Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

NIUMINCO GROUP LIMITED (and subsidiaries)

ABN	Quarter ended ("current quarter")
44 009 163 919	30 September 2020

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	120	120
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(3)	(3)
	(b) development	(15)	(15)
	(c) production	(28)	(28)
	(d) staff costs	(81)	(81)
	(e) administration and corporate costs	(52)	(52)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material) -GST	26	26
1.9	**Net cash from / (used in) operating activities**	**(37)**	**(37)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments	-	-
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	18	18
3.6	Repayment of borrowings	(3)	(3)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**15**	**15**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	29	29
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(37)	(37)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	15	15

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3months) $A'000
4.5	Effect of movement in exchange rates on cash held	()	()
4.6	**Cash and cash equivalents at end of period**	**7**	**7**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	7	29
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**7**	**29**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	5
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

- Goward Pty Ltd, a company related to Mr Tracey Lake, received $4,900 in fees under its service agreement.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1423	1423
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	1423	1423

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company entered into a "Deed of Advance" with AMD Resources Limited in May 2019. The advance of $238,000 (in cash and kind) is secured and interest free. The facility terminated on 31 October, 2019 and is the subject of repayment negotiations.

A $250,000 (plus $30,000 capitalised interest) secured loan/convertible note facility was entered into with Sydney Metro Fund on 28 October, 2019 for a 12 month period with interest capitalised at a rate of 12%pa. A Conversion notice was received on 28 October 2020 and shares are to be issued.

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

Two of the Company's PNG subsidiaries have equipment finance facilities;

- A secured chattel mortgage facility with Credit Corporation Finance Limited with a balance at June 2020 of $542,000 at an interest rate of 14%pa.The facility expired in September 2020 and is the subject of negotiations at present.
- A secured chattel mortgage facility with Resource Investment Finance Limited with a balance of approx.$44,000 at September 2020, at an interest rate of 15%pa with an expiry date of June 2021.

The Company's directors or their related entities have unsecured loans totalling $114,124 (and outstanding fees totalling $800,573) owing to them at September 2020. The loan and fee amounts are as follows:

- Goward Pty Ltd (related to Mr Tracey Lake) $608,313; and,
- L Chartres $59,600; and,
- Inkex Pty Ltd (related to Prof. Ian Plimer) $164,724; and,
- Nedex Pty Ltd (related to Mr John Nethery) $82,060.

The loans and fees are at nil interest and the directors have agreed not to request repayment until the Company has sufficient cash reserves to do so. It is the intention of the directors to convert these loans and fees to equity in any entitlement offer.

Note: The finance facilities figures do not include the capitalised interest component of the two term loans and the unused facilities do not include the unused capitalised interest component of the two $250,000 term loans.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(37)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(37)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	7
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	7
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	Nil

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company expects that its net operating cash flows will be within the range of the March and June Quarters' figures.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the Company proposes to raise further equity and/or debt finance, and believes it will be successful.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives as a result of its mining operations and proposed capital and/or debt finance raisings.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October, 2020

Authorised by: By the board.
(Name of body or officer authorising release – see note 4)

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Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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