mine through gold and silver sales, with the level of production higher than that achieved in the year ending 30 June 2020, and a reduction in operating costs.
- The Directors believe that a consistent production rate of 1 ounce per day is now capable of being achieved as a result of the upgrades to both the processing plant and mining fleet completed over the past 18 months at Edie Creek.
- 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 enables creditors to return to normal payment terms or are repaid in full from capital raisings, borrowings and/or joint-venture partner payments.
- As noted above, the Directors have confirmed that the repayment of the Directors and Director's related balances amounting to \$815,817 at 30 June 2020 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, or additional funds are required, 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 and/or loans from both existing shareholders and strategic investors.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Going concern (continued)

- Curtailing materially, if necessary, the Group's ongoing costs. This could include further reducing the amounts to be paid to Directors for the next financial year's fees, temporarily reducing the exploration spend and reducing the operating costs at the Edie Creek Mine.
- The sale of assets or entering into farm-in agreements with other parties. While it is not their preferred option the Directors believe that, should it be necessary, certain assets could be sold to realise the funds required 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 2020.

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.

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 2020 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 20.

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 profit and loss and other comprehensive income.

d. Adoption of new and revised standards

The Company has adopted AASB 16 Leases using the modified retrospective approach from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 10.

On adoption of AASB 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4%.

2. GOLD AND SILVER SALES

	2020	2019
	\$	\$
Gross sales	304,843	286,122
Commissions paid on sales	(11,724)	(11,004)
Net sales proceeds	<u>293,119</u>	<u>275,118</u>

Gold and silver revenue

Mining and production by the Group at Edie Creek resulted in gold and 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 profit or loss 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.

3. DIRECT MINING COSTS

	2020	2019
	\$	\$
PNG administration costs	81,480	78,646
Building & equipment maintenance	34,954	36,496
Other mine site costs including wages	661,701	683,360
	<u>778,135</u>	<u>798,502</u>

4. INCOME TAX EXPENSE

a) Income tax expense

	2020	2019
	\$	\$
Income tax expense	--	--
	<u>--</u>	<u>--</u>

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

	2020	2019
	\$	\$
Loss from continuing operations	(1,425,000)	(1,131,610)
Tax at the Australian tax rate of 27.5% (2019 – 27.5%)	(391,875)	(311,193)
Difference in overseas tax rates	--	(12,278)
Taxable losses not recognised or deductible	391,875	323,471
Income tax expense	<u>--</u>	<u>--</u>

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

c) Unused tax losses

	2020	2019
	\$	\$
Unused tax losses relating to the Australian entities for which no deferred tax asset has been recognised	14,353,035	14,133,962
Potential tax benefit at 27.5% (2019: 27.5%)	<u>3,947,085</u>	<u>3,886,839</u>
Unused tax losses relating to the PNG entities for which no deferred tax asset has been recognised	<u>25,438,550</u>	<u>24,636,782</u>
Potential tax benefit at up to 40%	<u>10,175,420</u>	<u>9,854,713</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.

5. CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and in hand	30,212	207
	<u>30,212</u>	<u>207</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 25. 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

	2020	2019
	\$	\$
CURRENT		
Trade Debtors	18,085	4,635
GST receivables	25,832	28,092
Staff advances	10,791	4,070
Deposits paid	<u>9,080</u>	<u>18,188</u>
	<u>63,788</u>	<u>54,985</u>

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

7. EXPLORATION AND EVALUATION EXPENDITURE

	2020	2019
	\$	\$
NON-CURRENT		
Costs carried forward in respect of areas of interest in the exploration and evaluation phase		
Opening balance	2,239,173	2,192,695
Expenditure incurred during the year:		
Foreign currency translation	(1,232)	46,478
Less: impairment	--	--
	2,237,941	2,239,173

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.

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.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

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.

8. PLANT & EQUIPMENT

NON-CURRENT	Mining equipment & vehicles
	\$
Year ended 30 June 2019	
Opening net book amount	730,052
Exchange differences	(18,044)
Additions	68,985
Impairment	--
Depreciation	(143,270)
Closing net book amount	637,723
At 30 June 2019	
Cost	1,298,594
Accumulated depreciation	(660,871)
Net book amount	637,723
Year ended 30 June 2020	
Opening net book amount	637,723
Exchange differences	(14,206)
Additions	--
Impairments	(31,312)
Depreciation	(102,651)
Closing net book amount	489,554
At 30 June 2020	
Cost	1,298,594
Exch. Diffs & Impairment	(45,518)
Accumulated depreciation	(763,522)
Net book amount	489,554

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 profit or loss during the reporting period in which they are incurred.

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Notes to the consolidated financial statements (continued)
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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.

9. INVESTMENT IN TNT MINES LTD

	2020 \$	2019 \$
Investment in TNT Mines Limited	33,775	79,669
Sale/impairment of Investment	(33,775)	(45,894)
	--	33,775

10. OTHER NON-CURRENT ASSETS

	2020 \$	2019 \$
Right of Use Asset (property lease)	33,047	--
	33,047	--

Leases

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Niuminco Group Limited
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30 June 2020

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term

11. 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, BORROWINGS AND RIGHT OF USE LEASE LIABILITY

	2020	2019
	\$	\$
CURRENT		
Chattel mortgage liability	603,490	608,080
Redeemable Convertible Note	270,137	--
	<u>873,627</u>	<u>608,080</u>
NON-CURRENT		
Borrowings	495,644	108,909
	<u>495,644</u>	<u>108,909</u>

The average effective interest rate during the year was 13.95%. The outstanding liability is secured over the assets.

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 plant and equipment mortgaged are depreciated over the assets' useful lives.

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Notes to the consolidated financial statements (continued)
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12. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
CURRENT		
Payroll liabilities	1,669,969	1,418,825
Accrued expenses	56,213	70,000
Trade creditors	1,949,663	1,476,035
Loans from related parties	96,125	112,940
	3,771,970	3,077,800

	2020	2019
	\$	\$
NON-CURRENT		
Morobe Consolidated Goldfields Ltd ^	--	50,563
Mincor Resources NL*	--	--
	--	50,563

^ Niuminco Edie Creek Limited has entered into a sale and purchase agreement to acquire three pieces of mobile mining equipment on a deferred settlement basis. The equipment has been delivered and is included in the plant & machinery assets of the company.

*The Group executed an agreement to purchase the remaining 17% interest in the Edie Creek mining leases held by their former JV partner, Mincor PNG Limited. The purchase price is \$150,000. This is included as a current payable within trade creditors at 30 June 2020.

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.

13. CONTRIBUTED EQUITY

a. Share capital

	30/06/20	30/06/20	30/06/19	30/06/19
	Shares	\$	Shares	\$
Ordinary shares fully paid	2,800,160,070	47,106,082	2,800,160,070	47,106,082
Total contributed equity	2,800,160,070	47,106,082	2,800,160,070	47,106,082

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.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
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b. Movements in ordinary share capital

2019	Details	Shares	\$
01.07.18	Balance at beginning of period	2,411,336,860	46,424,590
24.07.18	Rights Issue for cash	66,558,000	133,116
24.07.18	Rights Issue – conversion of debt to equity	88,410,058	176,821
08.08.18	Share Placement for cash	355,152	710
09.08.18	Share placement- conversion of debt to equity	8,500,000	17,000
06.09.18	Share placement for cash	80,000,000	100,000
06.09.18	Share placement – Conversion of debt to equity	5,000,000	10,000
02.10.18	Share placement for cash	50,000,000	100,000
09.11.18	Share Placement for cash	70,000,000	105,000
	Less transaction costs arising on share issues		(1,155)
07.02.19	Share placement – Conversion of debt to equity	20,000,000	40,000
		2,800,160,070	47,106,082
30-Jun-19	Balance		47,106,082

2020	Details	Shares	\$
01.07.19	Balance at beginning of period	2,800,160,070	47,106,082
	Balance at beginning of period		
30-Jun-20	Balance		47,106,082

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 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.

d. Share options issued

At reporting date there were NIL options issued outstanding (2019: Nil).

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.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

14. OTHER RESERVES AND ACCUMULATED LOSSES

	Note	2020 \$	2019 \$
a. Other reserves			
Share based payments	23	3,055,802	3,055,802
Foreign currency translation		2,937,479	2,952,735
Other		16,742	16,742
		6,010,023	6,025,279

i. Movements:

Share based payments

Opening balance	3,055,802	3,055,802
Closing balance	3,055,802	3,055,802

Foreign currency translation

Opening balance	2,952,735	2,939,663
Currency translation differences arising during the year	(15,256)	13,072
Closing balance	2,937,479	2,952,735

b. Accumulated losses

Movements in accumulated losses were as follows:

	2020 \$	2019 \$
Opening balance	(54,010,850)	(52,879,240)
Net loss for the year	(1,425,000)	(1,131,610)
Closing balance	(55,435,850)	(54,010,850)

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.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

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 profit or loss, within finance costs. All other foreign exchange gains and losses are presented in profit or loss 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 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.

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.

15. 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 20.

c. Key management personnel

Disclosures relating to key management personnel are set out in this note and the remuneration report on pages 11 to 14.

d. Transactions with related parties

During the year Ian Plimer advanced \$2,399 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 were \$22,800.

The total fees paid, or payable, to John Nethery for his services as a Director during the year were \$22,800.

The total fees paid, or payable, to Lawrence Chartres for his services as a Director during the year were \$22,800

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
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The total fees paid, or payable, to Goward Pty Ltd for the services of Tracey Lake as Managing Director and Secretary during the year were \$285,000.

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:

	2020 \$	2019 \$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	542,213	256,812
<i>Related to Mr Nethery</i>		
Nedex Pty Ltd	57,780	32,000
Mr Chartres	54,800	32,000
<i>Related to Prof Plimer</i>		
Ian Plimer	64,800	43,000
	719,593	363,812

f. Loans from related parties

	2020 \$	2019 \$
<i>Related to Mr Lake</i>		
Goward Pty Ltd	--	19,215
<i>Related to Prof Plimer</i>		
Inkex Pty Ltd	81,124	78,725
<i>Related to Mr Nethery</i>		
Nedex Pty Ltd	15,000	15,000
	96,124	112,940

g. Key management personnel compensation

	2020 \$	2019 \$
Short-term benefits	353,400	235,000
	353,400	235,000

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 14.

16. AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:

	2020 \$	2019 \$
Audit or review of financial statements:		
Rothsay Audit & Assurance Pty Ltd	52,000	70,000
	52,000	70,000

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17. COMMITMENTS

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:

	2020	2019
	\$	\$
within one year	75,000	74,000
later than one year but not later than five years	75,000	--
	150,000	74,000

18. 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.

19. SEGMENT REPORTING

The Board of Directors has identified two reportable operating segments being mineral exploration 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 2020 is as follows:

2019	Edie Creek – PNG	Bolobip and May River– PNG	Total
	\$	\$	\$
Total segment revenue	275,118	--	275,118
Depreciation & impairment of plant & equipment	143,270	--	143,270
Exploration expensed in the year	--	64,000	64,000
Mining production & Site Costs	798,502	--	798,502
Total segment assets	3,778,304	(875,537)	2,902,767
Total segment liabilities	19,341,932	1,479,650	20,821,582

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
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2020	Edie Creek– PNG \$	Bolobip and May River– PNG \$	Total \$
Total segment revenue	329,854	--	329,854
Depreciation & impairment of plant & equipment	133,959	--	133,959
Exploration expensed in the year	4,497	--	4,497
Mining production & Site Costs	778,135		778,135
Total segment assets	3,505,696	(863,435)	2,642,261
Total segment liabilities	19,874,975	1,479,650	21,354,625

b. Reconciliations

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

	2020 \$	2019 \$
Total segment revenue	329,854	275,118
Other income	--	510,163
Total revenue	<u>329,854</u>	<u>785,281</u>

All gold sales transactions were with Itaipreziosi South Pacific Ltd which operates as a buyer and exporter of gold and silver in Lae and Port Moresby.

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

	2020 \$	2019 \$
Total segment assets	2,642,261	2,902,767
Intersegment eliminations	150,052	50,376
Current cash, receivables and other assets of parent entity	62,229	12,720
Total assets as per statement of financial position	<u>2,854,542</u>	<u>2,965,863</u>

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

	2020 \$	2019 \$
Total segment liabilities	21,354,625	20,821,582
Intersegment eliminations	(17,625,713)	(17,927,562)
Current liabilities of parent entity	1,445,375	951,332
Total liabilities as per statement of financial position	<u>5,174,287</u>	<u>3,845,352</u>

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
30 June 2020

20. 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 %	
			2020	2019
Niuminco Pty Limited	Australia	Ordinary	100	100
Niuminco Exploration (PNG) Pty Ltd	Australia	Ordinary	100	100

Niuminco Pty Ltd has two wholly owned subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			2020	2019
Niuminco Edie Creek Limited	Papua New Guinea	Ordinary	100	100
Niuminco Laloki Limited	Papua New Guinea	Ordinary	100	100

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

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			2020	2019
Niuminco ND Limited	Papua New Guinea	Ordinary	100	100

Niuminco Edie Creek Ltd has one wholly owned subsidiary:

Name of entity	Country of incorporation	Class of shares	Equity holding %	
			2020	2019
Niuminco EC Limited	Papua New Guinea	Ordinary	100	100

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21. CASH FLOW INFORMATION

Reconciliation of operating loss to cash flows used in operating activities

	2020	2019
	\$	\$
Loss for the year	(1,425,000)	(1,131,610)
<i>Non-cash flows items</i>		
Debt to equity conversion	--	243,821
Depreciation	102,651	143,270
Impairment of investment or plant & equipment	--	45,894
Net exchange differences	39,225	--
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade & term receivables	8,803	(966)
Increase in trade payables and accruals	744,733	79,640
Net cash outflow from operating activities	(529,588)	(619,951)

22. LOSS PER SHARE

	2020	2019
	cents	cents
a. Basic loss per share		
Total basic loss per share attributable to the ordinary equity holders of the Company	0.05	0.04
b. Diluted loss per share		
Total diluted loss per share attributable to the ordinary equity holders of the Company	0.05	0.04
c. Weighted average number of shares used as the denominator		
	2020	2019
	No.	No.
Weighted average number of shares used as the denominator in calculating basic and diluted loss per share	2,800,160,070	2,723,854,423

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Notes to the consolidated financial statements (continued)
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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.

23. 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 2020 and there were no employee options outstanding at the end of the year.

c. Other share-based payments options

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

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 (2019: \$nil).

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24. PARENT ENTITY INFORMATION

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

	2020 \$	2019 \$
Current assets	29,182	12,720
Non-current assets	18,247,688	17,799,001
Total assets	18,276,870	17,811,721
Current liabilities	1,445,375	843,338
Non-current liabilities	511,708	--
Total liabilities	1,957,083	843,338
Contributed equity	46,250,826	46,250,826
Share based payments	1,048,165	1,048,165
Retained earnings	(30,979,203)	(30,330,608)
Total equity	16,319,788	16,968,383
Loss for the year	(650,149)	(546,557)
Other comprehensive income net of tax for the year	--	--
Total comprehensive income net of tax for the year	(650,149)	(546,557)

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.

25. 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.

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	Less than 6 months		6–12 months		12–24 months	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Trade creditors	2,045,788	1,588,975	--	--	--	50,563
Borrowings	890,610	608,080	--	--	511,708	108,909
Accruals	1,726,182	1,488,825	--	--	--	--
Total	4,662,580	3,685,880	--	--	511,708	159,472

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

Cash & cash equivalents: 0 % (2019: 0%)

Borrowings: 13.95% (2019: 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.

Interest rate risk

The Group has chattel mortgage liabilities with fixed interest rates of 14% and 15% and a Redeemable Convertible Note at 12% which 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.

26. EVENTS OCCURRING AFTER BALANCE DATE

On 3 July 2020 the Company received an 8-page letter from ASX in respect of the on-going suspension of the Company's shares requesting further information amongst other matters. The Company is compiling information in preparation for a response to this query letter.

Niuminco Group Limited
Notes to the consolidated financial statements (continued)
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On 3 August 2020 the Company announced that the implementation of the recommendations of the Independent Corporate Expert's Report, with the exception of the appointment of a new Company Secretary and the annual board evaluation process which have been postponed until later in the financial year.

On 26 August 2020 the Company entered into an agreement to acquire a 90% interest in three mining leases in Far North Queensland. Final settlement is subject to the registration of transfers by the relevant Queensland Government department.

On 9 October 2020 the Company's 2019 Annual General Meeting was held and at that meeting the Company's shares were consolidated on a 20 to 1 basis with the resulting issued capital reducing to 140,009,830 shares.

On 28 October 2020 the Company received a notice from the Redeemable Convertible Note holder to convert the \$250,000 Note into shares.

On 5 November 2020 the Company issued 13,888,889 fully paid ordinary shares in respect of the Redeemable Convertible Note, which will be held in voluntary escrow until 4 November 2021.

No other matter or circumstance has arisen since 30 June 2020 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 2020

In the directors' opinion:

- (a) the financial statements and notes set out on pages 18 to 44 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 2020 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 'T. Lake', is written on a light yellow rectangular background.

Tracey Lake
Managing Director

Dated 23 November, 2020

NIUMINCO GROUP LIMITED AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT

To the members of Niuminco Group Limited

Opinion

We have audited the financial report of Niuminco Group Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other 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 statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's consolidated financial position as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and
- (b) 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 auditor independence requirements of 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 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 1b in the financial report, which describes the conditions that raise doubts about the Group's ability to continue as a going concern. The conditions along with other matters disclosed in Note 1b indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore whether it will be able to realise its assets and extinguish 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.



NIUMINCO GROUP LIMITED AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT(continued)

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p>Exploration and Evaluation Expenditure</p> <p>At 30 June 2020 the carrying value of capitalised Exploration and Evaluation expenditures was \$2,237,941 (2019: \$2,239,173) as disclosed in Note 7.</p> <p>The Group's 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 Group and judgement is applied in considering whether facts and circumstances indicate that the exploration expenditures should be tested for impairment.</p> <p>As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p>	<p>We have evaluated Management's assessment of each trigger per AASB 6, 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; • Held discussions with management with respect to the status of ongoing exploration programmes in the respective areas of interest; • Considered whether any such area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considered whether the licences held at 30 June 2020 are in good standing and funding is available to meet the remainder of the commitments under the licence term by reviewing cash flow forecasts and ensure adequate expenditure 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>



NIUMINCO GROUP LIMITED AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p>Going Concern</p> <p>We note that the financial statements have been prepared on a going concern basis. We note that the Group has a deficiency in net current assets of \$4,568,580 and cash outflows from operations of \$529,588.</p> <p>We also note that the company incurred a loss for the year of \$1,425,000.</p> <p>Going concern was therefore considered a key audit matter.</p>	<p>We considered the current financial position of the Group, Management's forecasts, including plans to make the Group profitable and actions taken to strengthen balance sheet.</p> <p>We have also assessed the adequacy of the related disclosures in Note 1b to the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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.

Responsibility of 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 Group's ability 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 have no realistic alternative but to do so.



NIUMINCO GROUP LIMITED AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibility 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



NIUMINCO GROUP LIMITED AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the Directors' Report for the year ended 30 June 2020. 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.

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Niuminco Group Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Sydney, 23 November 2020

DISTRIBUTION OF MEMEBERS AND HOLDINGS AT 7 NOVEMBER 2020

Position	Holder Name	Holding	% IC
1	GOWARD PTY LTD*	19,754,126	12.84%
2	PETER ZERBST AND CO PTY LTD*	13,888,889	9.02%
3	AUSTRALIAN METALS GROUP LTD*	8,875,000	5.77%
4	INKEX PTY LTD <INKEX SUPER FUND A/C>	5,661,707	3.68%
5	MR JOHN MCGREGOR SKINNER	3,900,000	2.53%
6	KURRABA INVESTMENTS PTY LTD	3,835,000	2.49%
7	MR ALBAN HORST HASSLINGER	3,100,000	2.01%
8	MR WILLIAM SEYMOUR WARD & MRS RACHAEL ALISON WARD	2,250,500	1.46%
9	VICTORIA PARK INVESTMENTS PTY LIMITED	1,868,137	1.21%
10	MR CONSTANDINOS KYRKOY	1,798,108	1.17%
11	MR STEPHEN JOHN RYAN	1,680,894	1.09%
12	RUSSELL EQUITY PTY LTD <JOE RUSSELL SUPER FUND A/C>	1,509,223	0.98%
13	DR LEON EUGENE PRETORIUS	1,502,345	0.98%
14	GASHADA INVESTMENTS PTY LTD <WEISS SUPERFUND A/C>	1,500,000	0.97%
14	MR JAMES STEELE MEEKE	1,500,000	0.97%
15	STHM INVESTMENTS PTY LTD <STHM SUPER FUND A/C>	1,400,000	0.91%
16	MR LINDSAY GEORGE DUDFIELD & MRS YVONNE SHEILA DOLING DUDFIELD <LG DUDFIELD PENSION FND A/C>	1,250,325	0.81%
17	FLEXI PLAN PTY LTD	1,166,667	0.76%
18	MR JEFFREY HOWARD LATIMER & MRS JUDITH ANN LATIMER <LATIMER S/F A/C>	1,000,000	0.65%
18	DR JOSEPH LEATHOM RUSSELL	1,000,000	0.65%
19	NIUMINCO GROUP LIMITED <PNG BRANCH REG A/C>	986,025	0.64%
20	MR PETER JOHN SOWRY	980,000	0.64%
	Total	80,406,946	52.25%
	Total issued capital - selected security class(es)	153,898,719	100.00%

MARKETABLE PARCEL

At 7 November 2020, 3515 shareholders holding 7,704,396 shares (5.01% of Issued Capital) held less than a marketable parcel (based on a market price of \$0.02).

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.

SUBSTANTIAL SHAREHOLDERS

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

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 and PNGX Markets Limited.

DISTRIBUTION OF SHAREHOLDERS

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	2,558	573,235	0.37%
above 1,000 up to and including 5,000	468	1,283,308	0.83%
above 5,000 up to and including 10,000	216	1,580,524	1.03%
above 10,000 up to and including 100,000	637	22,700,035	14.75%
above 100,000	203	127,761,617	83.02%
Totals	4,082	153,898,719	100.00%