GRASS ROOTS EXPLORATION

**Name:** Eddie Creek  
**Location:** Various Exploration Licences throughout the country  
**Operator:** Niuminco  
**Ownership:** Niuminco  
**Status:** Scoping, almost to pre-feasibility.

**GENERAL**

Niuminco Ltd is an up and coming grass roots explorer. It has acquired Exploration Licenses in some of the most prospective areas of Papua New Guinea.

A multi deposit producer with steady stream of advanced projects moving to development; whose exploration interests are in gold, copper/gold and nickel/cobalt.

Niuminco controls, manages and operates a balanced asset portfolio of copper, gold, nickel, silver and other minerals that are strategically located across tried and proven producing areas of PNG.

It is currently focused on the development and commercialisation of an existing producing gold and silver mine at Edie Creek, and the redevelopment of an historically producing copper and gold mine at Laloki.

Geologically, both areas are highly prospective. Edie Creek, for instance, was the centre of one of PNG’s first major gold rushes before WW II. Historical records suggest that the current Edie Creek gold/silver deposit may have an indicated/inferred resource of up to 1.8 million tonnes averaging 12.7 g/t Au and 316 g/t Ag containing 730,000 oz Au and 18.6 million oz Ag.

Based on information from old workings, modern mining excavations and a knowledge of the mineralizing style achieved over the past 15 years or so of mining, it believes the resource potential of Edie Creek to be in the 1-2 million oz Au range.

**Edie Creek Mine**

- Historic mining area since 1926
- 100,000oz alluvials mined in first year
- Edie Mine (underground)  
  - 1936 to 1941 was 200,079 t @ 11.7 g/t Au with a Cut-off grade 7.5g/t Au  
  - Underground mining reserves as at 1941 was 56,240 t @ 10.54 g/t Au
Geological work is underway in order to independently verify reserve/resource levels at Edie Creek and to provide data for inclusion within a competent person's report to support its efforts to list Niuminco on AIM or on another acceptable stock exchange. Increasing Niuminco’s resource inventory is a key objective.

Niuminco’s exploration and production efforts are lead by Peter Macnab and Trevor Neale, two of PNG’s most highly respected geologists with more than 70 years of local experience between them. Peter and Trevor are complemented by a distinguished and dedicated professional management team with an enviable array and depth of experience.

Our Board possesses commercial, financial, geological, legal and operational expertise in the mining and corporate sectors, both domestically and internationally.

Niuminco has assembled a first-rate portfolio of assets, any one of which has the potential to become a world-class discovery. Its gold/silver producing assets are expected to provide a cash flow in the short- to medium-term that should allow us to pursue real expansion opportunities.

At Edie Creek alone, it plans to expand current production to 50,000 oz Au in the first 12 months or so after listing, working up to 100,000 oz Au per year in subsequent years.

**EDDIE CREEK DEPOSIT & MINE**

Eddie Creek prospect dates back to early 1900s. Mines have operated and taken out huge amounts of gold.

Eddie Creek has an enterprising underground prospect blocked out since 1941; and waiting to be mined. The reserves are estimated at; 70,000 t @ 11g/t gold (cut off at 7.5g/t Au).

Additional reserves @ 11g/t gold and 110g/t silver are found in a vein approximately 440m long with widths varying from 0.3 m to 7 m. An additional 800 m strike contains 5.5 g/t Au and 36 g/t Ag from a length of 2.1 m.

**EDDIE CREEK MINE**

The mine will develop in three stages.

***Stage 1***

- Replacement of gravity plant
- Trommel & jig plant purchased and in country
- Plant site under construction
- Assess / haul roads 40% complete

Figure 1: Locations of Niumimco EL.
Community Affairs—Ok Tedi Mining Limited

- Power being upgraded by PNG Power
- 50% earthmoving delivered.
- Annualized production 12-15,000oz Au p.
- Workforce ≈ 100 - camp upgrade 80% complete

**Stage 2**
- Pre Development Hardrock
- Survey control and mine grid established
- Compilation of all existing data and 3D model in progress
- Total lease geological mapping and soil geo-chemistry. on 100 m10 id → 50 10 x 10m grid 50m x 10m
- Bulk sampling from surface and underground
- On site laboratory required
- Metallurgical test work to maximise Ag recoveries.

**Stage 3**
- Construction and development of open pit hard rock operation (Size and type to be determined by Stage 2)
- Bulk low grade or selected high grade
- Metallurgical circuit greatly dependant on Ag recovery method
- Power requirements likely from PNG Power
- Water, waste/tailings and infrastructure are significant challenges.
- Target production level is 80-100,000 Au / year
- Ten year+ mine life

**SUMMARY**
Niuminco’s Eddie Creek has been persistent in its operations, and will see significant progress towards feasibilities into mining; with 2008 as a significant year.

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