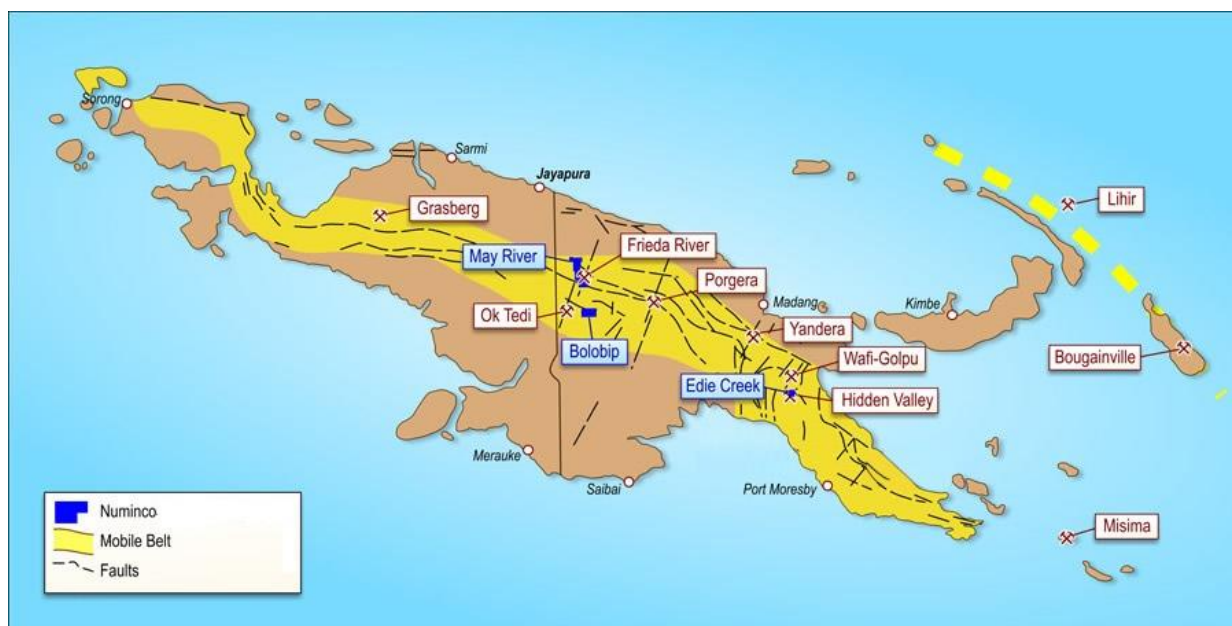




Niuminco Group Limited

JUNE 2018 QUARTERLY ACTIVITIES REPORT

Niuminco Group Limited's objective is to establish a substantial resource base in Papua New Guinea and Australia whilst developing its Edie Creek Mine into a successful and profitable mining operation.



HIGHLIGHTS

- **Testing of, and modifications to, the new processing equipment and circuit continued** at Edie Creek, including the delivery and installation of a new, larger vibrating feeder.
- **Delivery taken of a further two Komatsu D85 bulldozers** and one **40 tonne articulated tip truck** from adjacent Hidden Valley mine.
- **Funding and acquisition of a new 6tonne excavator and a second-hand Kawasaki wheel loader**, with delivery taken subsequent to Quarter end.
- **A significant new vein discovered in the Enterprise-Karuka diatreme/stockwork area.**
- **\$170,000 (gross) capital raised from share placements** to sophisticated investors.

PAPUA NEW GUINEA PROPERTIES

Edie Creek Mine Mining and Production Update

At the Edie Creek Mine, the Company continued testing and modifying the new processing plant and circuit following installation of the new vibrating feeder, including rewinding the concentrator plant pump's electric motor and repairing the mill discharge pump. The new vibrating feeder demonstrated its ability to deliver 5tph to the ball mill during test-running.

During the Quarter limited gold/silver mining and production continued with the ball mill and concentrator circuit being test-run for 20 days or 88 hours.

In this period 374 tonnes of wet material was processed at an average grade of 2.01g/t to produce 751.1g of gold (24.2 ounces Au) and 728.7g of silver (23.4 ounces Ag) for quarterly sales of AUD\$40,495.

Delivery was taken of two second-hand Komatsu D85 bulldozers and a 40t Komatsu HM 400 articulated tip-truck with the rebuilding of the Komatsu D65 bulldozer engine nearing completion, adding significant capacity to the mining operations going forward.



One of the 2 Komatsu D85 bulldozers delivered from Hidden Valley during the Quarter.

In addition, the Company completed the funding and acquisition of a new 6 tonne excavator and a second-hand Kawasaki wheel-loader, which were delivered to site subsequent to the Quarter-end.



6 tonne JCB excavator at Edie Creek

The mine is currently ramping up the quantity of material mined and processed to the targeted 40-60 tonnes per day as commissioning and test-running of the new feeder and material feed set-up is carried out, and the new mobile mining equipment is put into operation.



Newly arrived Kawasaki loader at Edie Creek

Mining efforts are currently being prioritized towards the Alpha West (main Edie Lode), Surmans and Karuka areas, notwithstanding the reasonable levels of further development work required.

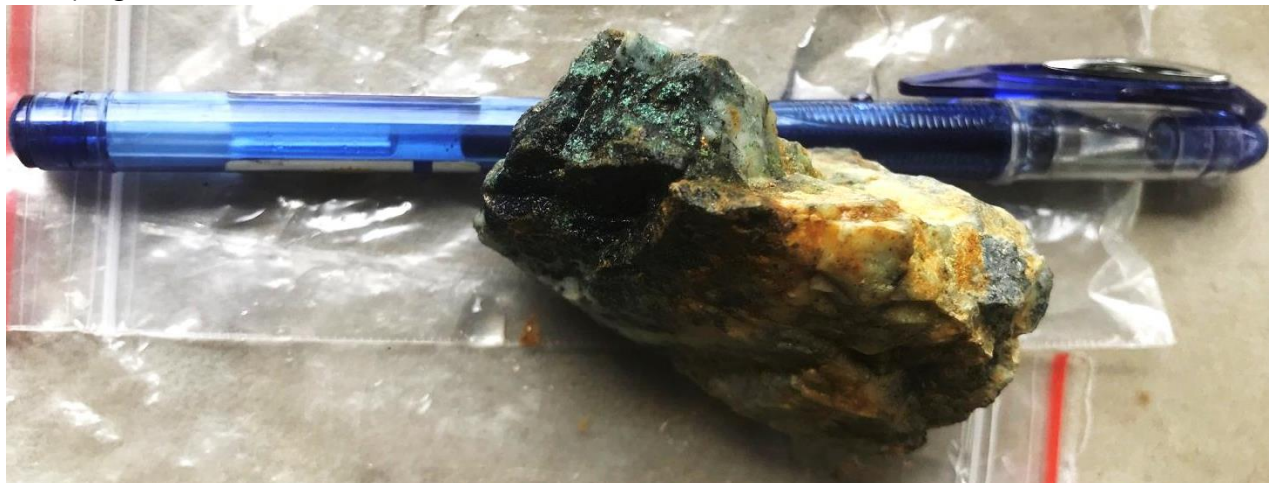
Edie Creek Exploration

Following recent further field work and drill-hole planning by our geological team in the Enterprise-Karuka diatreme/stock-work area, **a significant new 7m wide quartz limonite sulphide vein structure** (including 2m puggy clay shear on the hanging wall) was discovered (pictured below). This vein is thought to be the south-bounding structure of the Karuka stock-work zone which is estimated to be approximately 100m wide. Samples have been taken and will be sent for assay in the immediate future.



Newly discovered 7m wide quartz vein in the Karuka stock-work area.

Additionally, rock samples from the Enterprise area (pictured below) **with visible copper minerals** were collected, and again the samples will shortly be sent for assaying.



BOLOBIP AND MAY RIVER EXPLORATION LICENCE

During the Quarter the Company received consent to the granting of a new exploration licence, EL 2527 at May River. This tenement, which adjoins our EL 1441 to the north and east, also adjoins PanAust/Highland's Pacific's Frieda River tenements.

One of the Company's LongYear 38 drill rigs is in Kiunga (Western Province) awaiting helicopter lifting to the Bolobip drill site. A second company LongYear 38 drill rig is presently in Lae, awaiting shipment to May River.

CORPORATE

The Company raised \$170,000 (gross) from share placements to sophisticated investors during the Quarter and subsequent to the Quarter-end a non-renounceable rights issue raised \$309,937 (gross). The Board is currently in discussions to place some of the shortfall shares to raise a further \$200-250,000 approximately.

At the Edie Creek Mine management continues to focus on increasing the processing plant throughput, maintaining and upgrading the mining equipment and expanding the current exploration work. Subject to funding, the highly prospective Bolobip and May River projects will continue to be advanced.

The Board is continuing to reduce administrative and operating costs wherever possible (including the Directors' previously announced fee reductions), whilst exploring opportunities and continuing discussions with potential joint-venture partners on the projects.

Tracey Lake
Managing Director

31 July, 2018

The information in this report that relates to exploration results is based on Information reviewed by John Nethery (BSc Dip Ed.) who is a Fellow of the Australasian Institute of Mining and Metallurgy (Chartered Professional) and a Fellow of the Australian Institute of Geoscientists. Mr Nethery 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	EL 2527	May River	Niuminco (ND) Limited	100	
Exploration licence	EL 1441	May River	Niuminco (ND) Limited	100	
Mining lease	ML 144	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 380	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 384-392	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 402-410	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 444-446	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	
Mining lease	ML 462	Edie Creek	Niuminco Edie Creek Limited Niuminco EC Ltd	83 17	

