



NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

ABN 44 009 163 919

2011 ANNUAL REPORT

COMPANY REPORT

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

DIRECTORS:

Mr Andrew Davis (Chairman)
Mr David Fuller
Mr Arthur Jones
Prof Ian Plimer
Mr Terence Willsted

SECRETARY:

Mr Mark Ohlsson

REGISTERED AND PRINCIPAL OFFICE:

Level 8, 139 Macquarie Street
Sydney NSW 2000
Telephone: (02) 8231 7048
Facsimile: (02) 9241 5818

SHARE REGISTRAR:

Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross 6153
Western Australia
Telephone: (08) 9315 2333

HOME EXCHANGE:

Australian Securities Exchange (Perth) Limited
ASX Code: NIU

AUDITORS:

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

BANKERS:

National Australia Bank
Cnr Florence & Hunter Street
Hornsby NSW 2077

SOLICITORS:

Kemp Strang
Level 15
175 Pitt Street
Sydney NSW 2000

LETTER FROM THE CHAIRMAN

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

ABN 44 009 163 919

Dear Shareholders,

The last year has been a significant one for your Group.

As shareholders are aware the Company was suspended from quotation on the ASX on the 21st of June 2010 for being in breach of listing rule 12.1 in that the level of the Company's activities were no longer sufficient to warrant continued quotation and listing rule 12.3 which relates to the suspension of companies when they become cash boxes with no activities.

The then Directors of the Company after the consideration of a number of different possibilities entered into an agreement with the major shareholders of Niuminco Ltd which was signed on the 31st August 2010 under which your Company conditionally agreed to acquire their shareholdings in Niuminco Ltd.

Niuminco Ltd an unlisted public company had an operating but loss making gold mining operation at Edie Creek in the Bulolo gold mining area in New Guinea. The mine was subsequently placed on care and maintenance. Niuminco Ltd also had through a subsidiary 3 prospective exploration Licenses at May River, Bololip and Kubuna.

Subsequently the remaining shareholders of Niuminco Ltd signed deeds of adherence under which they agreed to be bound by the terms of the agreement between the major shareholders of Niuminco Limited and your Company. As a result of these combined agreements your Company had conditionally agreed to acquire the whole of the issued capital of Niuminco Limited.

There were a number of conditions in the agreements but substantially they were the approval of the shareholders of the Company to the acquisition, the approval by the ASX for the re-quotation of the Company's shares on the ASX by meeting the requirements of Parts 1 and 2 of the listing rules and a successful capital raising.

In addition there were a number of other issues requiring the approval of shareholders including the consolidation of the existing capital of the Company, the payment of various fees to Viaticus a Company associated with the former Chairman Mr Gavin Rezos, the change of name to Niuminco Group Limited and the appointment of new Directors.

A General Meeting of the shareholders was called to gain the necessary approvals for the 7th February 2011 but by agreement the meeting was adjourned until the 9th of May 2011.

Before the adjourned General Meeting a new notice of meeting was sent to shareholders which was substantially the same as the original. At the adjourned General Meeting of the Company the Shareholders overwhelmingly passed all the resolutions.

Between the time of the General Meeting and the issue of the Replacement Prospectus on the 14th June 2011, the Company and Niuminco Ltd and its subsidiaries entered into a series of joint venture and other agreements with Mincor Resources N.L. (Mincor) a successful ASX listed miner with nickel mining interests in the Kalgoorlie area of Western Australia. These agreements were signed on 23 May 2011.

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

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

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

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

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

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

Full details of these transactions are set out in the after balance date transactions' summary which are noted elsewhere in these accounts.

The ASX subsequently re-listed the Company's shares on 30th August 2011 and as agreed with the Company the former Chairman of the Company Mr Gavin Rezos resigned. Your Directors would like to place on record their appreciation of the services rendered to the Company by Mr Rezos.

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

At May River, Mincor has commenced an airborne survey comprising both a time-domain electromagnetic system VTEM and the new state of art Z Axis Tipper Electromagnetic system ZTEM. . The survey will comprise some 3,000 line kilometres covering copper gold prospects in the south of the Exploration Licence area and high grade copper prospects in the north.

At Bolobip, a camp has been established and trench sampling is being conducted on areas of known mineralisation in the middle of the Exploration Area.

At Kubuna, a limited river and sediment stream sampling program has been completed and the samples have been submitted for analysis. When the reports are received the results will be reviewed.

At Edie Creek, Mincor and Niuminco are awaiting the finalization of the conversion of the Edie Creek leases into Mining Leases under the 1991 Mining Act of Papua New Guinea. The Company does not anticipate a problem with the conversion of the mining leases and a vigorous exploration program will be commenced by Mincor as soon as the conversion of the leases is confirmed.

Your Company has a number of significant prospective gold and silver projects and copper gold projects and with an experienced miner such as Mincor as our joint venture partner considerable efforts and resources will be expended to develop their potential.

Your Directors anticipate that despite the generally unfavourable investment climate at this time the next 12 months will see the Company move forward in measured fashion.

Yours sincerely



A.A.Davis
Executive Chairman

30 September 2011

CORPORATE GOVERNANCE STATEMENT

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Niuminco Group Limited is committed to best practice corporate governance, and has reviewed all its practices in line with ASX Corporate Governance Council's principles of good corporate governance and best practice recommendations.

Under ASX Listing Rule 4.10.3, listed companies must disclose the extent to which they have followed the ASX Principles, and if any of the recommendations have not been followed then the Company must explain why not.

The company is considered a 'micro cap' listing, and accordingly some of the principles and recommendations are unable to be achieved in a cost effective or practical manner, having regard to the resources available. These issues are still considered important in our corporate governance system, and alternate but less formal policies exist to ensure integrity in these areas. The Council recognises that the same efficiencies experienced by larger entities may not be apparent for smaller companies by adopting certain principles or recommendations.

Notwithstanding this, the board has made every effort to address each principle and effect suitable policies or strategies where possible. Corporate governance information, policies and charters are publicly available on the company's web site.

Detailed below are comments made in relation to the company's policies for each ASX Corporate Governance Council principle.

Principle 1 – Lay solid foundations for management and oversight

Niuminco Group Limited supports a clear segregation of duties between management and the board of directors.

The board is responsible for the general overseeing of the company, including strategic and corporate planning, risk management, financial reporting, and setting policy framework. The board has a formal charter detailing its functions, structure and responsibilities.

The Board is responsible for setting the strategic direction of the Company, establishing goals for management and monitoring the achievement of those goals. Given the size of the company the Board is currently responsible for the day to day management of the Company.

To ensure a clear understanding of directors' corporate expectations, the company has issued formal letters of appointment for both executive and non executive directors, fully describing each person's role and duties.

The company currently does not have any senior executives in addition to the board members. Therefore the company does not undertake performance assessments of senior executives.

Principle 2 – Structure the board to add value

The procedures for election and retirement of the Directors are governed by the Company's Constitution, the Corporations Act and the Listing Rules.

The number of Directors must not be less than 3 nor more than such numbers as the Directors determine. There is no requirement for any shareholding qualification. A minimum of half of the number of Directors should be independent non-executive directors. Currently, there is a majority of independent non-executive directors.

Given the Company's background, the nature and size of its business and the current stage of its development, the Board believes a board of this size is both appropriate and acceptable. It is considered that the Directors possess a broad range of skills, qualifications and industry experience encompassing the current and proposed activities of the Company. The details of the Directors, their experience, qualifications and term of office are set out in the Directors' Report.

CORPORATE GOVERNANCE STATEMENT

If the group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to supervise adequately the Company's affairs determined within the limitations imposed by the Company's constitution and as circumstances demand. The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the group's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Under the Company's constitution the tenure of Directors (other than the managing director) is subject to reappointment by Shareholders not later than the 3rd anniversary following his or her last appointment. A managing director may be appointed for any period and on any terms the Board thinks fit and, subject to the terms of any agreement entered into, the Board may revoke any such appointment.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. As the group's activities develop in size, nature and scope, the implementation of a formal corporate governance committee will be given further consideration.

Directors are required to take into consideration any conflicts when accepting appointment to other boards.

The board currently consists of the following directors, whose experience and expertise are detailed below:

- Mr A Davis	Executive Chairman	Non-Independent
- Mr D Fuller	Non-Executive Director	Independent
- Mr A Jones	Executive Director	Non-Independent
- Mr T Willstead	Non-Executive Director	Independent
- Prof I Plimer	Non-Executive Director	Independent

Andrew Davis – Executive Chairman

Mr Davis is Executive Chairman and Managing Director of the Company. Mr Davis qualified as a lawyer. He has been involved in motor vehicle trading, quarrying, outdoor advertising, publishing and oil and gas exploration. He is Chairman of Ormil Energy Limited.

David Fuller – Non-Executive Director

Mr Fuller is Chairman of the Nepean Group and Managing Director of Nepean Engineering, based in Narellan, New South Wales and founded in 1974. The turnover of Nepean Engineering has grown to over \$400 million and the Nepean Group employs over 1,000 people and has operations in 7 countries.

Mr Fuller has been a significant investor in a number of Papua New Guinea companies, including Pacific Capital Ltd and Papua Petroleum Ltd. Mr Fuller has extensive experience with engineering businesses that provide machinery and plant to the mining industry.

Arthur L. Jones OBE – Executive Director

Mr Jones is General Manager for the Company in Papua New Guinea. He has spent more than 35 years in Papua New Guinea developing and operating export related commodity businesses. During that time he has accumulated an extensive knowledge of the people and their local culture and experience in dealing with landowners and government departments.

CORPORATE GOVERNANCE STATEMENT

Mr Jones was founding secretary of the Papua New Guinea Coffee Exporters Council and has promoted Papua New Guinea businesses internationally which culminated in him being awarded an Order of the British Empire in 1993 in recognition of his services to Papua New Guinea agriculture.

Mr Jones was a founding director of New Guinea Energy Ltd and a director of Papua Petroleum Ltd.

Professor Ian Plimer – Non-Executive Director

Professor Ian Plimer is a geologist who holds a Bachelor of Science with Honours degree from the University of New South Wales and a Doctor of Philosophy from Macquarie University. He has consulted widely to mining companies and governments in many parts of the world and was Professor of Geology at the School of Earth Sciences at the University of Melbourne from 1991 to 2005.

Professor Plimer is currently Professor of Mining Geology at the University of Adelaide. He is an Honorary Fellow of the Geological Society of London, and fellow of the Academy of Technological Sciences and Engineering and the Australian Institute of Geoscientists.

Professor Plimer is a director of Ormil Energy Limited, Ivanhoe Australia Limited, Kefi Minerals plc, Silver City Minerals Ltd and TNT Mines Ltd.

Terence Willsteed – Non-Executive Director

Mr Willsteed who holds a Bachelor of Engineering (Mining) Honours degree, is a Fellow of the Australasian Institute of Mining and Metallurgy and has, since 1973, been the Principal of consulting mining engineers, Terence Willsteed & Associates. His forty year career in the mining industry has included senior management, operational and engineering positions with Zinc Corporation Ltd, Mt Isa Mines Ltd and Consolidated Goldfields Australia Ltd.

In his consulting experience, Mr Willsteed has been involved in the assessment and development of a wide range of mineral, coal and oil shale projects, and has participated in the management of developing and operating mineral projects both in Australia and internationally.

Mr Willsteed is a director of International Ferro Metals Limited, South American Ferro Metals Limited, Vantage Gold Limited, Nickel Mines Limited, Timpetra Resources Limited and Goldsearch Limited.

In accordance with recommendation 2.1 of the ASX Corporate Governance Council the company has a majority of independent directors.

Mr Fuller is a substantial shareholder in the Company however he is considered independent by the Board as he does not have a management role in the activities of the Company.

The Board is satisfied it has measures to ensure sufficient independent judgement is achieved, including the following:

- Directors are able to seek independent professional advice in the furtherance of their duties as directors at the company's expense, subject to the Chairman's prior approval
- Where Directors have a conflict of interest in relation to a matter of business, they must abstain from voting on the issue.

Mr Davis as Executive Chairman of the Company is not an independent Chairman accordingly the Company does not meet the ASX Corporate Governance Council Recommendation 2.2.

CORPORATE GOVERNANCE STATEMENT

Mr Davis acts in the capacity of Chief Executive Officer and accordingly the Company does not meet the ASX Corporate Governance Council recommendation 2.3 namely, that the roles of chair and chief executive should not be exercised by the same person.

The board does not believe that restructuring the board to achieve the role of the chairman and chief executive being separated or for the chair to be independent would be in the best interests of shareholders, given the size and resources of the company at this time.

The Board will review the composition of the Board and management of the Company as it goes forward as a listed entity.

Principle 3 – Promote ethical and responsible decision-making

The board has established a code of conduct to promote a continual ethical and responsible decision making process for directors and key executives.

The company has also developed and communicated a formal policy to officers and employees for trading in the company's shares, to complement the existing statutory restrictions such as the Corporations Act 'insider trading' provisions.

Directors must advise the company of any dealings in the company's shares, and the company is required to advise the ASX of these transactions within 5 business days.

Principle 4 – Safeguard integrity in financial reporting

The CEO (or equivalent) has stated in writing to the board that the financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

The company does not have an audit committee, as it is considered that efficiencies would be outweighed by the costs of its formation, given the size and resources of the company. However, the board reviews all external audit reports to ensure appropriate action is taken by management regarding any areas which are identified as a weakness in internal control, reviews the existing external audit arrangements, and oversees the financial reporting process.

The Board of Directors of the Company is directly responsible for the following primary functions of an audit committee:

- (a) ensuring appropriate group accounting policies and procedures are defined, adopted and maintained;
- (b) ensuring that group operating and management reporting procedures, and the system of internal control, are of a sufficiently high standard to provide timely, accurate and relevant information as a sound basis for management of the group's business;
- (c) reviewing the group Financial Statements and approval;
- (d) reviewing the scope of work including approval of strategic and annual audit plans and effectiveness of both the external and internal audit functions across the group;
- (e) monitoring the proper operation of issues raised;
- (f) ensuring that appropriate processes are in place to ensure compliance with all legal requirements affecting the group;

CORPORATE GOVERNANCE STATEMENT

- (g) ensuring that all internal and industry codes of conduct and standards of corporate behaviour are being complied with;
- (h) appointment of a person(s) responsible for Internal Audit functions as specified from time to time;
- (i) responsible for making recommendations to the board of directors on the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), monitoring of effectiveness, and independence of the external auditors.
- (j) actioning any other business processes or functions which may be referred to it by the Board of Directors.

The board is also responsible for nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year statutory audit or review. External audit engagement partners will be rotated every 5 years.

Principle 5 – Make timely and balanced disclosure

Niuminco Group Limited is committed to ASX continuous disclosure provisions, and to ensuring that all relevant information concerning the company is made available to investors on an equal and timely basis.

The company has incorporated a policy on continuous disclosure into its code of conduct document, which has been promoted to all officers and employees.

Principle 6 – Respect the rights of shareholders

The company promotes active and informed shareholding, and welcomes questions from shareholders at any time. At the company's annual AGM, shareholders are given every opportunity to participate at question time, and may submit written questions to the board or auditors prior to the meeting.

The external auditor is required to attend the AGM and is available to answer any shareholder questions regarding the conduct of the audit, and the preparation and content of the auditor's report.

Principle 7 – Recognise and manage risk

The board is responsible for overseeing and assessing the effectiveness of the risk management policy.

The managing director (or equivalent) is responsible for implementing the policy and regularly reporting to the board. The chairman is currently responsible. Risk management areas may be delegated to other executive directors who must keep the Chairman informed on issues for which they have become responsible.

The Board considers risk management on an ongoing basis.

The company has prepared a formal risk management document to describe policy to profile, manage, control and assess risk.

CORPORATE GOVERNANCE STATEMENT

The managing director and company secretary who is the chief financial officer of the Company have stated to the board in writing that:

- The statement given in accordance with best practice recommendation 7.3 (the integrity of financial statements) is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting

Principle 8 – Remunerate fairly and responsibly

The board has decided at this time not to establish a separate remuneration committee due to the current size of the entity and its operations. The board will review the requirement of a committee as the scale of operations and structure increase. Therefore the board will be responsible for determining and reviewing compensation arrangements for the directors themselves and the chief executive officer and the other executives..

The company has prepared a formal charter which sets out the role and responsibilities of the board and has established a remuneration policy. Both the charter and remuneration policy are publicly available via the company's website.

Non executive directors are remunerated by way of fees, which is clearly distinguished from the remuneration for executive directors. The group does not have any schemes for retirement benefits. In view of the contribution of the non-executive directors and advancing the interest in the company, the Board considers that non-executives directors 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.

DIRECTORS' REPORT

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Your directors present their report on the consolidated entity (referred to hereafter as the group) consisting of Niuminco Group Limited (formerly DSF International Holdings Limited) (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2011.

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.

Andrew Davis – Executive Chairman

Appointed 9 May 2011

Mr Davis is Executive Chairman and Managing Director of the Company. Mr Davis qualified as a lawyer. He has been involved in motor vehicle trading, quarrying, outdoor advertising, publishing and oil and gas exploration. He is Chairman of Ormil Energy Limited.

David Fuller – Non-Executive Director

Appointed 9 May 2011

Mr Fuller is Chairman of the Nepean Group and Managing Director of Nepean Engineering, based in Narellan, New South Wales and founded in 1974. The turnover of Nepean Engineering has grown to over \$400 million and the Nepean Group employs over 1,000 people and has operations in 7 countries. Mr Fuller has been a significant investor in a number of Papua New Guinea companies, including Pacific Capital Ltd and Papua Petroleum Ltd. Mr Fuller has extensive experience with engineering businesses that provide machinery and plant to the mining industry.

Arthur L. Jones OBE – Executive Director

Appointed 9 May 2011

Mr Jones is General Manager for the Company in Papua New Guinea. He has spent more than 35 years in Papua New Guinea developing and operating export related commodity businesses. During that time he has accumulated an extensive knowledge of the people and their local culture and experience in dealing with landowners and government departments.

Mr Jones was founding secretary of the Papua New Guinea Coffee Exporters Council and has promoted Papua New Guinea businesses internationally which resulted in him being awarded an Order of the British Empire in 1993 in recognition of his services to Papua New Guinea agriculture.

Mr Jones was a founding director of New Guinea Energy Ltd and director of Papua Petroleum Ltd.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Professor Ian Plimer – Non-Executive Director

Appointed 9 May 2011

Professor Ian Plimer is a geologist who holds a Bachelor of Science with Honours degree from the University of New South Wales and a Doctor of Philosophy from Macquarie University. He has consulted widely to mining companies and governments in many parts of the world and was Professor of Geology at the School of Earth Sciences at the University of Melbourne from 1991 to 2005.

Professor Plimer is currently Professor of Mining Geology at the University of Adelaide. He is an Honorary Fellow of the Geological Society of London, and fellow of the Academy of Technological Sciences and Engineering and the Australian Institute of Geoscientists.

Professor Plimer is a director of Ormil Energy Limited, Ivanhoe Australia Limited, Kefi Minerals plc, Silver City Minerals Ltd and TNT Mines Ltd.

Terence Willsteed – Non-Executive Director

Appointed 9 May 2011

Mr Willsteed who holds a Bachelor of Engineering (Mining) Honours degree, is a Fellow of the Australasian Institute of Mining and Metallurgy and has, since 1973, been the Principal of consulting mining engineers, Terence Willsteed & Associates. His forty year career in the mining industry has included senior management, operational and engineering positions with Zinc Corporation Ltd, Mt Isa Mines Ltd and Consolidated Goldfields Australia Ltd.

In his consulting practice, Mr Willsteed has been involved in the assessment and development of a wide range of mineral, coal and oil shale projects, and has participated in the management of developing and operating mineral projects both in Australia and internationally.

Mr Willsteed is a director of International Ferro Metals Limited, South American Ferro Metals Limited, Vantage Gold Limited, Nickel Mines Limited, Timpetra Resources Limited, Takordi Gold Limited and Goldsearch Limited.

Gavin Rezos – Non-Executive Director

Appointed 10 November 2008 – Resigned 30 August 2011

Mr Rezos is a former Investment Banking Director of HSBC having held regional positions in London, Dubai and Sydney. Mr Rezos has extensive international investment banking experience in a range of industries as well as in cross border merger and acquisitions, corporate finance and banking. He was an adviser to the Dubai Financial Market, Oman Stock Exchange and Bahrain Stock Exchange. Mr Rezos is Chairman of Alexium International Group Limited an ASX and Frankfurt listed nanotechnology company focusing on reactive surface coatings.

Mr Rezos was previously a non-executive director of Amity Oil Limited (now Antares Energy Ltd), an ASX top 100 resources company, pSivida Inc, a NASDAQ and ASX listed biotechnology company and is currently a non-executive director of Iluka Resources Ltd, an ASX top 50 company.

Mr Rezos was appointed Executive Chairman of the Company on 10 November 2008 and acted in that role until Mr Davis' appointment on 9 May 2011. Mr Rezos resigned as a Director of the Company on 30 August 2011 following the successful re-quotation of the Company.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Mr William Witham

Appointed 10 November 2008 – Retired 29 November 2010 (Non-Executive Director until retirement)

With an Honours degree in Science (Geology) from UWA, and having 20 years' experience in the fields of exploration, management, investing and regional development, Mr Witham has an in-depth understanding of the ways in which industry, government and financial markets operate. Mr Witham has worked in many countries, with extensive experience in mineral and oil and gas exploration, management, government relations and corporate finance. He was previously Managing Director of Whinnen Resources Limited and is currently a non-executive director of GSF Corporation Limited.

Mrs Nadine Donovan

Appointed 10 November 2008 – Resigned 9 May 2011 (Executive Director until resignation)

Mrs Donovan graduated with a Bachelor of Business (Accounting and Finance) from Edith Cowan University (WA) and is CPA qualified.

Mrs Donovan has 17 years experience in financial accounting and corporate compliance with publicly listed entities. Mrs Donovan has experience in the biotechnology industry, power generation and oil and gas industries. During her career she has been involved in financial accounting, budget and tax management, compliance and regulatory ASX and ASIC reporting requirements and assisted in the restructure and re-listing processes of companies. Mrs Donovan is currently a non-executive director of ASX listed entity GSF Corporation Limited.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Directorships of other listed companies during the past 3 years

Name	Company	Commenced	Ceased
Mr A Davis	Ormil Energy Limited	21 December 2009	-
Mr T Willsted	International Ferro Metals	12 October 2005	-
	South American Ferro Metals Ltd	11 November 2010	-
	Vantage Gold Limited	October 2010	-
	Citigold Corporation Limited	21 October 2006	9 August 2010
	European Gas Limited	2 December 2002	1 September 2009
	Timpetra Resources Limited	24 August 2010	-
	Takordi Gold Limited	July 2011	-
	Goldsearch Limited	20 July 2004	-
Prof I Plimer	Ormil Energy Limited	9 February 2010	-
	Ivanhoe Australia Limited	7 November 2007	-
	Kefi Minerals plc	November 2006	-
	Silver City Minerals Ltd	21 February 2011	-
	CBH Resources Ltd	November 1998	30 September 2010
Mr G Rezos	Iuka Resources Ltd	20 June 2006	-
	Alexium International Group Limited	29 January 2010	-
Mr W Witham	Whinnen Resources Limited	19 January 2007	16 September 2009
	GSF Corporation Limited	31 July 2009	-
	Windy Knob Resources Limited	13 October 2006	29 February 2008
	DMC Mining Limited	1 December 2006	10 December 2008
Mrs N Donovan	GSF Corporation Limited	8 October 2008	15 January 2009
	Reappointed	31 July 2009	-
	Alexium International Group Limited	31 March 2008	1 March 2010

Interests in the shares and options of the Company

As 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 D Fuller (indirect)	57,586,650	15,638,625
Mr A Jones (indirect)	12,000,864	4,500,000

The above table does not include options granted to Messrs Davis, Plimer and Willsted (10,000,000 in total) which are subject to approval by shareholders at the Annual General Meeting of the Company.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mark Ohlsson – FCPA. Mr Ohlsson was appointed Company Secretary on 9 May 2011.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED (formerly DSF International Holdings Limited)

PRINCIPAL ACTIVITIES

The principal activity of the entities in the group during the financial year was that of a listed but suspended ASX Company which was involved in seeking new activities. As set out elsewhere in this Report the Company entered into agreements under which it conditionally agreed to acquire 100% of the issued capital of Niuminco Ltd. This acquisition was approved by the Shareholders on the 9th May 2011 and after the satisfaction of all conditions Niuminco Ltd was acquired on the 10th August 2011. Further details relating to the acquisition of Niuminco Ltd by the Company are set out elsewhere in this report.

OPERATING RESULTS

For the financial year ending 30 June 2011 the consolidated loss of the group after income tax amounted to \$1,108,588 (2010: Loss of \$448,641).

DIVIDENDS PAID OR RECOMMENDED

The Directors have not recommended a final dividend for the 2011 financial year.

REVIEW OF OPERATIONS

On 21 June 2010 the ASX suspended the quotation of the Company's securities. The ASX advised that the Company was in breach of listing rule 12.1 (level of an entities operations must be sufficient to warrant continued quotation) and 12.3 (Cash box rule).

On 8 September 2010 the company announced to shareholders the proposed acquisition of Niuminco Ltd on a 100% scrip basis. Niuminco Ltd, an unlisted public company had an operating but loss making gold mining operation at Edie Creek in the Bulolo gold mining area in New Guinea. The mine is currently placed on care and maintenance. Niuminco Ltd also has through a subsidiary 3 prospective exploration Licenses at May River, Bololip and Kubuna.

The remaining shareholders of Niuminco Ltd signed deeds of adherence under which they agreed to be bound by the terms of the agreement between the major shareholders of Niuminco Ltd and your Company. As a result of these combined agreements your Company had conditionally agreed to acquire the whole of the issued capital of Niuminco Limited.

There were a number of conditions in the agreements but substantially they were the approval of the shareholders of the Company to the acquisition, the approval by the ASX for the re-quotation of the Company's shares on the ASX by meeting the requirements of Parts 1 and 2 of the listing rules and a successful capital raising.

In addition there were a number of other issues requiring the approval of shareholders including the consolidation of the existing capital of the Company, the payment of various fees to Viaticus a Company associated with the former Chairman Mr Gavin Rezos, the change of name to Niuminco Group Limited and the appointment of new Directors.

A General Meeting of the shareholders was called to gain the necessary approvals for the 7th February 2011 but by agreement the meeting was adjourned until the 9th of May 2011.

Before the adjourned General Meeting a new notice of meeting was sent to shareholders which was substantially the same as the original. At the adjourned General Meeting of the Company the Shareholders overwhelmingly passed all the resolutions.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Between the time of the General Meeting and the issue of the Replacement Prospectus on the 14th June 2011, the Company and Niuminco Ltd and its subsidiaries entered into a series of joint venture and other agreements with Mincor Resources N.L. (Mincor) a successful ASX listed miner with nickel mining interests in the Kalgoorlie area of Western Australia. These agreements were signed on 23 May 2011.

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

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

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

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

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

The ASX re-listed the Company's shares on 30th August 2011 and as agreed with the Company the former Chairman of the Company Mr Gavin Rezos resigned. Your Directors would like to place on record their appreciation of the services rendered to the Company by Mr Rezos.

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

At May River, Mincor has commenced an airborne survey comprising both a time-domain electromagnetic system VTEM and the new state of art Z Axis Tipper Electromagnetic system ZTEM. The survey will comprise some 3,000 line kilometers covering copper gold prospects in the south of the Exploration Licence area and high grade copper prospects in the north.

At Bolobip, a camp has been established and trench sampling is being conducted on areas of known mineralisation in the middle of the Exploration Area.

At Kubuna, a limited river and sediment stream sampling program has been completed and the samples have been submitted for analysis. When the reports are received the results will be reviewed.

At Edie Creek, Mincor and Niuminco are awaiting the finalization of the conversion of the Edie Creek leases into Mining Leases under the 1991 Mining Act of Papua New Guinea. The Company does not anticipate a problem with the conversion of the mining leases and a vigorous exploration program will be initiated by Mincor as soon as the conversion of the leases is confirmed.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

FINANCIAL POSITION

The net assets of the group have decreased by \$458,096 from \$180,911 at 30 June 2010 to a net liability position of \$277,185 at 30 June 2011.

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 9 May 2011 a General Meeting of the Company's Shareholders' approved a share consolidation, the changing of the name of the Company to "Niuminco Group Limited", a change in the nature and scale of the Company business and the issue of shares and options to complete the acquisition of Niuminco Ltd and the raising of additional funds. The following key events occurred after the General Meeting:

- The 1 for 20 consolidation of the Company's share capital occurred on 23 May 2011 and is set out in Note 16.
- On 14 June 2011 the Company issued a Prospectus for a public offering of 75,000,000 ordinary shares with one option for every 2 shares subscribed for in the Offer.
- As at 30 June 2011 \$320,000 application monies had been received under the Prospectus and were held in a Share Offer Account.
- On 29 July 2011 the Company announced that it had achieved the minimum subscription of \$12,000,000 under the Prospectus dated 14 June 2011 and the Supplementary Prospectus dated 12 July 2011 and closed the Offer. The minimum subscription comprised \$8,296,219 in cash and \$3,703,781 by way of the conversion of convertible notes into shares which were owed by Niuminco Ltd on that date.
- On 5 August 2011 the Company changed its name to Niuminco Group Limited.
- On 10 August 2011 the Company issued the following shares and options in order to finalise the capital raising and to settle the acquisition of Niuminco Ltd:
 - In relation to the \$12,000,000 minimum subscription, the Company issued 60,000,000 ordinary shares and 30,000,000 twenty cent options expiring 30 September 2012.
 - In relation to the acquisition of Niuminco Ltd, the Company issued a total 108,538,178 ordinary shares to the shareholders of Niuminco Ltd. In addition, the Company also issued 4,860,000 ordinary shares and 37,150,000 options to various parties associated with the transaction in order to complete the acquisition of Niuminco Ltd.
 - Following these transactions the Company has 185,502,508 issued ordinary shares and 75,906,414 options with various exercise prices and expiry dates.
- On 10th August 2011 Niuminco Ltd and its subsidiaries became wholly owned subsidiaries of the Company.
- On 30 August 2011 the Company was re-quoted on the ASX under the ASX code NIU.

The acquisition of Niuminco Ltd will have a material impact on the financial statements of the Group going forward. For accounting purposes this transaction represents a capital transaction of Niuminco Ltd whereby it has issued new shares for the net monetary assets of the Company followed by a recapitalisation. Although this is not considered to be a business combination under AASB 3 *Business Combinations*, the consolidation of the Company and Niuminco Ltd will be accounted for on the basis of reverse acquisition accounting principles since the previous shareholders of Niuminco Ltd through their newly acquired Niuminco Group Limited's shares control the new combined entity.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Accordingly, the consolidated financial statements of the group going forward will reflect a continuation of Niuminco Ltd's financial statements. Comparatives will also be those of Niuminco Ltd. No fair value adjustments will be made to the assets and liabilities of Niuminco Ltd on the basis that the new combined entity is essentially the same economic entity pre and post the transaction.

Niuminco Ltd is an unlisted Australian public company and had an operating but loss making gold mining operation at Edie Creek in the Bulolo gold mining area in Papua New Guinea. The mine is currently on care and maintenance. Niuminco Ltd also had through a subsidiary 3 prospective exploration Licenses at May River, Bololip and Kubuna. The main assets of Niuminco comprise exploration assets for the various interests it has in Papua New Guinea.

Since the re-quotation of the Company's shares on ASX and the release of funds raised under the prospectus amounting to \$8,296,219, the group has paid the costs of the capital raising and approximately \$2,000,000 to outstanding creditors of Niuminco Group Limited, Niuminco Ltd and its PNG subsidiaries. Additionally, \$3,703,781 convertible notes owed by Niuminco Ltd were converted into shares and Niuminco Ltd's creditors were therefore reduced by that amount. As at the date of this report, the cash balance of the group amounts to approximately \$5,000,000 and sufficient funds are available for the group to continue as a going concern and continue its exploration activities in Papua New Guinea.

As at the date of this report, the initial accounting for the capital transaction with Niuminco Limited has not been finalised and as a result it is not possible to provide further details of the post transaction balance sheet.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

In the short-term the company will work with its joint venture partner, Mincor, to develop exploration targets which have significant exploration potential, including the May River tenement, which is situated adjacent to Xstrata's Frieda River project and its Bolobip Copper/gold porphyry tenement, which is situated within close proximity to the Ok Tedi Copper mine.

Niuminco Ltd which became a wholly owned subsidiary of the group conducts its mining and exploration activities in Papua New Guinea.

The Company will continue to maintain the mining leases and mining plant at Edie Creek on care and maintenance and assist Mincor with its exploration at Edie Creek which will commence when the existing mining leases are converted to Mining Leases under the 1991 Mining Act of Papua New Guinea. The Company does not anticipate any problem with the conversion of the mining leases which are pending approval from the Mineral Resource Authority of Papua New Guinea.

The Company will also seek to capitalise on other exciting exploration projects that may become available in Papua New Guinea. Niuminco's key management has spent over 35 years in PNG and has developed intimate knowledge of the business and mining environment and networks in PNG.

UNISSUED SHARES UNDER OPTION

As at the date of this report there were 75,906,414 unissued ordinary shares under option (2010: 175,127,433 pre consolidation options or 8,756,414 after consolidation). Details of these options are as follows:

<i>Date Options Granted</i>	<i>Expiry Date</i>	<i>Issue price of shares</i>	<i>Number under option</i>
10 December 2008 (unlisted)	31 December 2012	\$0.40	1,500,002
10 December 2008 (unlisted)	31 December 2012	\$0.60	1,500,000
10 December 2008 (unlisted)	31 December 2012	\$1.00	2,000,000
1 December 2009 (unlisted)	31 December 2012	\$0.40	250,000
22 December 2008 (listed)	31 December 2012	\$0.60	3,506,412
10 August 2011 (listed)	30 September 2012	\$0.20	30,000,000
10 August 2011 (unlisted)	30 September 2013	\$0.20	21,150,000
10 August 2011 (unlisted)	30 September 2012	\$0.20	16,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company. No listed options were exercised during the financial year. In 2010 5,056 options were exercised raising \$151.

The above table does not include options granted to Messrs Davis, Plimer and Willsteed (10,000,000 in total) which are subject to approval by shareholders at the Annual General Meeting of the Company.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

REMUNERATION REPORT (AUDITED)

This remuneration report sets out remuneration information for Niuminco Group Limited's non-executive directors, executive directors, other key management personnel and the five highest remunerated executives of the group and the company.

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 production levels, 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;
- The short, medium and long-term future of the industry.

The Board, taking into account the above factors will review remuneration annually. The Board also gives consideration to comparable information from industry sectors and other publicly listed companies.

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 executive directors receive a superannuation guarantee contribution as required by the government, which is currently 9%, and do not receive any other retirement benefits. It is entirely at the discretion of individuals whether they decide to sacrifice part of their salary to increase payment towards superannuation.

The Board's current policy is to remunerate executive directors at or below market rates in the interests of cost savings to the group during this transitional period. The Board determines these 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.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

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

Executives

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

Non-Executives

- Non-executive remuneration is to be clearly distinguished from executive salary and packages. The Non-executive remuneration limit is \$150,000 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.

Risk Policy

The Board does not have a policy in place in relation to limiting exposure in relation to securities held.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

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

Key management personnel

Andrew Davis	Chairman – Executive	appointed 9 May 2011
Arthur Jones	Director – Executive	appointed 9 May 2011
David Fuller	Director – Non Executive	appointed 9 May 2011
Terence Willsteed	Director – Non Executive	appointed 9 May 2011
Ian Plimer	Director – Non Executive	appointed 9 May 2011
Gavin John Rezos	Director – Non-Executive	appointed 10 November 2008 resigned 30 August 2011
William John Andrew Witham	Director – Non Executive	appointed 10 November 2008 retired 29 November 2010
Nadine Faye Donovan	Director – Executive/Company Secretary	appointed 10 November 2008 resigned 9 May 2011

Details of remuneration for the year ended 30 June 2011 and 30 June 2010

The remuneration for each director of the consolidated entity during the year was as follows:
2011

	Short Term Benefits Salary, fees and commissions \$	Post Employment Benefits Superannuation contributions \$	Termination benefits \$	Share Based Payments Options \$	Total \$
Executives					
A Davis	42,740	-	-	104,190	146,930
A Jones	5,129	-	-	-	5,129
G Rezos > (1)	49,312	-	-	-	49,312
N Donovan ^ (1)	20,591	-	-	-	20,591
Non executives					
D Fuller	5,129	-	-	-	5,129
I Plimer	5,129	-	-	45,380	50,509
T Willsteed	5,129	-	-	45,380	50,509
W Witham (1)	11,500	-	-	-	11,500
	144,659	-	-	194,950	339,609

(1) As approved by Shareholders at the General Meeting on 9 May 2011, 33,333,333 ordinary pre-consolidation shares were issued during the period to G Rezos, N Donovan and W Witham in payment of outstanding directors fees for the current year and the previous financial year.

^ N Donovan also received company secretarial and financial accounting fees indirectly through Blackwood Pty Ltd. An amount of \$33,188 was paid to Blackwood Pty Ltd during the financial year.

> G Rezos also received consulting fees indirectly through Viaticus Capital Pty Ltd in the amount of \$71,366 and of \$6,000 (2010: \$36,000) through Albion Capital Partners for company secretarial services.

There were no other executives of the company which require disclosure.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

2010

	Short Term Benefits Salary, fees and commissions \$	Post Employment Benefits Superannuation contributions \$	Termination benefits \$	Share Based Payments Options \$	Total \$
Executives					
G Rezos	84,000 ⁽¹⁾	-	-	-	84,000
N Donovan ⁽²⁾	25,700 ⁽¹⁾	-	-	-	25,700
Non executives					
W Witham	32,360 ⁽¹⁾	-	-	-	32,360
	142,060	-	-	-	142,060

- (1) Directors fees of \$84,000 (G Rezos), \$24,000 (W Witham) and \$24,000 (N Donovan) were provided for but not paid during the financial year ended on 30 June 2010 in the interests of preserving the cash position of the group. Consulting fees of \$8,360 (W Witham) and \$1,700 (N Donovan) were paid in the months ended 30 June 2010.
- (2) N Donovan also received company secretarial and financial accounting fees indirectly through Albion Capital Partners. An amount of \$30,276 was paid to Albion Capital Partners during the financial year.
- (3) G Rezos received consulting fees indirectly through Viaticus Capital Pty Ltd in the amount \$36,000 through Albion Capital Partners for company secretarial services.

There were no other executives of the company which require disclosure.

Employment contracts of directors and senior executives

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

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

Directors are not entitled to any termination or retirement benefits, other than those to be provided to all employees under normal legislative requirements.

Mr Andrew Davis as Chairman and Managing Director provides his services in those positions under a consultancy agreement with Alan Davis Pty Limited. This agreement was originally with Niuminco Ltd but on his appointment to Niuminco Group Limited a new agreement was signed by Alan Davis Pty Limited with the Company on 10th May 2011. The agreement provides for a monthly payment of \$25,000 and has an expiry date of 31st December 2013 with 6 months notice of early termination. The agreement also provides for the issue of 5,000,000 options exercisable at 30 cents per share on or before that date that is 3 months after the termination date subject to the approval of shareholders.

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

Share-based compensation

With the exception of the options allocated to Messrs Davis, Plimer and Willstead (10,000,000 in total) which are subject to approval by shareholders at the Annual General Meeting of the Company, there are no other options issued that have impacted the remuneration in the current financial year and that will impact the remuneration of key management personnel in the future. The terms and conditions of the options that have been allocated to Messrs Davis, Plimer and Willstead are as follows.

Grant Date	Vesting and exercise date	Expiry date	Exercise price
9/05/11	No vesting conditions	30/03/14	\$0.30
9/05/11	No vesting conditions	30/09/13	\$0.30

Details of options over ordinary shares in the Company provided as remuneration in the current to each director of Niuminco Group Limited and each of the key management personnel of the parent entity are set out below. When exercisable, each option is convertible into one ordinary shares of Niuminco Group Limited.

Name	Number options granted during year	Value of options at grant date	Number of options vested during the year ^	Number of options lapsed during year	Value at lapse date
A Davis	5,000,000	\$0.71	5,000,000	-	-
I Plimer	2,500,000	\$0.61	2,500,000	-	-
T Willstead	2,500,000	\$0.61	2,500,000	-	-

^ These options will vest immediately after the approval by shareholders at the Annual General Meeting of the Company.

This is the end of the Audited Remuneration Report

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
Gavin Rezos	13	13
William Witham	5	5
Nadine Donovan	11	11
Andrew Davis	2	2
David Fuller	2	2
Arthur Jones	2	2
Ian Plimer	2	2
Terence Willstead	2	2

DIRECTORS' REPORT (continued)

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year the company has paid or agreed to pay insurance premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

ENVIRONMENTAL

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth of Australia or of a State or Territory.

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 group will work with its joint venture partner Mincor to ensure compliance with the Papua New Guinea environmental codes.

PROCEEDINGS ON BEHALF OF COMPANY

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

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

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s307C of the *Corporations Act 2001* for the year ended 30 June 2011 has been received and can be found on page 26.

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

A.A.Davis

Executive Chairman

Dated this 30th day of September 2011



Auditor's Independence Declaration

As lead auditor for the audit of Niuminco Group Limited (formerly DSF International Holdings Limited) for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Niuminco Group Limited (formerly DSF International Holdings Limited) and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'B Entwistle'.

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
30 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED (formerly DSF International Holdings Limited)

	NOTE	2011 \$	2010 \$
Revenue from continuing operations	3	1,693	4,196
Employee benefits expense		(450,162)	(208,336)
Impairment expense	13	(333,156)	(159,465)
General and administrative expense		(225,294)	(61,968)
Insurance		(22,829)	(10,919)
Interest expense		(1,825)	-
Other expenses		(77,015)	(9,584)
		<hr/>	<hr/>
Loss before income tax		(1,108,588)	(446,076)
Income tax expense	4	-	(2,565)
		<hr/>	<hr/>
Loss for the year		(1,108,588)	(448,641)
Other comprehensive income, net of income tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members of the group		(1,108,588)	(448,641)
		<u>=====</u>	<u>=====</u>
Continuing operations			
Basic loss per share (cents/share)	7	(11.55)	(5.12)
Diluted loss per share (cents/share)	7	(11.55)	(5.12)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

	NOTE	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	8	350,418	117,024
Trade and other receivables	10	9,675	2,662
Other current assets	11	8,292	18,674
		<hr/>	<hr/>
Total Current Assets		368,385	138,360
		<hr/>	<hr/>
NON CURRENT ASSETS			
Exploration and evaluation expenditure	13	-	315,632
		<hr/>	<hr/>
Total Non Current Assets		-	315,632
		<hr/>	<hr/>
TOTAL ASSETS		368,385	453,992
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and other payables	14	304,634	273,081
Borrowings		20,936	-
Application monies received	9	320,000	-
		<hr/>	<hr/>
Total Current Liabilities		645,570	273,081
		<hr/>	<hr/>
TOTAL LIABILITIES		645,570	273,081
		<hr/>	<hr/>
NET ASSETS		(277,185)	180,911
		=====	=====
EQUITY			
Issued capital	16	1,198,130	757,355
Reserves – Share Based Payments	18	229,950	20,233
Accumulated losses	15	(1,705,265)	(596,677)
		<hr/>	<hr/>
TOTAL EQUITY		(277,185)	180,911
		=====	=====

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

	<u>Attributable to members of Niuminco Group Limited</u>			<u>Non-Controlling Interests</u>	<u>Total Equity</u>
	<u>Issued Capital (Ordinary)</u>	<u>Share Based Reserve</u>	<u>Accumulated Losses</u>		
	\$	\$	\$	\$	\$
Balance at 1 July 2009	494,704	-	(148,036)	-	346,668
Loss for the year	-	-	(448,641)	-	(448,641)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	(448,641)	-	(448,641)
Transactions with owners in their capacity as owners					
Issued capital, net of transaction costs	150,000	-	-	-	150,000
Options exercised	151	-	-	-	151
Share-based payments	112,500	20,233	-	-	132,733
Balance at 30 June 2010	757,355	20,233	(596,677)	-	180,911
Loss for the year	-	-	(1,108,588)	-	(1,108,588)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,108,588)	-	(1,108,588)
Transactions with owners in their capacity as owners					
Issued capital, net of transaction costs	140,775	-	-	-	140,775
Share-based payments	300,000	209,717	-	-	509,717
Balance at 30 June 2011	1,198,130	229,950	(1,705,265)	-	(277,185)
	=====	=====	=====	=====	=====

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

	NOTE	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(321,798)	(197,636)
Interest received		1,693	4,196
Interest paid		(1,825)	-
Income tax refund received		-	(2,106)
Goods & services tax refund received		26,370	43,554
Net cash used in operating activities	21	(295,560)	(151,992)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for exploration licences		(2,757)	(208)
Payment for drilling expenditure		-	(176,839)
Refund on Balladonia expenditure		-	60,858
Net cash used in investing activities		(2,757)	(116,189)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		150,000	152
Payment of share issue costs		(9,225)	-
Proceeds from borrowings		137,284	-
Repayment of borrowings		(66,348)	-
Dividends paid (Cheques Presented)		-	(2,783)
Application monies received		320,000	-
Net cash provided by/(used in) financing activities		531,711	(2,631)
Net increase/(decrease) in cash held		233,394	(270,812)
Cash at beginning of year		117,024	387,836
Cash at end of year	8	350,418	117,024

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

These financial statements are the consolidated financial statements of Niuminco Group Limited (formerly DSF International Holdings Limited) and its subsidiaries. The Company changed its name on 5 August 2011. The financial statements are presented in Australian currency.

The financial statements were authorised for issue by the directors on 30th September 2011. The directors have the power to amend and reissue the financial statements.

Niuminco Group Limited (formerly DSF International Holdings 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

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

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

Historical cost convention

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

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Comparative information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current year amounts and other disclosures.

b. Going concern

The directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The group incurred a net loss of \$1,108,588 during the year ended 30 June 2011 and, as of that date; the consolidated entity's current liabilities exceeded its current assets by \$277,185. However, since balance date the company has raised \$12,000,000 (which comprised \$8,296,219 in cash and \$3,703,781 in debt conversion of convertible notes into shares which were owed by Niuminco Ltd on that date) under the prospectus dated 14 June 2011 which closed in 29 July 2011 and after the payment of outstanding creditors of the group, the company will have sufficient funds to continue as a going concern (refer Note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

c. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Niuminco Group Limited ('company' or 'parent entity') (formerly DSF International Holdings Limited) as at 30 June 2011 and the results of all subsidiaries for the year then ended. Niuminco Group Limited (formerly DSF International Holdings Limited) and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

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.

The acquisition method of accounting is used to account for business combinations by the group.

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.

A list of the group subsidiaries is presented in note 12 to the financial statements.

d. Revenue recognition

(i) Interest income

Interest revenue is brought to account when earned, taking into account the effective yield on the financial asset.

e. Income Tax

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

e. Income Tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

f. Impairment of assets

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 loss 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

g. Employee Benefits

(i) Short-term obligations

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.

(ii) Share-based payment

Share-based compensation benefits are provided to employees via the Niuminco Group Limited Share Plan and Employee Share Option. Information relating to this plan is set out in note 17. No options were issued under this plan during the year to 30 June 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

g. Employee Benefits (continued)

The fair value of options granted under the Niuminco Group Limited Share Plan and Employee Share Option is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

h. 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.

i. Cash and cash equivalents

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 within borrowings in current liabilities in the statement of financial position.

j. Investment and other financial assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 10) in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

j. Investment and other financial assets (continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 25.

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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k. Exploration and Evaluation Expenditure

The company's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

- i) Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs.
- ii) Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
 - such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
 - exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

l. Trade and other payables

These amounts 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 usually paid within 30 days of recognition. Trade and other payables 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.

m. 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.

n. Issued capital

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.

(i) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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n. Issued capital (continued)

(ii) 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.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the amount of GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis, except for the GST component of cash flow arising from investing or financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cashflows.

p. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to AAS arising from AASB 9 and AASB 2010-7 Amendments to AAS arising from AASB 9 (December 2010)* (effective from 1 January 2013).

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The group has not yet determined the impact of the change but does not believe the impact will be material. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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p. New accounting standards and interpretations (continued)

(ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to AAS* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The group will apply the amended standard from 1 July 2011. It is not expected that this will impact the amounts recognised in the financial statements.

(iii) AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual periods beginning on or after 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The group will apply the amendments from 1 July 2011. The group does not expect that any adjustments will be necessary as the result of applying the revised rules.

(vi) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. The group does not expect the new standard will have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The group is yet to evaluate its joint arrangements in light of the new guidance.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 128. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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p. New accounting standards and interpretations (continued)

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The group is still assessing the impact of these amendments.

The group does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(v) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group does not use fair value measurements extensively. It is therefore unlikely that the new rules will have a significant impact on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

AASB 1054 *Australian Additional Disclosures*, AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* and AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements* (effective 1 July 2011)

The AASB and NZ FRSB have issued accounting standards that eliminate most of the existing differences between their local standards and IFRS. Where additional disclosures were considered necessary, they were moved to the new standard AASB 1054. Adoption of the new rules will not affect any of the amounts recognised in the financial statements, but may simplify some of the group's current disclosures. The group intends to adopt the standards from 1 July 2011.

(vi) AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income* (effective 1 July 2012)

In September 2011, the AASB made an amendment to AASB 101 *Presentation of Financial Statements* which requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. This will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The group intends to adopt the new standard from 1 July 2012.

(vii) AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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q. Parent entity financial information

The financial information for the parent entity, Niuminco Group Limited, disclosed in note 22 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Niuminco Group Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

a. Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax assets

The company expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

Share-based payment transactions

The cost of share-based payments to employees and third parties is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes options valuation model, taking into account the terms and conditions upon which the options were granted. Note 17 details the assumptions that have been used in determining the fair value of the options that have been granted.

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, in particular, 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.

Carried forward exploration and evaluation expenditures are disclosed in note 13.

NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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	2011 \$	2010 \$
3. REVENUE		
Interest received	1,693	4,196
	=====	=====
4. INCOME TAX EXPENSE		
a. Income tax expense		
Adjustments for current tax of prior periods	-	2,565
	-----	-----
	-	2,565
	=====	=====
b. Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before Income tax expense	(1,108,588)	(448,641)
Prima facie tax payable on loss before income tax at 30% (2010: 30%)	(332,576)	(133,823)
Add tax effect of		
- current year tax losses for which no deferred tax asset has been recognised	332,576	85,983
- non-deductible expenses	-	47,840
- adjustments for current tax of prior periods	-	2,565
	-----	-----
Income tax attributable to entity	-	2,565
	=====	=====
Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.		
b. Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in the statement of financial position for the following items:		
Unused tax losses	1,403,487	294,900
	-----	-----
	1,403,487	294,900
	=====	=====
Potential benefit at 30% (2010: 30%)	421,046	88,470
	=====	=====

NOTES TO CONSOLIDATED THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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5. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Key Management personnel compensation

	2011 \$	2010 \$
Short-term employee benefits	144,659	142,060
Post-employment benefits	-	-
Termination benefits	-	-
Share based payments	194,950	-
	<u>339,609</u>	<u>142,060</u>
	=====	=====

Detailed remuneration disclosures are provided in the remuneration report on pages 20 to 24.

b. Shareholdings

Number of shares held by key management personnel, including their personally related parties

2011 year

	Balance 1/7/10	Received as remuneration	Other Change [^]	1 for 20 Consolidation	Shares purchased or sold	Balance 30/6/11
G Rezos	19,000,000	21,066,667	6,666,667	(44,396,667)	-	2,336,667
W Witham	1,000,000	6,133,333	(7,133,333)	-	-	-
N Donovan	1,500,000	6,133,333	(7,633,333)	-	-	-
	<u>21,500,000</u>	<u>33,333,333</u>	<u>(8,099,999)</u>	<u>(44,396,667)</u>	<u>-</u>	<u>2,336,667</u>

[^] Other change reflects the fact that Messrs Witham and Donovan are no longer directors at the end of the financial year. Other change for Mr Rezos relates to the issue of shares for the settlement of a loan amounting to \$50,000 owed to Viaticus Capital Pty Ltd (refer Note 17 (a)).

2010 year

	Balance 1/7/09	Received as remuneration	Other Change	Shares purchased or sold	Balance 30/6/10
G Rezos	19,000,000	-	-	-	19,000,000
W Witham	1,000,000	-	-	-	1,000,000
N Donovan	1,500,000	-	-	-	1,500,000
	<u>21,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,500,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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5. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

c. Option holdings

Number of options over ordinary shares held by key management personnel

2011 year							
Name	Balance at start of year	Granted during year as remuneration	Exercised during year	Other Change ^	1 for 20 Consolidation	Balance at end of year	Options Vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number	Number
G Rezos	18,000,000	-	-	-	(17,100,000)	900,000	900,000
W Witham	4,000,000	-	-	(4,000,000)	-	-	-
N Donovan	4,000,000	-	-	(4,000,000)	-	-	-
Total	26,000,000	-	-	(8,000,000)	(17,100,000)	900,000	900,000

The above table does not include options granted to Messrs Davis, Plimer and Willstedt (10,000,000 in total) which are subject to approval by shareholders at the Annual General Meeting of the Company.

^ Other change reflects the fact that Messrs Witham and Donovan are no longer directors at the end of the financial year. Options issued to Messrs Witham and Donovan have not lapsed following their resignation as directors of the Company.

2010 year						
Name	Balance at start of year	Granted during year as remuneration	Exercised during year	Other changes during year	Balance at end of year	Options Vested and exercisable at end of year
	Number	Number	Number	Number	Number	Number
G Rezos	18,000,000	-	-	-	18,000,000	18,000,000
W Witham	4,000,000	-	-	-	4,000,000	4,000,000
N Donovan	4,000,000	-	-	-	4,000,000	4,000,000
Total	26,000,000	-	-	-	26,000,000	26,000,000

d. Loans

For loans with key management personnel and their related entities during the period refer to Note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED (formerly DSF International Holdings Limited)

	2011 \$	2010 \$
6. AUDITORS REMUNERATION		
Remuneration of the auditor of the parent entity for:		
PricewaterhouseCoopers		
- Audit or review of financial statements	36,000	-
BDO Audit (WA) Pty Ltd		
- Auditing or reviewing the financial report	-	18,113
BDO Tax (WA) Pty Ltd		
- Other services – tax compliance	-	4,686
	<u>36,000</u>	<u>22,799</u>
	=====	=====

7. LOSS PER SHARE

(a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted loss per share.	9,600,220	8,770,113
(b) Earnings used in the calculation of basic and dilutive EPS does not differ from net (loss)/profit shown in the Statement of Comprehensive Income	(1,108,588)	(448,641)

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of 9,600,220 (2010: 175,343,542) ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive 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, are not considered dilutive as the conversion of these options would result in a decrease in net loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED (formerly DSF International Holdings Limited)

	2011 \$	2010 \$
8. CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank and in hand	30,418	117,024
Share offer account – application monies received	320,000	-
	<u>350,418</u>	<u>117,024</u>
	=====	=====

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	350,418	117,024
	<u>350,418</u>	<u>117,024</u>
	=====	=====

Refer to the risk management note 25.

9. APPLICATION MONIES RECEIVED

On 14 June 2011 the Company issued a Prospectus for a public offering of 75,000,000 ordinary shares at \$0.20 per share with one option for every 2 shares subscribed for in the Offer.

As at 30 June 2011 \$320,000 application monies had been received under the Prospectus and were held in a Share Offer Account. At balance date, the monies held in this account were not available to the Company.

On 29 July 2011 the Company announced that it had achieved the minimum subscription of \$12,000,000 under the Prospectus dated 14 June 2011 and the Supplementary Prospectus dated 12 July 2011 and closed the Offer.

10. TRADE AND OTHER RECEIVABLES

CURRENT

GST refundable	9,675	2,662
	<u>9,675</u>	<u>2,662</u>
	=====	=====

There is no allowance for doubtful debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

	2011 \$	2010 \$
11. OTHER ASSETS		
CURRENT		
Prepayments	8,292 =====	18,674 =====

12. CONTROLLED ENTITIES

	Country of Incorporation	Percentage owned 2011	2010
Parent entity			
Niuminco Group Limited (formerly DSF International Holdings Limited)	Australia	-	-
Subsidiaries of Niuminco Group Limited			
Tiger Minerals Pty Ltd	Australia	100%	100%
Carpentaria Fishing Company Pty Ltd	Australia	100%	100%

On 10 August 2011, Niuminco Limited and its subsidiaries became wholly owned subsidiaries of Niuminco Group Limited (formerly DSF International Limited). Please refer to note 23 for further details.

13. EXPLORATION AND EVALUATION EXPENDITURE

NON-CURRENT

Exploration Licences	-	208
Share based payment	-	132,733
Exploration and evaluation expenditure	-	182,691
	-----	-----
	-	315,632
	=====	=====

Movements in carrying amounts

Movement in the carrying amounts of exploration and evaluation expenditure between the beginning and the end of the current financial year.

	2011 \$	2010 \$
Balance at the beginning of year	315,632	63,142
Additions	17,524	411,955
Less impairment charge	(333,156)	(159,465)
	-----	-----
Carrying amount at the end of year	-	315,632
	=====	=====

Following the decision in February 2011 to not accept the revised terms of offer by the Grey Dam vendors the group no longer has any interest in the Grey Dam tenements and accordingly \$333,156 of previously capitalised exploration expenditure has been written off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED (formerly DSF International Holdings Limited)

	2011 \$	2010 \$
14. TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured liabilities		
Trade payables	189,038	15,072
Sundry payables and accrued expenses	115,595	258,009
	<u>304,634</u>	<u>273,081</u>
	=====	=====

15. ACCUMULATED LOSSES

Movements in accumulated losses were as follows:

Balance at beginning of financial year	(596,677)	(148,036)
Net loss for the year	<u>(1,108,588)</u>	<u>(448,641)</u>
Balance at end of financial year	<u>(1,705,265)</u>	<u>(596,677)</u>

16. ISSUED CAPITAL

12,104,330 (2010 – 182,085,401) fully paid ordinary shares	1,198,130	757,355
	=====	=====

(a) Movement in ordinary shares

	2011 No.	2010 No.	2011 \$	2010 \$
At the beginning of the reporting period	182,085,401	159,580,345	757,355	494,704
Shares issued	60,000,000	22,500,000	440,775	262,500
Share-based payment	-	-	-	-
Capital consolidation (1 for 20)	(229,981,071)	-	-	-
Options exercised	-	5,056	-	151
	<u>12,104,330</u>	<u>182,085,401</u>	<u>1,198,130</u>	<u>757,355</u>
	=====	=====	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

16. ISSUED CAPITAL (continued)

(b) Share options issued

At the year end there were 8,756,414 issued options outstanding (2010: 170,127,433 pre-consolidation options or 8,506,414 post-consolidation options). The above balance does not include options granted to Messrs Davis, Plimer and Willstedt (10,000,000 in total) which are subject to approval by shareholders at the Annual General Meeting of the Company. During the year no options were exercised (2010: 5,056). During the year there was a 1 for 20 consolidation of the options.

Options issued to equity holders are summarised in the table below. Note 17 details the share based payment options issued and outstanding at year end.

	Grant Date	Expiry date	Exercise price	Balance at beginning of period Number	1 for 20 consolidation Number	Exercised during the period Number	Expired during the period Number	Balance at end of period Number	Vested and exercisable at end of period Number
2011 year									
Listed options	22/12/08	31/12/12	\$0.60	70,127,433	(66,621,021)	-	-	3,506,412	3,506,412
Unlisted options	10/11/08	31/12/12	\$0.40	18,000,000	(17,100,000)	-	-	900,000	900,000
Unlisted options	10/11/08	31/12/12	\$0.60	26,000,000	(24,700,000)	-	-	1,300,000	1,300,000
Unlisted options	10/11/08	31/12/12	\$1.00	30,000,000	(28,500,000)	-	-	1,500,000	1,500,000
				144,127,433	(136,921,021)	-	-	7,206,412	7,206,412
Weighted average exercise price				\$0.03	\$0.66	-	-	\$0.66	\$0.66
	Grant Date	Expiry date	Exercise price	Balance at beginning of period Number	Granted during the period Number	Exercised during the period Number	Expired during the period Number	Balance at end of period Number	Vested and exercisable at end of period Number
2010 year									
Listed options	22/12/08	31/12/12	\$0.03	70,132,489	-	(5,056)	-	70,127,433	70,127,433
Unlisted options	10/11/08	31/12/12	\$0.02	18,000,000	-	-	-	18,000,000	18,000,000
Unlisted options	10/11/08	31/12/12	\$0.03	26,000,000	-	-	-	26,000,000	26,000,000
Unlisted options	10/11/08	31/12/12	\$0.05	30,000,000	-	-	-	30,000,000	30,000,000
				144,132,489	-	(5,056)	-	144,127,433	144,127,433
Weighted average exercise price				\$0.03	-	\$0.03	-	\$0.03	\$0.03

The options above have been issued to equity holders as part of previous capital raising completed by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

16. ISSUED CAPITAL (continued)

(c) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

(d) 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.

The group incurred a net loss of \$1,108,588 during the year ended 30 June 2011 and, as of that date the consolidated entity's current liabilities exceeded its current assets by \$277,185. However, since balance date the group has raised \$12,000,000 (which comprised \$8,296,219 in cash and \$3,703,781 in debt conversion) under the prospectus dated 14 June 2011 which closed in 29 July 2011 and after the payment of outstanding creditors of the group, the group will have sufficient funds to continue as a going concern (refer Note 23).

17. SHARE-BASED PAYMENTS

(a) Shares issued under a share based payment arrangement during the year

Shares issued during the year were in payment of accrued directors' fees (\$250,000) and conversion of a loan from Viaticus Capital Pty Ltd (\$50,000).

	2011 Number	2011 Fair value per Share	2011 Total fair value \$
Share-based payments issued during the year (pre-consolidation shares)	40,000,000	0.75 cents	300,000
	2010 Number	2010 Fair value per Share	2010 Total fair value \$
Share-based payments issued during the year	7,500,000	1.5 cents	112,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

17. SHARE-BASED PAYMENTS (continued)

(b) Employee options

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

	Grant Date	Expiry date	Exercise price	Balance at beginning of period Number	1 for 20 consolidation Number	Granted during the period Number	Expired during the period Number	Balance at end of period Number	Vested and exercisable at end of period Number
2011 year									
Unlisted options	10/11/08	31/12/12	\$0.40	12,000,000	(11,400,000)	-	-	600,000	600,000
Unlisted options	10/11/08	31/12/12	\$0.60	4,000,000	(3,800,000)	-	-	200,000	200,000
Unlisted options	10/11/08	31/12/12	\$1.00	10,000,000	(9,500,000)	-	-	500,000	500,000
Unlisted options (*)	9/05/11	30/03/14	\$0.30	-	-	5,000,000	-	5,000,000	5,000,000
Unlisted options (*)	9/05/11	30/09/13	\$0.30	-	-	5,000,000	-	5,000,000	5,000,000
				<u>26,000,000</u>	<u>(24,700,000)</u>	<u>10,000,000</u>	<u>-</u>	<u>11,300,000</u>	<u>11,300,000</u>
Weighted average exercise price				\$0.03	-	\$0.30	-	\$0.34	\$0.34

(*) The issue of these options is subject to approval by the shareholders at the next general meeting of the company.

	Grant Date	Expiry date	Exercise price	Balance at beginning of period Number	Granted during the period Number	Exercised during the period Number	Expired during the period Number	Balance at end of period Number	Vested and exercisable at end of period Number
2010 year									
Unlisted options	10/11/08	31/12/12	\$0.02	12,000,000	-	-	-	12,000,000	12,000,000
Unlisted options	10/11/08	31/12/12	\$0.03	4,000,000	-	-	-	4,000,000	4,000,000
Unlisted options	10/11/08	31/12/12	\$0.05	10,000,000	-	-	-	10,000,000	10,000,000
				<u>26,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,000,000</u>	<u>26,000,000</u>
Weighted average exercise price				\$0.03	-	-	-	\$0.03	\$0.03

The weighted average remaining contractual life of share options outstanding at the end of the period was 1.91 years (2010: 2.51 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

17. SHARE-BASED PAYMENTS (continued)

(b) Other share based payments options

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

	Grant Date	Expiry date	Exercise price	Balance at beginning of period ^ Number	1 for 20 consolidation Number	Exercised during the period Number	Expired during the period Number	Balance at end of period Number	Vested and exercisable at end of period Number
2011 year									
Unlisted options	1/12/09	31/12/12	\$0.40	5,000,000	(4,750,000)	-	-	250,000	250,000
				5,000,000	(4,750,000)	-	-	250,000	250,000
Weighted average exercise price				\$0.02	\$0.02	-	-	\$0.40	\$0.40
	Grant Date	Expiry date	Exercise price	Balance at beginning of period Number	Granted during the period Number	Exercised during the period Number	Expired during the period Number	Balance at end of period Number	Vested and exercisable at end of period Number
2010 year									
Unlisted options	1/12/09	31/12/12	\$0.02	-	5,000,000	-	-	5,000,000	5,000,000
				-	5,000,000	-	-	5,000,000	5,000,000
Weighted average exercise price				-	\$0.02	-	-	\$0.02	\$0.02

The weighted average remaining contractual life of share options outstanding at the end of the period was 1.51 years (2010: 2.51 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

17. SHARE-BASED PAYMENTS (continued)

(c) Options (continued)

Fair value of options granted

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	9/5/11	9/5/11	1/12/09
Expiry date	30/9/13	30/3/14	31/12/12
Dividend yield (%)	-	-	-
Expected volatility (%)	80	80	140
Risk-free interest rate (%)	4.75	4.75	3.5
Expected life of options (years)	2.40	2.89	3.08
Underlying share price (\$)	0.20	0.20	0.01
Option exercise price (\$)	0.30	0.30	0.02
Value of Option (\$)	0.061	0.071	0.007

The expected price volatility is based on analysis of volatility of a group of peer companies (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense amounts to \$209,717 (2010: \$20,233):

18. RESERVES

(a) Movements

Share Based Payments

	2011 \$	2010 \$
Balance at the beginning of year	20,233	-
Option Expense	209,717	20,233
Balance at the end of year	229,950	20,233

(b) Nature and Purpose of Reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued but not exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

19. CONTINGENT LIABILITIES

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

20. SEGMENT REPORTING

The consolidated entity does not have any operating segments with discrete financial information. During the year the group operated only in Australia. The Board of Directors (who is also assuming the role of the chief decision maker) reviews internal management reports that are consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

	2011 \$	2010 \$
21. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit/(loss) after income tax		
Loss after income tax	(1,108,588)	(448,641)
Non cash flows in profit		
Operating liabilities settled in shares	250,000	-
Share based payment	194,950	-
Impairment Expense	333,156	159,465
Changes in assets and liabilities		
(Increase)/decrease in trade & term receivables	-	792
(Increase)/decrease in prepayments	(7,013)	3,326
(Increase)/decrease in net GST receivable	10,382	13,662
Increase/(decrease) in trade payables and accruals	31,553	119,404
	<hr/>	<hr/>
Cashflow from operations	(295,560)	(151,992)
	=====	=====

Non-cash items: Share issue costs of \$112,500 were settled with shares in 30 June 2010 (refer to note 17).
Loan from related parties amounting to \$50,000 were settled with shares during the year ended 30 June 2011 (refer note 24 and note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

22. PARENT ENTITY INFORMATION

The following details information related to the parent Entity, Niuminco Group Limited, at 30 June 2011. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	PARENT ENTITY	
	2011	2010
	\$	\$
Current assets	368,385	138,361
Non-current assets	69,522	384,131
Total Assets	<u>437,907</u>	<u>522,492</u>
	=====	=====
Current liabilities	645,570	273,081
Non-current liabilities	181,653	182,757
Total liabilities	<u>827,223</u>	<u>455,838</u>
	=====	=====
Contributed equity	1,198,130	757,355
Accumulated losses	(1,817,396)	(710,934)
Reserve – share based payments	229,950	20,233
Total equity	<u>(389,316)</u>	<u>66,654</u>
	=====	=====
Loss for the year	(1,106,462)	(279,832)
Other comprehensive income net of tax for the year	-	-
Total comprehensive income net of tax for the year	<u>(1,106,462)</u>	<u>(279,832)</u>
	=====	=====

As indicated in Note 1b, the directors have prepared the financial statements on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The group incurred a net loss of \$1,106,462 during the year ended 30 June 2011. However, since balance date the company has raised \$12,000,000 (which comprised \$8,296,219 in cash and \$3,703,781 in debt conversion of convertible notes into shares which were owed by Niuminco Ltd on that date) under the prospectus dated 14 June 2011 which closed in 29 July 2011 and after the payment of outstanding creditors of the group, the company will have sufficient funds to continue as a going concern (refer Note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

23. EVENTS AFTER THE REPORTING DATE

On 9 May 2011 a General Meeting of the Company's Shareholders' approved a share consolidation, the changing of the name of the Company to "Niuminco Group Limited", a change in the nature and scale of the Company business and the issue of shares and options to complete the acquisition of Niuminco Ltd and the raising of additional funds. The following key events occurred after the General Meeting:

- The 1 for 20 consolidation of the Company's share capital occurred on 23 May 2011 and is set out in Note 16.
- On 14 June 2011 the Company issued a Prospectus for a public offering of 75,000,000 ordinary shares with one option for every 2 shares subscribed for in the Offer.
- As at 30 June 2011 \$320,000 application monies had been received under the Prospectus and were held in a Share Offer Account.
- On 29 July 2011 the Company announced that it had achieved the minimum subscription of \$12,000,000 under the Prospectus dated 14 June 2011 and the Supplementary Prospectus dated 12 July 2011 and closed the Offer. The minimum subscription comprised \$8,296,219 in cash and \$3,703,781 by way of the conversion of convertible notes into shares which were owed by Niuminco Ltd on that date.
- On 5 August 2011 the Company changed its name to Niuminco Group Limited.
- On 10 August 2011 the Company issued the following shares and options in order to finalise the capital raising and to settle the acquisition of Niuminco Ltd:
 - In relation to the \$12,000,000 minimum subscription, the Company issued 60,000,000 ordinary shares and 30,000,000 twenty cent options expiring 30 September 2012.
 - In relation to the acquisition of Niuminco Ltd, the Company issued a total 108,538,178 ordinary shares to the shareholders of Niuminco Ltd. In addition, the Company also issued 4,860,000 ordinary shares and 37,150,000 options to various parties associated with the transaction in order to complete the acquisition of Niuminco Ltd.
 - Following these transactions the Company has 185,502,508 issued ordinary shares and 75,906,414 options with various exercise prices and expiry dates.
- On 10th August 2011 Niuminco Ltd and its subsidiaries became wholly owned subsidiaries of the Company.
- On 30 August 2011 the Company was re-quoted on the ASX under the ASX code NIU.

The acquisition of Niuminco Ltd will have a material impact on the financial statements of the Group going forward. For accounting purposes this transaction represents a capital transaction of Niuminco Ltd whereby it has issued new shares for the net monetary assets of the Company followed by a recapitalisation. Although this is not considered to be a business combination under AASB 3 *Business Combinations*, the consolidation of the Company and Niuminco Ltd will be accounted for on the basis of reverse acquisition accounting principles since the previous shareholders of Niuminco Ltd through their newly acquired Niuminco Group Limited's shares control the new combined entity.

Accordingly, the consolidated financial statements of the group going forward will reflect a continuation of Niuminco Ltd's financial statements. Comparatives will also be those of Niuminco Ltd. No fair value adjustments will be made to the assets and liabilities of Niuminco Ltd on the basis that the new combined entity is essentially the same economic entity pre and post the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

23. EVENTS AFTER THE REPORTING DATE (Continued)

Niuminco Ltd is an unlisted Australian public company and had an operating but loss making gold mining operation at Edie Creek in the Bulolo gold mining area in Papua New Guinea. The mine is currently on care and maintenance. Niuminco Ltd also had through a subsidiary 3 prospective exploration Licenses at May River, Bololip and Kubuna. The main assets of Niuminco comprise exploration assets for the various interests it has in Papua New Guinea.

Since the re-quotation of the Company's shares on ASX and the release of funds raised under the prospectus amounting to \$8,296,219, the group has paid the costs of the capital raising and approximately \$2,000,000 to outstanding creditors of Niuminco Group Limited, Niuminco Ltd and its PNG subsidiaries. Additionally, \$3,703,781 convertible notes owed by Niuminco Ltd were converted into shares and Niuminco Ltd's creditors were therefore reduced by that amount. As at the date of this report, the cash balance of the group amounts to approximately \$5,000,000 and sufficient funds are available for the group to continue as a going concern and continue its exploration activities in Papua New Guinea.

As at the date of this report, the initial accounting for the capital transaction with Niuminco Limited has not been finalised and as a result it is not possible to provide further details of the post transaction balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NIUMINCO GROUP LIMITED

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24. RELATED PARTY TRANSACTIONS

(a) Parent entity

The parent entity within the group is Niuminco Group Limited (formerly DSF International Limited).

(b) Subsidiaries

Interests in subsidiaries are set out in note 12.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 5.

(d) Transactions with related parties

- 1) During the period the Company paid Albion Capital Partners \$6,000 (2010: \$30,276) for company secretarial and accounting services, \$nil (2010: \$36,000) for administration and bookkeeping fees. G Rezos is a related party to Albion Capital Partners.
- 2) During the period \$33,188 (2010: \$1,700) was paid or payable to Blackwood Pty Ltd, a related party of N Donovan, for consulting fees.
- 3) During the period \$nil (2010: \$8,360) was paid to Australian Renewable Energy Pty Ltd, a related party of W Witham for geology consulting fees and \$nil (2010:\$384) for reimbursement of travel expenses.
- 4) During the period the Company paid Viaticus Capital Pty Ltd \$71,366 for consulting fees and transaction services to complete the Niuminco transaction. Viaticus Capital Pty Ltd is a related party of G Rezos.
- 5) On 10th May 2010 the Company signed a consultancy agreement with Alan Davis Pty Limited for the services of Mr Andrew Davis. To 30th June 2011 fees of \$42,740 were accrued under this agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NIUMINCO GROUP LIMITED

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24. RELATED PARTY TRANSACTIONS (Continued)

(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:

	2011 \$	2010 \$
Blackwood Pty Ltd	5,708	514
Viaticus Capital Pty Limited	28,003	50,000
Accrued directors' and chairman's fees	81,958	187,300
Total Trade and other payables	<u>115,669</u> =====	<u>237,514</u> =====

(f) Loans to/from related parties

Loans from Niuminco Ltd

Beginning of the year	-	-
Loans advanced	20,936	-
End of year	<u>20,936</u> =====	<u>-</u> =====

Loans from Viaticus Pty Ltd

Beginning of the year	-	-
Loans advanced	116,348	-
Loan repayments made	(116,348)	-
Interest charges	1,825	-
Interest paid	(1,825)	-
End of year	<u>-</u> =====	<u>-</u> =====

(g) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. The average interest rate on loans during the year was 8.75% (2010: Nil).

Outstanding balances are unsecured and are repayable in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

25. FINANCIAL RISK MANAGEMENT

a. Financial risk management policies

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

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. It utilises a combination of at call fixed financial instruments to assist in liquidity. 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 cashflows.

	Less than 6 months		6–12 months		12–24 months	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Consolidated Group						
Trade creditors	189,098	141,753	-	81,328	-	-
Borrowings	20,936	-	-	-	-	-
Other Creditors and Accruals	115,595	-	-	50,000	-	-
Total	325,570	141,753	-	131,328	-	-

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

Cash & cash equivalents	2.30%	(2010: 1.66%)
Borrowings	8.75%	(2010: nil)

Credit risk

Credit risk is managed on a group basis. It arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

25. FINANCIAL RISK MANAGEMENT (continued)

a. Financial risk management policies (continued)

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:

	2011 \$	2010 \$
Cash at Bank	350,418	117,024
<i>Credit rating - 'A'.</i>		

Interest rate risk

Sensitivity to changes in interest rates is normally only relevant to financial assets or financial liabilities bearing floating interest rates. However, sensitivity will also be relevant to fixed rate financial assets and financial liabilities which are remeasured to fair value.

Sensitivity

At 30 June 2011, if interest rates had increased / decreased by 1% from the year end variable rates with all other variables held constant, post tax profit and equity for the group would have been \$736 higher/\$736 lower (2010: changes of 1% \$1,824 higher/\$1,824 lower).

The 1% (2010: 1%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical RBA movements over the last year.

Price risk and foreign exchange risk

The group is not exposed to any material commodity price risk or foreign exchange risk.

b. Financial instruments

Fair Values

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

DIRECTORS' DECLARATION

NIUMINCO GROUP LIMITED

(formerly DSF International Holdings Limited)

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 60 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 2011 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 required by section 295A of the *Corporations Act 2001*.

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



A.A.Davis
Executive Chairman

Dated this 30th day of September 2011

Independent auditor's report to the members of Niuminco Group Limited (formerly DSF International Holdings Limited)

Report on the financial report

We have audited the accompanying financial report of Niuminco Group Limited (formerly DSF International Holdings Limited) (the company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Niuminco Group Limited (formerly DSF International Holdings Limited) Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

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



Auditor's opinion

In our opinion:

- (a) the financial report of Niuminco Group Limited (formerly DSF International Holdings Limited) is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 20 to 24 of the directors' report for the year ended 30 June 2011. 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.

Auditor's opinion

In our opinion, the remuneration report of Niuminco Group Limited (formerly DSF International Holdings Limited) for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of Niuminco Group Limited (formerly DSF International Holdings Limited) for the year ended 30 June 2011 included on Niuminco Group Limited (formerly DSF International Holdings Limited) web site. The company's directors are responsible for the integrity of the Niuminco Group Limited (formerly DSF International Holdings Limited) web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'B Entwistle'.

Brett Entwistle
Partner

Sydney
30 September 2011

ADDITIONAL INFORMATION

The distribution of members and their holdings at 8 September 2011 was as follows:-

NAME OF 20 LARGEST ORDINARY SHAREHOLDERS	NUMBER OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
VICTORIA PARK INVESTMENTS PTY LIMITED	44,309,400	23.89%
MINCOR RESOURCES NL	25,000,000	13.48%
DALRAE PTY LTD	13,043,837	7.03%
MICHAEL HOLDINGS PTY LTD	12,000,864	6.47%
NEPEAN ENGINEERING SUPER FUND	8,356,405	4.50%
MANTLE SUPER FUND	7,800,000	4.20%
ESCALARA COPORATION PTY LTD	5,204,000	2.81%
WOLIN INVESTMENTS PTY LTD	4,920,845	2.65%
AYMON PACIFIC PTY LTD	4,036,667	2.18%
MCCONAGHY SUPER FUND	3,988,305	2.15%
WARMAN INVESTMENTS PTY LTD	3,809,524	2.05%
MELANESIAN RESOURCES LIMITED	3,592,828	1.94%
MR TREVOR NEALE	3,160,000	1.70%
WESTERN LIVESTOCK LIMITED	2,885,714	1.56%
VELDT INVESTMENTS LIMITED	2,380,952	1.28%
HARCODE PTY LIMITED	2,362,500	1.27%
UBS WEALTH MANAGEMENT	2,350,000	1.27%
MS LOETITA TIBI	1,564,626	0.84%
MR W ROTHERY & MRS M JANE	1,088,435	0.59%
CELTIC CAPITAL PTY LTD	1,031,864	0.56%
	152,886,766	82.42%

MARKETABLE PARCEL

At 8 September 2011, 292 shareholders held less than a marketable parcel.

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.

DISTRIBUTION OF SHAREHOLDERS

	Shareholders
1 - 1,000 shares	224
1,001 - 5,000 shares	87
5,001 - 10,000 shares	330
10,001 - 100,000 shares	164
100,001 and over	91
Total Ordinary Shareholders	896

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders at 8 September 2011 are:

Victoria Park Investments Pty Ltd	44,309,400
Mincor Resources NL	25,000,000
Dalrae Pty Ltd	13,043,837
Michael Holdings Pty Ltd	12,000,864

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.

LIST OF TENEMENTS HELD BY THE GROUP

At 30 June 2011 the Company had no interest in any tenements.