



Quarterly Report

For the period ended 30 June 2010

HIGHLIGHTS

- Production starts again at Mincor's flag-ship operation, the **Miitel Nickel Mine** – on budget and ahead of schedule.
- Continued **exploration success** at South Miitel, including a new high-grade nickel intersection more than 600 metres south of the N18 ore body: **1.82 metres @ 6.91% nickel** (estimated true width 1.13 metres).
- The first test of the prospective basal contact in Mincor's ambitious **Ultra-Sized Nickel Ore Body** program achieved at North Kambalda – high-MgO ultramafic rocks in a fertile basal flow intersected on the basal contact – confirming a vector towards potential mineralisation to the east. A follow-up wedge is underway.
- Strong **production** achieved for the quarter, with 2,921 tonnes of nickel-in-ore, bringing Mincor's full-year production to 11,793 tonnes of nickel-in-ore.
- Continued strong cash generation – Quarterly Operating Surplus of **\$23.13 million** – quarter-end cash balance of **\$126.8 million** (end-March 2010 cash balance: \$100.78 million).
- Full-year operating surplus estimated at **\$83.1 million** – a **24% increase** over the previous year despite lower production – reflecting the success of Mincor's operational strategy through the volatility of the "Great Recession".
- Working capital (cash and receivables minus creditors and accruals) increases to **\$119.6 million** (up from \$110.22 million at end March 2010).

MIITEL AWAKES: After an 18 month "rest period", Mincor's flagship mining operation re-starts production. A dedicated team of Mincor and Byrnecut personnel have re-opened Miitel in a record time of 6 weeks from go-decision to first ore.



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Mincor is a leading Australian nickel producer. The Company is listed on the Australian Securities Exchange and forms part of the benchmark S&P/ASX 200 Index.

Mincor operates two mining centres in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.

TABLE 1: Production, Grade, Revenue and Costs – Quarter ending 30 June 2010

	SOUTH KAMBALDA OPERATIONS⁽¹⁾	NORTH KAMBALDA OPERATIONS⁽²⁾	TOTAL FOR JUNE 2010 QUARTER	PRECEDING QUARTER (Mar 2010) TOTAL
Ore Tonnes Treated (DMT)	32,808	56,272	89,080	93,200
Average Nickel Grade (%)	2.93	3.48	3.28	2.89
Nickel-in-Concentrate Sold (tonnes)	847.3	1,805.6	2,652.9	2,408.5
Copper-in-Concentrate Sold (tonnes)	80.1	108.6	188.7	187.8
Cobalt-in-Concentrate Sold (tonnes)	16.1	18.9	35.0	34.6
Sales Revenue* (A\$)	13.67m	32.76m	46.43m	40.89m
Direct Operating Costs** (A\$)	8.35m	13.36m	21.71m	20.59m
Royalty Costs (A\$)	0.61m	0.98m	1.59m	1.30m
Operating Surplus*** (A\$)	4.71m	18.42m	23.13m	19.00m
Capital Costs****	6.14m	1.83m	7.97m	6.00m
Payable Nickel Produced (lbs)	1,162,703	2,522,784	3,685,487	3,439,466
Mining Costs (A\$/lb)	4.07	3.63	3.77	3.83
Milling Costs (A\$/lb)	1.26	0.81	0.96	1.02
Ore Haulage Costs (A\$/lb)	0.29	0.09	0.15	0.18
Other Mining/Administration (A\$/lb)	1.55	0.91	1.10	1.02
Royalty Cost (A\$/lb)	0.52	0.38	0.43	0.38
By-product Credits (A\$/lb)	(0.39)	(0.23)	(0.28)	(0.31)
Cash Costs (A\$/lb nickel)	7.30	5.59	6.13	6.12
Cash Costs (US\$/lb nickel @ 0.85c)	6.20	4.76	5.21	5.20

TABLE 2 Production, Grade, Revenue and Costs – Financial Year 2009/10

	SOUTH KAMBALDA OPERATIONS⁽¹⁾	NORTH KAMBALDA OPERATIONS⁽²⁾	TOTAL FOR FINANCIAL YEAR 2009/10	PRECEDING FINANCIAL YEAR(2008/09) TOTAL
Ore Tonnes Treated (DMT)	143,106	228,053	371,159	573,124
Average Nickel Grade (%)	2.90	3.35	3.18	3.08
Nickel-in-Concentrate Sold (tonnes)	3,651.9	7,020.8	10,672.6	15,768.1
Copper-in-Concentrate Sold (tonnes)	348.2	459.8	808.0	1,248.6
Cobalt-in-Concentrate Sold (tonnes)	68.7	81.7	150.4	257.2
Sales Revenue* (A\$)	60.09m	113.29m	173.38m	194.67m
Direct Operating Costs** (A\$)	32.66m	52.13m	84.79m	119.72m
Royalty Costs (A\$)	2.25m	3.24m	5.49m	7.80m
Operating Surplus*** (A\$)	25.18m	57.92m	83.10m	67.15m
Capital Costs**** (A\$)	18.06m	9.89m	27.95m	38.94m
Payable Nickel Produced (lbs)	5,181,673	10,004,750	15,186,423	22,513,131
Mining Costs (A\$/lb)	3.52	3.47	3.48	3.17
Milling Costs (A\$/lb)	1.17	0.85	0.96	0.93
Ore Haulage Costs (A\$/lb)	0.31	0.08	0.16	0.17
Other Mining/Administration (A\$/lb)	1.31	0.85	1.00	0.99
Royalty Cost (A\$/lb)	0.43	0.32	0.36	0.36
By-product Credits (A\$/lb)	(0.39)	(0.26)	(0.30)	(0.25)
Cash Costs (A\$/lb Ni) – Full Year	6.35	5.31	5.66	5.37
Cash Costs (US\$/lb Ni @ 0.85)	5.40	4.51	4.81	4.56

⁽¹⁾ Production from Mariners only.

⁽²⁾ Production from Otter Juan, Coronet and McMahon and Mincor's 70% interest in the Carnilya Hill mine.

* Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price – see "Note on Provisional Pricing and Sales Revenue Adjustments" below.

** Direct Operating Costs – mining, milling, ore haulage, administration.

*** Operating Surplus – provisional and unaudited, excludes corporate overheads and other corporate costs, excludes regional exploration costs, excludes depreciation, amortisation and tax.

**** Capital Costs – includes mine capital and development costs and extensional exploration costs. Excludes regional exploration costs.

Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. For period-end reporting the Company determines provisional prices based on the 3 month forward nickel price at the end of each month of delivery. This estimate is subject to an adjustment (up or down) when the final nickel price is known. During the June Quarter, Mincor established the final nickel prices for the production months of January, February and March. As a result Mincor has recognised a positive sales revenue adjustment of **\$0.2 million** attributable to those production months. This adjustment **has not** been included in the sales revenue figures disclosed in Table 1 above.

MINING – KAMBALDA NICKEL OPERATIONS

Quarterly Overview

TABLE 3: Production by mine site, June 2010 quarter

Mincor's nickel production increased 10% over the previous quarter, to 2,921 tonnes of nickel-in-ore for 2,653 tonnes of nickel-in-concentrate. Group cash costs remained steady.

Mincor produced 11,793 tonnes of nickel-in-ore for the 2009/10 financial year, against its revised target of 12,000 tonnes. This was lower than the previous financial year due to the Miitel Mine being off-line throughout the year. However, the Company's cash operating surplus increased by 24% over the previous financial year, reflecting the success of Mincor's operational strategy through the volatility of recent times.

Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel	1,564	2.64%	41	36
Mariners	31,244	2.95%	921	811
Otter Juan	28,898	3.85%	1,112	1,031
Coronet	590	2.01%	12	11
McMahon	1,723	1.43%	25	23
Carnilya Hill: Mincor's 70%	25,061	3.23%	810	741
Totals	89,080	3.28%	2,921	2,653

Northern Operations

Otter Juan enjoyed another strong quarter with both production and grade continuing to improve. However, increased ground support costs necessitated by the presence of intrusive porphyry rocks on the 50 Level offset some of these gains, leading to a slight increase in cash costs per pound of payable nickel.

During the quarter the last of the developed ore was mined from McMahon and Coronet. The latter ore body is now depleted (some 2.5 years later than originally expected). However, a number of small high-grade ore pods (Flame Structures) have been identified and development of these pods was underway through the quarter. At McMahon further development is required to access the rest of the MN02 and the high-grade MN03 ore bodies (see below for further commentary).

Carnilya Hill had a strong quarter with production up 38% and an excellent cost performance. Ore development continued on a number of levels but the main capital development of the mine is now all but complete. Extensional drilling continues to identify small but high-grade and valuable ore extensions.

Southern Operations

In early May Mincor announced its decision to re-open the Miitel Mine, with first production scheduled for July. The re-opening program has proceeded well and by mid-June the mine was essentially operational; by month-end it had delivered 1,564 tonnes of ore – well ahead of schedule.

Development and stoping activities are ramping up as per plan and full production is expected by the end of the September quarter. The main focus is the capital and level development at the south end of the mine (the N18 and later the N29 ore bodies), but stoping in North Miitel (the N26) will also commence shortly.

Production at Mariners continued, with generally higher grades but lower ore tonnes than the previous quarter. After the end of the quarter a seismic event occurred at Mariners, causing some damage to nearby underground infrastructure. Rehabilitation work is underway, however, production from the mine will be curtailed for up to a month.

Capital development rates at Mariners have improved significantly, but ore production will remain constrained until the high-grade N10 ore body is accessed (see below for further commentary).

Outlook for the new Financial Year

For the new Financial Year, Mincor is targeting an increase in nickel production of approximately 20% over 2009/10, to between 13,500 and 14,500 tonnes of nickel-in-ore. This is expected to rise again for the following financial year, to between 15,000 and 16,000 tonnes of nickel-in-ore.

Miitel is scheduled to produce approximately 180,000 tonnes at 2.7% nickel in 2010/11. Ore will be won from the main N18 ore body as well as the N29 at the south end of the mine, and from the N26 and N27 ore bodies at the north end. In addition, ongoing

exploration drilling continues to demonstrate mineralisation extending to both the north and the south and further extensions to ore reserves are considered highly likely.

Production at Mariners is expected to be constrained until access is achieved to the high-grade N10 ore body in about 12 months time, after which production will lift substantially. Mariners is expected to produce approximately 130,000 tonnes of ore at 2.5% nickel for the 2010/11 financial year.

Drilling below the Mariners N10 ore body, into the possible new N11 ore body, will recommence later in the financial year once better drilling platforms are provided by the advancing decline. Further ore reserve extensions are considered likely.

Production at Otter Juan will continue in line with its recent performance, with an expected 105,000 tonnes of ore at 3.5% nickel. The structural complexity at the bottom of the mine remains unresolved and a footwall decline is being developed in order to provide a drill platform from which to locate the ore body on the northern side of the 50L fault. Production from the mine beyond the next 30 months will hinge on the success of this drilling.

The development of the McMahon ore body has re-commenced and will continue for the next two years, with the first substantial production due in the 2011/12 financial year.

Carnilya Hill is expected to produce approximately 55,000 tonnes of ore at 3.1% nickel (Mincor's share of production), in line with its recent performance. Towards the end of the financial year production should start to tail away as the ore body nears depletion.

With extensive new ore reserves to develop and a ramp-up in ore production of around 35% over the next two years, Mincor has budgeted some \$35 million for capital and mine development for the 2010/11 financial year. Added to the exploration budget of \$15 million, Mincor's total capital and exploration budget for the new financial year is \$50 million, up from a total of \$34 million invested during 2009/10.

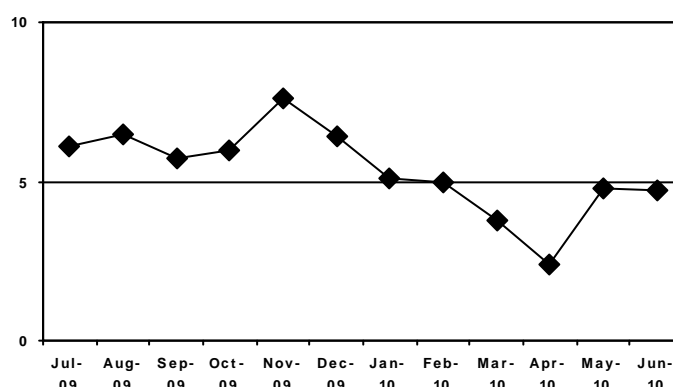
HEALTH AND SAFETY

Two Lost Time Injuries were reported for the quarter, a disappointing break in the previously established positive trend. The 12-month moving average Lost Time Injury Frequency Rate for all Mincor Operations is 4.7, which is above the LTIFR of 2.6 for Metalliferous Underground Mining in WA.

Mincor's safety objective is "Zero Harm" and the Company will continue to identify, and implement strategies focused on eliminating workplace injuries and incidents and promoting accountability and responsibility. The following improvement strategies were undertaken during the quarter:

- Internal Training Courses were held at Southern and Northern Operations:
 - 5 Day Emergency Response Training Session covering Vehicle Extrication and Rope Rescue Techniques
 - Control, Coordinate and Manage Emergency Incidents Courses
 - Safe Working at Heights Courses
 - St John Senior First Aid Courses
 - Fire Extinguisher Training
- A Team-Based Risk Assessment was completed at Mariners to address the hazards associated with diamond drilling within 10 metres of active work areas.
- A Team-Based Risk Assessment was completed on LHD bogger operations at Mariners and Miitel, specifically for backfilling of stopes. Recommended actions are currently being trialled to identify the safest method for backfilling stopes.
- An internal compliance audit has commenced at Southern Operations to measure the compliance to the Safety Management System requirements. Three Elements have been completed with the remaining nine to be completed next quarter.
- An extensive review of Southern Operations employees training and competency skills requirements has commenced to determine the position skills requirements and critical procedures for Mine Engineering, Survey, Geologists and Projects and Infrastructure personnel. The review will be finalised by the next quarter and an action plan implemented to deliver the recommendations of the review.

12 Month Moving Average Lost Time Injury Frequency Rate



- Otter Juan completed 36 Task Observations during the quarter on underground employees performing various tasks. Task observations identify training gaps and the competency and skill levels of all employees which identifies opportunities for improvements.

KAMBALDA NICKEL EXPLORATION

Ultra-Sized Nickel Ore Body (US-NOB) Program

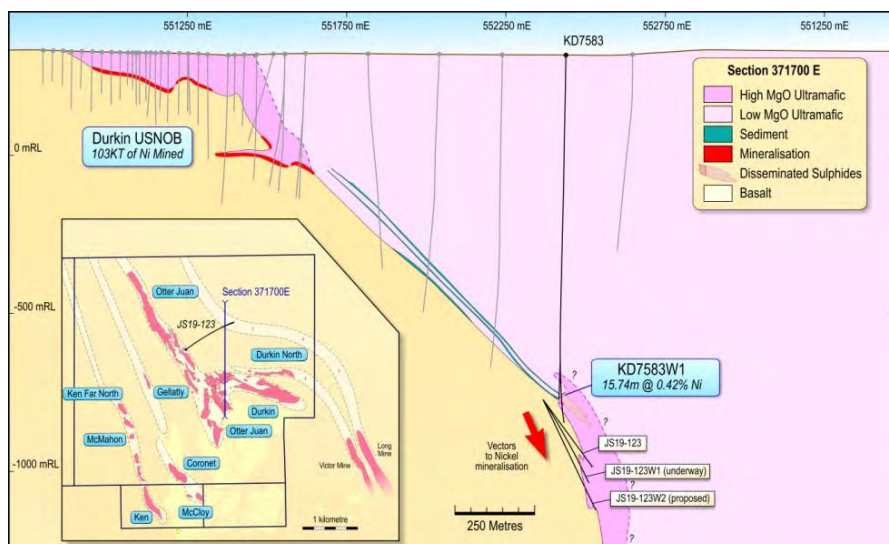
Late in the quarter Mincor's ambitious underground drill-hole (JS19-123) finally intersected the basal contact down-dip of the historical drill-hole KD7583. The length of the drill-hole is 1.11 kilometres from its collar to the basal contact intersection.

The hole intersected the basal contact sooner than expected, indicating a steepening in the dip of the contact. As a result the intersection point is 140 metres down-dip of KD7583, rather than the targeted 200 metres.

No nickel sulphides were intersected on the basal contact (the actual contact is obscured by a thin porphyry intrusion), but fertile high-MgO ultramafic rock was encountered in the all-important basal flow immediately above the contact. This is a very positive indication, confirming a vector towards possible mineralisation to the east, and suggesting that this intersection is "closer" to potential mineralisation than the previous intersection in KD7583. The marked change in the dip of the contact at this location may also be significant.

A follow-up wedge off the parent hole has commenced, aimed at intersecting the contact a further 140 metres down-dip of the present intersection.

FIGURE 1: Section 371700E Geological section showing US-NOB target



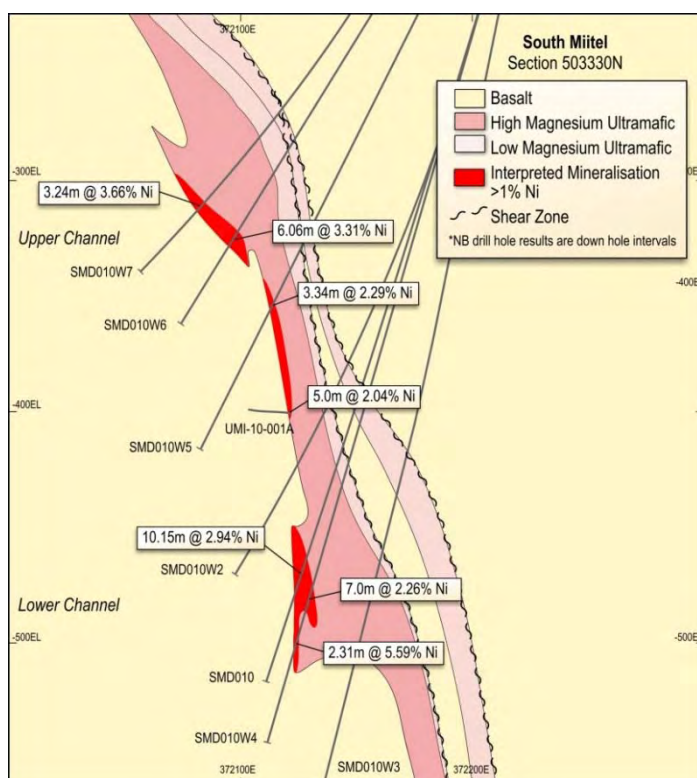
Miitel Ore System

South Miitel

Intensive drilling continued throughout the quarter at South Miitel, with considerable success. Three separate and potentially significant discoveries are emerging – two well-mineralised and parallel sub-channels and an intermittently mineralised intra-channel zone.

The two sub-channels are the likely extension to the newly-discovered N29 ore body, with recent intersections showing high-grade mineralisation in this channel more than 200 metres south of the still-open N29 ore reserve; and the re-make of mineralisation in a position corresponding to the N18 ore body, with high-grade intersections now achieved more than 600 metres south of the N18 ore body. This remake of mineralisation in the N18 channel is not likely to be continuous with the N18 mineralisation (which is closed off by at least one barren drill-hole) but it appears to be the same channel structure. The new mineralised zone within this channel has been named the N30.

FIGURE 2: South Miitel – Cross Section



N29 Extended Mineralisation

Drill-holes SMD010W6 and SMD010W7 are upward wedges off parent hole SMD010, and intersected the interpreted location of the N29 sub-channel about 215 metres south of the current N29 Ore Reserve. Both holes intersected strong, high-grade mineralisation:

SMD010W6: 6.06 metres @ 3.31% nickel from 664.55 metres (estimated true width 4.96 metres)

SMD010W7: 3.24 metres @ 3.66% nickel from 663.30 metres (estimated true width 3.04 metres)

Both intersections comprise a typical Kambalda profile of massive, matrix and strongly disseminated sulphides within an embayed basal contact. The mineralisation remains open up-dip as well as to the north (back towards the current N29 Ore Reserve) and to the south.

While further infill drilling will be required to test continuity between these intersections and the N29, the new intersections highlight the potential to double the strike length of the N29 ore body.

N30 Surface

Drilling during the quarter has confirmed the presence of strong mineralisation in the lower (N18) channel, which was first intersected in drill-hole SMD10 in March 2010.

The mineralised zone in this lower sub-channel has been named the N30. It appears to be a continuation of the channel structure that hosts the main N18 ore body, but the actual N18 mineralisation is not considered to be continuous with the new N30 mineralisation.

The latest drill-hole into this channel (SMD15W3) lies on the most southerly section line yet drilled, and intersected strong mineralisation at a location some 600 metres south of the N18 ore body and more than 200 metres south of the mineralisation intersected in SMD010.

Intersections in this lower surface now include:

SMD011W1: 22.9 metres @ 3.14% nickel (estimated true width 14.7 metres) from 783 metres

SMD010W4: 2.31 metres @ 5.59% nickel from 820.69 metres (estimated true width 1.3 metres) at the basal contact; and
7.0 metres @ 2.26% nickel (estimated true width 4.5 metres) from 808.71 metres in hanging wall ultramafic rocks

SMD011: 6.32 metres @ 1.46% nickel (estimated true width of 3.16 metres) from 804.3 metres

SMD010W5: 3.34 metres @ 2.29% nickel from 685 metres (estimated true width 2.5 metres) (flanking position)

SMD014W1: 1.13 metres @ 2.87% nickel from 806.87 metres (estimated true thickness of 0.93 metres) on the basal contact; and
0.82 metres @ 1.85% nickel from 809.91 metres (estimated true thickness of 809.91 metres)

SMD015: 1.33 metres @ 3.68% nickel from 759.2 metres (estimated true thickness of 1.09 metres) flanking position

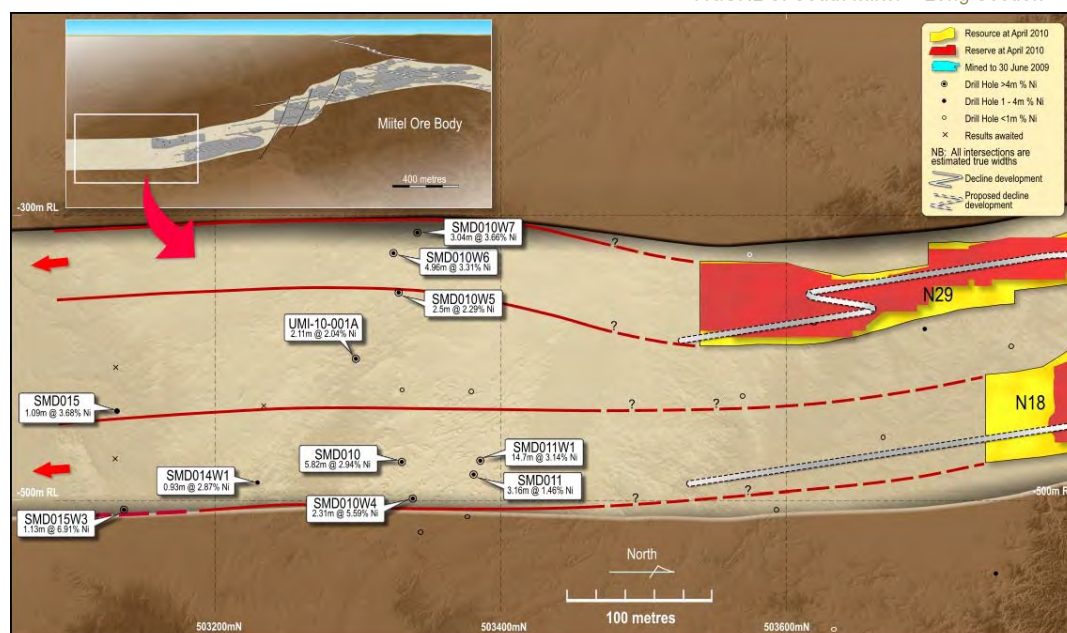
SMD015W3: 1.82 metres @ 6.91% nickel from 822.38 metres (estimated true width 1.13 metres)

The location of these intersections is shown on the attached long section. The emerging interpretation has two parallel sub-channels within the overall Miitel ore system, both of which contain strong mineralisation along the basal contact.

Additional mineralisation is present on the intra-channel "flank" zone, though this is less continuous.

This interpretation is supported by the detailed cross-sectional information available from the eight pierce points derived from parent hole SMD10, its wedges, and underground hole UMI-10-001A (refer cross section diagram).

FIGURE 3: South Miitel – Long Section



Both the N29 and the N30 remain completely open to the south, and drilling is continuing.

South Miitel Extended Concept

The Miitel ore system comprises a mineralised channel structure that has now been shown to persist over a strike length of 4.8 kilometres. It remains open to both the north and the south.

The Miitel ore system is hosted in the 'inner' of two ultramafic rock units which wrap around the Widgiemooltha Dome. The outer unit hosts the Mariners nickel mine some 5 kilometres south of Miitel. The continuity of the two ultramafic units has been confirmed by previous drilling.

Mincor's latest drilling at South Miitel has shown that the plunge of the Miitel ore system may be much shallower than previously thought. If this is so, and if the channel persists for a further 4 kilometres, it could be discoverable (and accessible) from Mariners Mine.

While this is purely a conceptual target, it is one that would produce very significant upside for both nickel inventory and production rate if proved correct. Mincor plans to test the theory early in the new financial year with a series of drill-holes from underground positions in the Mariners Mine.

North Miitel - Burnett

During the March quarter Mincor reported a significant new intersection at North Miitel (MDD173W2: 4.78 metres @ 4.86% nickel, estimated true width 2.74 metres). During the June quarter Mincor completed a parent hole (MDD174) and a wedge (MDD174W1), testing the mineralised trend 120 metres north of MDD173.

The basal contact, where intersected by MDD174, proved to be obscured by a shear zone. However, a thick profile of disseminated mineralisation is present and this off-contact mineralisation assayed 2.4 metres @ 1.73% nickel (estimated true width) from 644 metres down-hole.

A downward wedge (MDD174W1) intersected a barren lower flank. The hole also intersected hanging-wall nickeliferous-sulphide sediment running 0.10 metres @ 3.7% nickel. The information from these holes suggests that the mineralised channel remains open up-dip and a further wedge is planned to test this position.

Mariners Ore System

Underground drilling continued during the quarter infilling and extending the new N10 mineral resource. This program has had considerable success and an updated resource and maiden reserve will be released shortly.

Further drilling is planned into the new N11 prospect, below the N10 ore body. This will commence later in the financial year once the advancing decline has established effective drill platforms.

FIGURE 4: North Miitel - Long Section

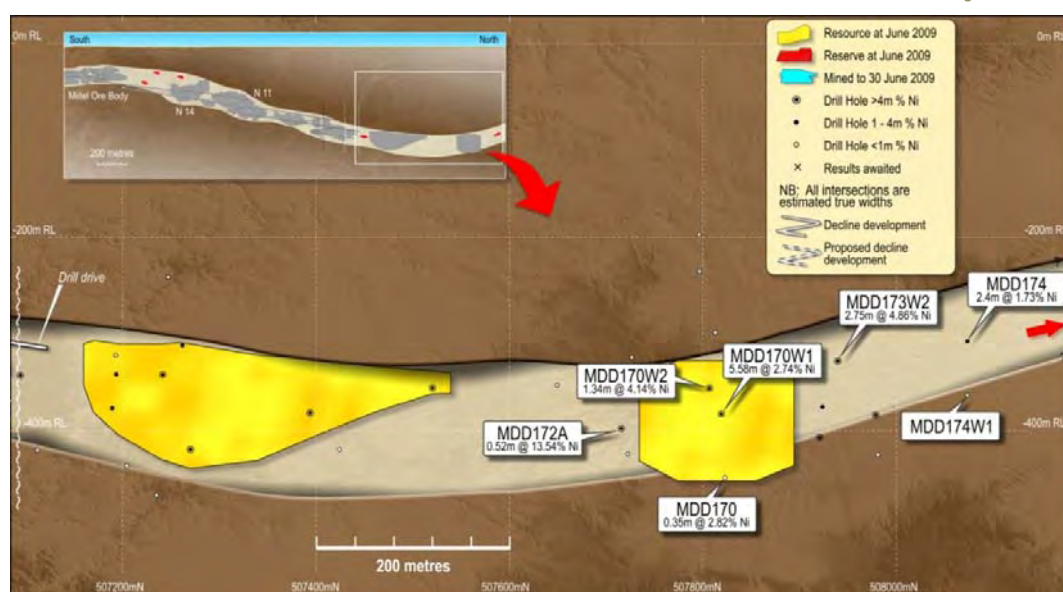
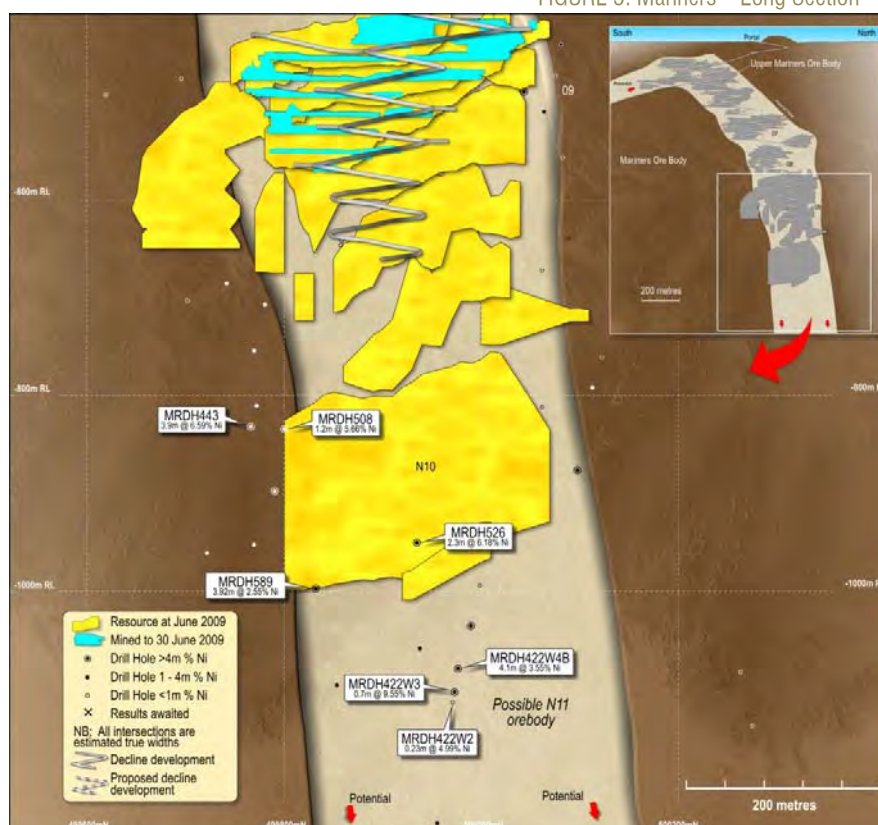


FIGURE 5: Mariners – Long Section



Otter Juan Ore System

Drilling continues from several locations at the bottom of Otter Juan. A number of potential new ore surfaces are emerging but the geological interpretation north of the 50 Level Fault remains unclear. New drill locations recently established in the footwall and the hanging-wall of the main ore body are expected to assist in the definition of this area and will be the focus of drilling over the coming quarter.

Carnilya Hill Joint Venture (Mincor 70%)

The Michigan Prospect is located along the basal contact west of the Carnilya Hill Mine. Shallow historic percussion drilling and recent early-phase exploration drilling by Mincor has defined a zone of low-level nickel sulphide mineralisation on a sediment-free basal contact.

CMR010 to CMR013 were drilled down-dip of previous drilling, with all but CMR012 intersecting disseminated nickel sulphide mineralisation on the basal contact. A full litho-geochemical analysis of the prospect will be conducted in the following quarter to help further define the next phase of drilling.

Kambalda West (Mincor 51%, earning 70%)

A ground electro-magnetic survey was completed in the quarter and confirmed and further defined five conductors identified in the VTEM survey. These five conductors will be drill-tested by reverse circulation drilling early in the new financial year.

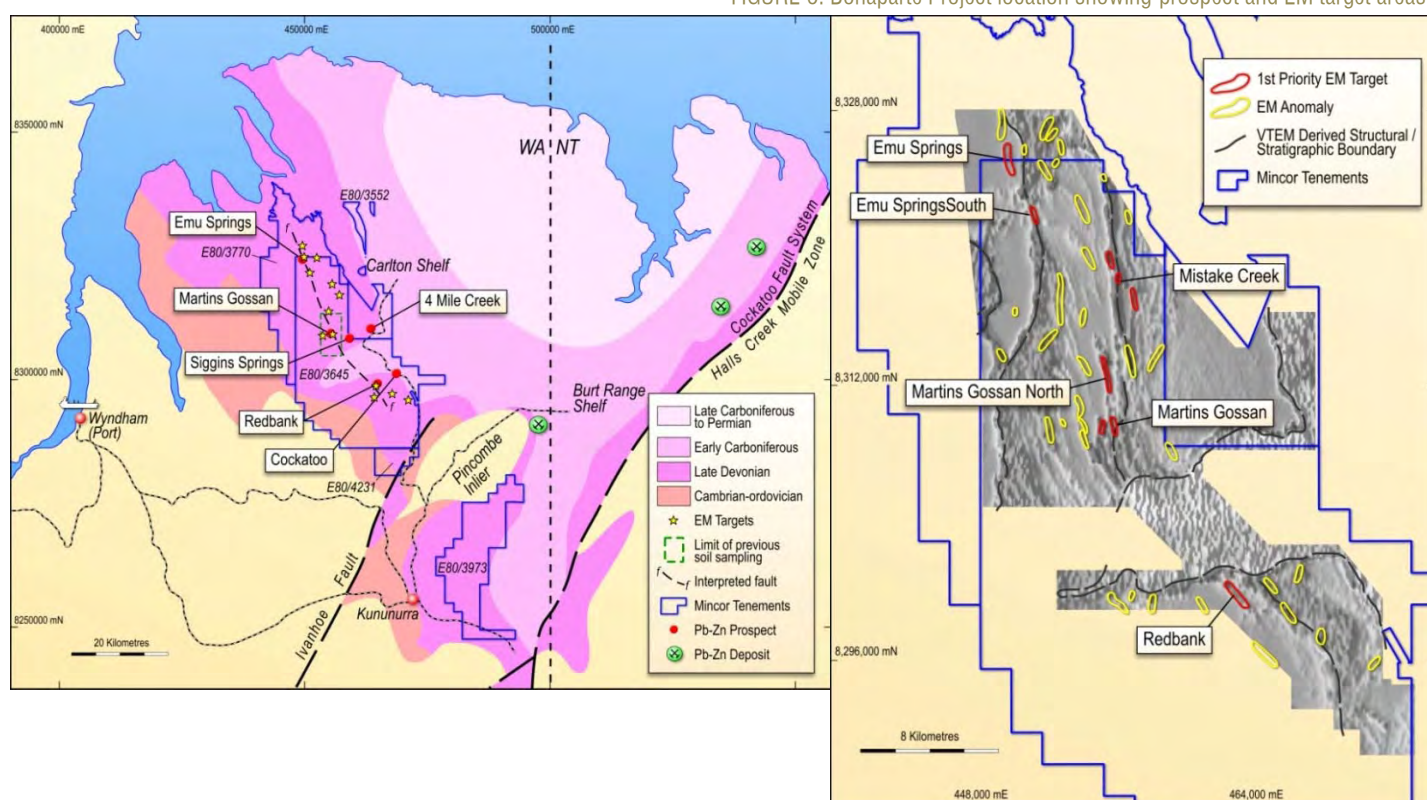
REGIONAL BASE METAL EXPLORATION

Bonaparte Zinc, Lead and Copper Project (Mincor 100%; JOGMEC sole-funding to earn up to 40%)

Mincor, together with joint venture partner JOGMEC, is exploring for sedimentary hosted zinc, lead and copper deposits within the onshore Bonaparte basin. Little work has been carried out in the past, with the most recent drilling dating back to 1992. Mincor is the first company to have successfully negotiated an access agreement with the Traditional Owners.

The area is underlain by prospective Devonian and Carboniferous stratigraphy with numerous zinc, lead and copper occurrences as shown in Figure 6. The bulk of previous work within the project area has focused on the Redbank Hills prospect, targeting surface gossans and sporadic copper and zinc mineralisation in Devonian sandstones and shales. While not ignoring this occurrence, Mincor recognises that in a regional context it may just be an indicator and will be focusing on a number of other occurrences and anomalies that either have never been followed up or in the case of geophysical anomalies, never been tested at all. This includes 19 anomalies identified by last year's airborne electromagnetic (VTEM) survey, 6 of which have been assigned a high priority for this year's field program (Figure 6).

FIGURE 6: Bonaparte Project location showing prospect and EM target areas



Soil sampling of the north western part of the tenement area, from just south of Emu Springs to south of Martin's gossan is underway and will comprise approximately 4,000 samples when completed.

This will be extended northwards and eastwards following a second Heritage survey scheduled for late July. Completion of this Heritage Survey will also allow ground-based electromagnetic follow-up to include the Emu Springs and Mistake Creek areas prior to a program of drilling scheduled for September. Mincor has consent from the Traditional Owners to carry out ground EM and to commence drill testing at Martin's Gossan.

Georgina Zinc-Lead Project (Mincor 100%; JOGMEC sole-funding to earn up to 40%)

Work to date in the southern Georgina Basin in the Northern Territory has focused on establishing the potential of the area to host a new lead-zinc province. The current phase of work is focusing on two selected areas of approximately 100 square kilometres each (Putta Putta and Tomahawk) and includes more detailed soil sampling, induced polarisation (IP) surveys and diamond drilling as a first step towards directly targeting mineralisation. The diamond drilling will also serve to test or refine geological interpretations. A test IP survey comprising 20 line kilometres along lines spaced 500 metres apart has been completed over an area of elevated zinc in ionic leach soil samples that is coincident with potential fluid movement associated with the Putta Putta fault. Results of this survey are being processed. More detailed soil sampling within the Tomahawk area is expected to commence by the end of July.

Tottenham Copper Project (Mincor 100%)

Fieldwork at Tottenham has been delayed by above average rainfall in the area. As a result, progress has been slower than planned and ground electromagnetic follow-up of VTEM targets is only partially complete. It is now likely that this will not be completed until October, following which a program of drill testing for Tritton-style copper deposits beneath the oxide zone is planned.

Copper mineralisation at Tottenham occurs within Ordovician sediments of the Girrilambone Group. During Ordovician times a west Pacific-type arc system formed – the Macquarie Arc – with copper mineralisation such as that seen at Tritton, Girrilambone and Tottenham, possibly representing Besshi-type VMS deposits that formed west of the arc in what may have been a small back-arc ocean basin.

CORPORATE MATTERS

Hedging Arrangements

In line with its strategy of maintaining exposure to the nickel price while securing a minimum level of protection against adverse price movements, Mincor has sold forward a total of 2,910 tonnes of payable nickel metal to March 2012, at an average price of A\$25,020 per tonne.

This represents approximately 20% of Mincor's expected production over that period. This hedging is distributed as shown below:

Jul 2010 to Dec 2010	175 tonnes of nickel per month at a price of \$23,741/tonne
Jan 2011 to Jun 2011	150 tonnes of nickel per month at a price of \$24,155/tonne
Jul 2011 to Dec 2011	130 tonnes of nickel per month at a price of \$26,933/tonne
Jan 2012 to Mar 2012	60 tonnes of nickel per month at a price of \$28,515/tonne

Cash and Debt

As at 30 June 2010, Mincor had cash of **\$126.8 million** (end March 2010: \$100.78 million); and receivables net of creditors and accruals of (\$7.21) million, giving a working capital position of **\$119.59 million** (end March 2010: \$110.22 million).

During the quarter Mincor earned a **\$0.2 million** increase in revenue received (compared to revenue booked as receivables in the previous quarter) due to provisional pricing adjustments.

Apart from minor leasing and bond commitments, Mincor has no debt.

The information in this Public Report that relates to Exploration Results is based on information compiled by Peter Muccilli and Richard Hatfield, both of whom are Members of The Australasian Institute of Mining and Metallurgy. Messrs Muccilli and Hatfield are full-time employees of Mincor Resources NL. Messrs Muccilli and Hatfield have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Muccilli and Hatfield consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

MINERAL RESOURCES AND ORE RESERVES

Mineral Resources as at 30 June 2009

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	178,000	3.5	316,000	3.3	213,000	5.0	707,000	3.9	27,200
Redross	31,000	5.1	138,000	2.9	67,000	2.9	236,000	3.2	7,500
Miitel	152,000	3.5	476,000	3.7	189,000	3.2	817,000	3.6	29,100
Wannaway			123,000	2.6	16,000	6.6	139,000	3.0	4,200
Carnilya Hill*	29,000	5.3	139,000	4.4			168,000	4.5	7,600
Otter Juan**	241,000	4.4	238,000	3.6	104,000	2.5	583,000	3.7	21,700
McMahon/Ken	26,000	3.1	269,000	3.3	93,000	6.3	388,000	4.0	15,600
Durkin			251,000	5.2	127,000	5.0	378,000	5.1	19,400
Gellatly			29,000	3.4			29,000	3.4	1,000
Stockwell			557,000	3.1			557,000	3.1	17,100
Cameron			96,000	3.3			96,000	3.3	3,200
Grand Total	657,000	4.0	2,632,000	3.5	810,000	4.3	4,099,000	3.8	153,700

- Note that Resources are inclusive of Reserves.
- Figures have been rounded and hence may not add up exactly to the given totals.
- * Resources shown for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Resource.
- ** Otter Juan includes Coronet and McCloy.

Resources are estimated to a 1% nickel cut-off. No minimum mining width criteria are used. The Resource estimation is done using inverse distance or kriging methods, depending on the data density. Volume models are constructed using all available data including underground drive and stope mapping. Grade interpolation using assay results from diamond drill core and, in places, underground face samples.

The information in this Public Report that relates to Mineral Resources is based on information compiled by Mr Robert Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a permanent employee of Mincor Resources NL. Mr Hartley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hartley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ore Reserves as at 30 June 2009

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	138,000	2.8	203,000	2.6	340,000	2.7	9,000
Redross	33,000	3.5			33,000	3.5	1,200
Miitel	28,000	2.6	440,000	2.7	468,000	2.7	12,400
Wannaway			39,000	2.9	39,000	2.9	1,100
Carnilya Hill*	54,000	3.1	74,000	3.3	127,000	3.2	4,100
Otter Juan**	185,000	3.4	123,000	3.5	307,000	3.4	10,500
McMahon	23,000	2.3	269,000	2.4	291,000	2.4	7,100
Grand Total	460,000	3.1	1,147,000	2.7	1,607,000	2.8	45,400

Figures have been rounded and hence may not add up exactly to the given totals.

- * Reserves for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Reserve.
- ** Otter Juan includes Coronet and McCloy.

Appropriate dilution for the various mining methods was applied to the Indicated and Measured Resources. Using a 1.5% nickel cut-off and minimum mining width criteria, areas were selected as being mineable. Additional modifying factors to account for ore loss, recovery, further dilution, etc were then applied to achieve an estimated Reserve.

The information in this Public Report that relates to Ore Reserves is based on information compiled by Mr Dean Will, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Will is a permanent employee of Mincor Resources NL. Mr Will has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Will consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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