



Niuminco Group Limited

QUARTERLY ACTIVITIES REPORT MARCH QUARTER 2016

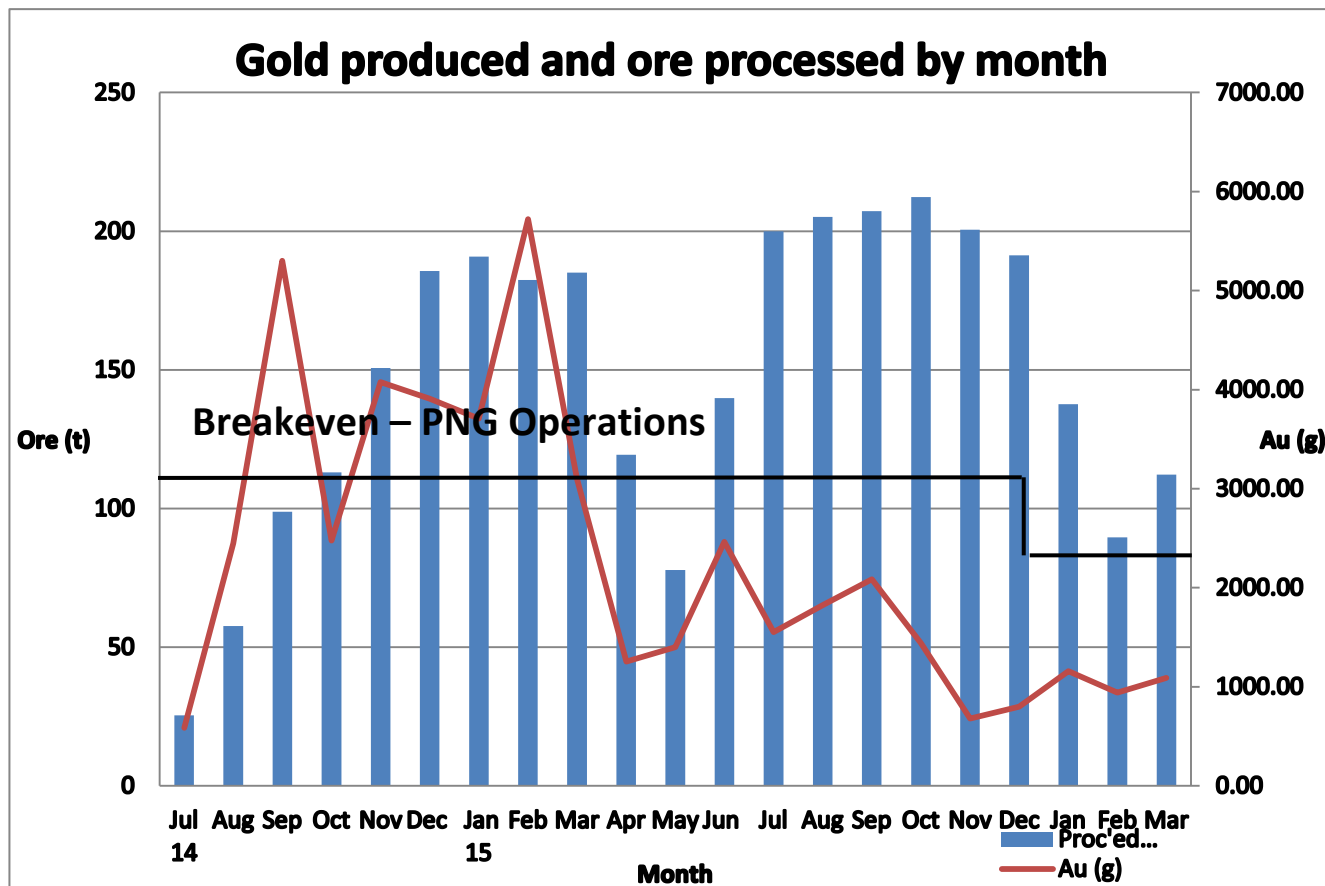
HIGHLIGHTS AND SIGNIFICANT EVENTS

- **Renewal of highly prospective exploration licences EL 1441 (May River – adjoins Freida River) and EL 1438 (Bolobip – 60km east of Ok Tedi) for a further 2 year period.**
- **Edie Creek production for the Quarter was 3189 grams (103 ounces) of gold and 2649 grams (85.3ounces) of silver for sales of AUD\$160,000 (PGK351,593)**
- **Ore processing volumes were down during installation of new plant and averaged 3.7 tonnes per day for the Quarter. The average gold grade for the Quarter was 9.4 grams per processed tonne of ore, with very fine grained gold presenting a recovery challenge.**
- **Concentrator plant, sump pump and slurry pump installed and commissioned . Crusher delivered in late March with installation and commissioning underway.**
- **Encouraging assay results received for samples from Alpha West, Karuka and Enterprise vein systems.**
- **Development of open pits over the Mounts, Alpha West and Karuka vein systems progressed, with ore being sourced from all three systems.**

PAPUA NEW GUINEA PROPERTIES

Edie Creek Mine

Mining and production Update



Production for the period 1 January to 31 March, 2016 was 3189g (103 ounces) of gold and 2649g (85.2 ounces) of silver for total sales of AUD\$160,000 (PGK351,593)

A total of 339.4 wet tonnes of ore was processed at an average grade of 9.4 grams per processed tonne of ore.

These lower processing levels, averaging approximately 3.7 tonnes per day during the Quarter, were a result of disruptions due to installation and testing of the concentrator plant.

The concentrator plant, a new slurry pump and a new sump pump were installed and commissioned during the Quarter and are now being test run. The crusher also arrived in late March and is currently being installed and commissioned, along with a vibrating screen.

Sampling assay results of feed ore and tailings over the Quarter indicate continuing challenges with the recovery of very fine gold. This issue is being addressed with the addition of a ball mill discharge screen, shaker tables, the planned addition of a Knelson concentrator in series with the recently installed concentrator plant and the reprocessing and/or stockpiling of the tailings.

Further investigations and evaluation of cyanidation processing is also continuing.

At current gold prices and exchange rates, and as a result of further cost reductions, the current operating cost break-even production level at Edie Creek is approximately 2350 grams (76 ounces) of gold per month.

Bolobip and May River Exploration Licences

Both the highly prospective May River and Bolobip exploration licences (EL 1441 and EL 1438 respectively) were renewed for a further 2 year period from 18 September, 2015 to 17 September, 2017.

TNT MINES LIMITED

Niuminco Group Limited owns 72.54% of and manages, TNT Mines Limited (TNT). TNT holds a suite of advanced exploration areas in northern Tasmania prospective for tin and tungsten.

During the Quarter TNT relinquished tenement RL63/2004(Montana Flats/Oonah).

CORPORATE

The Board and Management continue to pursue suitable and appropriate funding strategies and options to advance the Group's Papua New Guinea and TNT Mines Limited projects. To this end, the Company is planning a capital raising and will make further announcements in the near future.

Management's focus remains on increasing the quantity of ore mined and processed and the recovery of fine gold, with consequential gold production and sales increases at Edie Creek. This is to be achieved through completion and enhancement of the comminution and processing circuit, and the continuing development and exploitation of the four (4) known vein systems to ensure reliable sources of medium to high grade ore. To assist in this, and subject to funding, the Company plans to continue with its extension and resource drilling program at Edie Creek during the current quarter.



Mark Ohlsson
Company Secretary
29 April, 2016

The information in this report that relates to exploration results is based on Information reviewed by Ian Plimer (BSc [Hons], PhD) who is a Fellow of the Australasian Institute of Mining and Metallurgy. Professor Plimer is a director of Niuminco Group Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He consents to the inclusion in the report of the matters based on this information in the form and context in which it appears

SCHEDULE OF TENEMENTS

Permit Type	Permit Number	Location	Held Via	Beneficial %	Agreement Type
NIUMINCO GROUP LIMITED – PAPUA NEW GUINEA ASSETS					
Exploration licence	EL 1438	Bolobip	Niuminco (ND) Limited	100	
Exploration licence appl'n	ELA 2363	Hotmin	Niuminco (ND) Limited	100	
Exploration licence	EL 2365	Ama	Niuminco (ND) Limited	100	
Exploration licence appl'n	ELA 2364	Wameimin	Niuminco (ND) Limited	100	
Exploration licence	EL 2362	Fagobip	Niuminco (ND) Limited	100	
Exploration licence	EL 1441	May River	Niuminco (ND) Limited	100	
Mining lease	ML 144	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited	83	Joint venture
TNT MINES LIMITED – TASMANIAN ASSETS*					
Exploration licence	EL27/2004	Aberfoyle Storeys Creek Royal George	TNT Mines Limited	100	
Retention licence	RL2/2009	Great Pyramid	TNT Mines Limited	100	

* Niuminco Group Limited has a 72.54% interest in TNT Mines Limited.