



M I N C O R

R E S O U R C E S N L

MINCOR RESOURCES NL

(ACN 072 745 692)

**HALF-YEAR FINANCIAL REPORT
31 December 2017**

TABLE OF CONTENTS

DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION.....	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9
DIRECTORS' DECLARATION.....	11
INDEPENDENT AUDITOR'S REVIEW REPORT.....	12

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Mincor Resources NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

DIRECTORS

The names of Directors who held office during the half-year period ending 31 December 2017 and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
DJ Humann	Non-Executive Director and Chairman (deceased 21 November 2017)
JW Gardner	Non-Executive Director (resigned 30 September 2017)
BT Lambert	Non-Executive Director
MA Bohm	Non-Executive Director
P Muccilli	Managing Director

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the half-year ended 31 December 2017 was the exploration for mineral resources.

REVIEW OF OPERATIONS

Kambalda Landholdings

The Company holds nickel and gold assets on its landholdings in the Kambalda District of Western Australia, a major nickel and gold producing area with fully-developed mining infrastructure.

Kambalda Gold Projects

The Company's ground-holdings include 100% ownership of freehold tenure at North Kambalda (containing the highly-endowed Boulder-Lefroy Fault corridor), the Widgiemooltha Dome (surrounded by the Higginsville Gold Camp and the Chalice and Wattle Dam gold mines) and at Jeffrey's Find located east of Norseman.

Widgiemooltha Gold Project (WGP)

Feasibility Study Results (April 2017)

The Widgiemooltha Gold Feasibility Study completed in April 2017 confirmed the economic viability of a low capital cost start-up gold mining operation at Widgiemooltha based on extracting shallow Ore Reserves across 10 open pits, with the ore to be treated via a toll treatment arrangement.

Project Implementation

During the half-year ended 31 December 2017, the Company upgraded its Gold Mineral Resources at Widgiemooltha following two drilling campaigns completed in June 2017 and August 2017, which led to the Flinders West discovery (*refer to the Company's ASX announcement of 7 November 2017 for further details*).

Mining studies are underway to incorporate the Flinders West prospect. If the studies confirm Ore Reserves at Flinders West, the deposit may help minimise the working capital requirements of the Project.

The Project has a short cash drawdown phase. Finalising the start-up mining schedule and financial model based on the revised parameters is a priority for the Company.

During the half-year ended 31 December 2017, the Company received key regulatory approval from the Department of Mines, Industry Regulation and Safety (DMIRS) to allow for the future commencement of mining operations at Widgiemooltha, based on the April 2017 FS mine plans, subject to Board approvals. Minor water abstraction and discharge permits from the Department of Water and Environmental Regulation were also received during the period.

Widgiemooltha Gold Exploration

The Company completed two drilling programs during the half-year ended 31 December 2017 at the WGP, which infilled the area between the main Flinders orebody and Flinders West, and extensional drill section lines to test the strike extent of the prospective corridor north towards Nottingham Castle and to the south.

Positive results received from the drilling program has confirmed the potential to extend the Flinders and Flinders West prospects along strike to the north and south with further drilling.

Advanced Nickel Projects

The Company has two Reserve-level nickel projects, namely Durkin North and Miitel/Burnett. Detailed Feasibility Studies have been completed on both projects, which remain on care and maintenance pending a sufficient and sustained improvement in the nickel price.

Miitel/Burnett

Underground inspections during the half year ended 31 December 2017 confirmed the water level at the Miitel mine has risen above all the infrastructure located around level 206mRL. The infrastructure includes primary ventilation fans and a substation. The estimated re-establishment cost of these facilities was estimated in the Feasibility Study release dated 10 April 2016. These costs are now additional to the pre-production costs for the Miitel mine.

Nickel Exploration

The Company has consolidated much of the ground considered to be prospective for shallow nickel sulphide mineralisation in Kambalda and, together with its existing nickel Mineral Resources inventory, has the potential to grow a quality nickel Ore Reserve inventory in the district.

During the half-year ended 31 December 2017, the Company completed a high-resolution aeromagnetic survey at the Republican Hill Prospect on the Bluebush line which led to a significant change to the interpretation of the basal contact. A 2 kilometre strike length of this highly prospective basal contact is untested and requires follow up.

Nickel exploration programs are planned to commence in the second half of the financial year, which will systematically progress a suite of high-quality targets. These targets range from greenfields to near-mine, with the initial focus on shallow regional targets (see ASX Investor Presentation released in December 2017).

Regional Exploration – Tottenham

During the half-year ended 31 December 2017, the Company's joint venture partner at the Tottenham Copper Project, Bacchus Resources Pty Ltd (Bacchus), met its First Option Earn-In Obligations under the Tottenham Earn-In and Joint Venture Agreement (Tottenham JV). Bacchus has exercised its First Option and is entitled to a 19.88% interest in the Tottenham tenements. Bacchus has also elected to proceed with the Second Option, whereby it can increase its interest in the Tottenham tenements to a maximum of 30% by continuing its exploration expenditure to a cumulative total of \$700,000.

CORPORATE

Capital Raising

During December 2017, the Company successfully raised \$6.0 million (before costs) through a share placement (Placement) to sophisticated and professional investors. A total of 18,750,000 new fully paid ordinary shares were issued at \$0.32 per share. The Placement was strongly supported and introduced several institutions to Mincor's share register.

Mincor also launched a Share Purchase Plan (SPP) on 12 December 2017 with a target to raise \$3.0 million and provide existing shareholders with the opportunity to increase their holdings in the Company on the same terms as the Placement. The SPP opened on 18 December 2017 and closed heavily oversubscribed on 17 January 2018. The Board resolved to accept over-subscriptions of \$1.0 million, for a total of \$4.0 million.

The funds raised pursuant to the Placement and SPP have and will be used to accelerate nickel exploration within the Company's Kambalda nickel portfolio, for general working capital requirements and to meet the costs associated with the Placement and SPP.

Board Structure

During the half-year ended 31 December 2017, with great sadness, the Company advised of the passing of long-serving non-executive Chairman David Humann following a short illness. Mr Humann played an instrumental role in the Company's significant achievements as a successful nickel miner over many years.

On 17 November 2017, Ms Shannon Coates was appointed as Mincor's Company Secretary following the retirement of Mr Graham Fariss.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The consolidated entity incurred an operating loss after income tax for the half-year ended 31 December 2017 of \$2.58 million (half-year to 31 December 2016: loss after income tax of \$1.59 million).

The loss for December 2017 half-year includes \$1.15 million of exploration and evaluation expenditure incurred and expensed and administrative and employee benefit expenses of \$1.09 million.

As at 31 December 2017, the consolidated entity had net assets of \$23.48 million (30 June 2017: \$20.39 million) including \$14.06 million of cash and cash equivalents (30 June 2016: \$11.55 million).

EVENTS SUBSEQUENT TO 31 DECEMBER 2017

As mentioned above, the Company's Share Purchase Plan (SPP) closed on 17 January 2018 heavily oversubscribed.

The Company's Board resolved to accept \$1.0 million in oversubscriptions, for a total of \$4.0 million.

Applications received in excess of \$4.0 million were scaled back on a pro-rata basis. The Company issued 12,499,749 new shares at the issue price of \$0.32 per share on the 24 January 2018 under the SPP.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

ROUNDING OF AMOUNTS

The consolidated entity has relied on the relief provided by the 'ASIC Corporations (rounding in Financial/Directors' Report) Instrument 2016/191', issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.



P Muccilli
Director

Perth
5 February 2018



Auditor's Independence Declaration

As lead auditor for the review of Mincor Resources NL for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mincor Resources NL and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C. Heatley'.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
5 February 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2017

	Note	CONSOLIDATED	
		31 Dec 2017 \$'000	31 Dec 2016 \$'000
Sundry income		233	254
Royalty expense		-	(21)
Occupancy expenses		(238)	(238)
Administrative expenses		(505)	(252)
Employee benefits expense		(583)	(908)
Finance costs		-	(38)
Foreign exchange (loss)/gain		(17)	36
Profit from sale of property, plant and equipment <i>(including previously impaired assets)</i>		104	2,089
Exploration expenditure expensed as incurred		(1,215)	(2,154)
Depreciation and amortisation expense		(123)	(61)
Impairment of property, plant and equipment		-	(284)
Adjustments to rehabilitation provision		(226)	-
Other expenses		(13)	(17)
Loss before income tax		(2,583)	(1,594)
Income tax expense	3	-	-
Loss after income tax		(2,583)	(1,594)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of other financial assets at fair value through other comprehensive income		-	63
Other comprehensive income for the half year, net of tax		-	63
Total comprehensive loss for the period attributable to the members of Mincor Resources NL		(2,583)	(1,531)
		Cents	Cents
Loss per share		(1.4)	(0.8)
Diluted loss per share		(1.4)	(0.8)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

		CONSOLIDATED	
	Note	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Current Assets			
Cash and cash equivalents	4	14,056	11,550
Restricted cash	4	436	459
Trade and other receivables		869	435
Total Current Assets		15,361	12,444
Non-Current Assets			
Property, plant and equipment		405	1,069
Evaluation and acquired exploration expenditure		15,750	14,562
Total Non-Current Assets		16,155	15,631
TOTAL ASSETS		31,516	28,075
Current Liabilities			
Trade and other payables		1,574	1,300
Interest bearing liabilities		-	79
Provisions		461	502
Total Current Liabilities		2,035	1,881
Non-Current Liabilities			
Provisions		6,005	5,800
Total Non-Current Liabilities		6,005	5,800
TOTAL LIABILITIES		8,040	7,681
NET ASSETS		23,476	20,394
Equity			
Contributed equity	5	29,314	23,663
Reserves	6	5,801	5,787
Accumulated losses		(11,639)	(9,056)
TOTAL EQUITY		23,476	20,394

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2017

	Note	Contributed equity \$'000	(Accumulated losses)/ Retained earnings \$'000	Reserves \$'000	Total \$'000
Balance at 1 July 2016		23,663	1,700	(1,218)	24,145
Loss for the half-year		-	(1,594)	-	(1,594)
Other comprehensive loss for the half-year		-	(6,553)	6,616	63
Total comprehensive loss for the half-year		-	(8,147)	6,616	(1,531)
Transactions with owners in their capacity as owners:					
Employee performance rights		-	-	179	179
Balance at 31 December 2016		23,663	(6,447)	5,577	22,793
Balance at 1 July 2017		23,663	(9,056)	5,787	20,394
Loss for the half-year		-	(2,583)	-	(2,583)
Total comprehensive loss for the half-year		-	(2,583)	-	(2,583)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	5	5,651	-	-	5,651
Employee share options and performance rights	6	-	-	14	14
		5,651		14	5,665
Balance at 31 December 2017		29,314	(11,639)	5,801	23,476

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2017

	CONSOLIDATED	
	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	-	116
Payments to suppliers and employees (inclusive of GST)	(1,129)	(1,206)
	(1,129)	(1,090)
Interest received	98	115
Other revenue	145	27
Interest paid	-	(37)
Net Cash Outflow from Operating Activities	(886)	(985)
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(22)	-
Payments for evaluation and acquired exploration expenditure	(2,894)	(2,695)
Proceeds from sale of property, plant and equipment	662	4,940
Proceeds from sale of other financial assets	-	471
Net Cash Inflow/(Outflow) from Investing Activities	(2,254)	2,716
Cash Flows from Financing Activities		
Proceeds from issues of shares, Net of capital raising costs	5,700	-
Payment (to)/from restricted cash account from cash and cash equivalent account	(54)	227
Net Cash Inflow/(Outflow) from Financing Activities	5,646	227
Net Increase/(Decrease) in Cash and Cash Equivalents	2,506	1,958
Cash and Cash Equivalents at the Beginning of the Half-Year	11,550	12,635
Cash and Cash Equivalents at the End of the Half-Year	14,056	14,593

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134: **Interim Financial Reporting** and the *Corporations Act 2001*.

This condensed consolidated financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Mincor Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

NOTE 2: SEGMENT INFORMATION

Description of Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Managing Director (MD) is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Company.

During the half-year ended 31 December 2017, the consolidated entity operated predominately in one segment involved in mineral exploration and development industry. Geographically the consolidated entity is domiciled and operates in one segment being Australia. For management purposes, the consolidated entity is organised into one main operating segment which involves the exploration of minerals in Australia.

NOTE 3: INCOME TAX EXPENSE

The consolidated entity incurred a tax loss for the half-year ended 31 December 2017. Management has concluded that it is not probable that the deferred tax assets will be utilised against future taxable income and did not recognise the deferred tax asset on balance sheet beyond that required to offset temporary taxable timing differences.

NOTE 4: CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Cash and cash equivalents	14,056	11,550
Restricted cash	436	459
	14,492	12,009

Cash and cash equivalents include deposits at call with financial institutions, term deposits and cash at bank, all of which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Restricted cash represents cash deposits held as security against the consolidated entity's bond and credit card facility.

NOTE 5: CONTRIBUTED EQUITY

Movements in Ordinary Share Capital

	No. of shares	\$'000
30 June 2017		
Opening balance	188,830,404	23,663
Shares issued pursuant to the vesting of performance rights over fully paid ordinary shares	58,022	-
Closing balance	188,888,426	23,663
31 December 2017		
Opening balance	188,888,426	23,663
Placement at 32 cents per share for cash	18,750,000	6,000
Share issue costs		(349)
Closing balance	207,638,426	29,314

NOTE 6: RESERVES

	31 Dec 2017 \$'000	30 Jun 2017 \$'000
Share-based payments	5,801	5,787
	5,801	5,787
Movements:		
<i>Other financial assets at fair value through other comprehensive income</i>		
Balance at 1 July	-	(6,616)
Amounts transferred to equity	-	6,553
Revaluation – gross	-	63
Balance at reporting date	-	-
<i>Share-based payments</i>		
Balance at 1 July	5,787	5,398
Option expense	-	448
Performance rights expense	14	(59)
Balance at reporting date	5,801	5,787

NOTE 7: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2017 (2016: Nil).

NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date (2016: None).

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

The Company's Share Purchase Plan (SPP) closed on 17 January 2018 heavily oversubscribed.

The Company's Board resolved to accept \$1.0 million in oversubscriptions, for a total of \$4.0 million.

Applications received in excess of \$4.0 million were scaled back on a pro-rata basis. The Company issued 12,499,749 new shares at the issue price of \$0.32 per share on the 24 January 2018 under the SPP.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 10 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Mincor Resources NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



P Muccilli
Director

PERTH
5 February 2018



Independent auditor's review report to the members of Mincor Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mincor Resources NL (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration for Mincor Resources NL (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mincor Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mincor Resources NL is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Craig Heatley'.

Craig Heatley
Partner

Perth
5 February 2018