



ANNUAL REPORT 2009

  
M I N C O R  
R E S O U R C E S N L



# CONTENTS

COMPANY PROFILE	1	OTHER GOLD AND BASE METAL EXPLORATION	24
WEATHERING THE STORM	2	TOTTENHAM COPPER PROJECT	25
DRIVING NEW GROWTH	5	GASCOYNE URANIUM PROJECT	26
CHAIRMAN'S REPORT	6	GEORGINA ZINC PROJECT	29
MANAGING DIRECTOR'S REPORT	7	BONAPARTE COPPER AND ZINC PROJECT	30
MINCOR'S KAMBALDA NICKEL BUSINESS	8	BOHEMIA ZINC-LEAD PROJECT	31
OVERVIEW AND OUTLOOK	8	STATEMENT OF HEALTH, SAFETY AND ENVIRONMENTAL POLICIES	32
Safety	9	VISION AND MISSION	32
Ownership and Operation	10	POLICY STATEMENT	32
Sales	10	PRINCIPLES AND VALUES	32
Metal Prices and Hedging	10	OBJECTIVES	32
OPERATIONAL RESULTS	11	CORPORATE GOVERNANCE STATEMENT	34
NORTH KAMBALDA OPERATIONS	12	DIRECTORS' REPORT	40
Production and Costs	12	AUDITOR'S INDEPENDENCE DECLARATION	53
Resources and Reserves	12	INCOME STATEMENTS	54
Outlook	12	BALANCE SHEETS	55
SOUTH KAMBALDA OPERATIONS	12	STATEMENTS OF CHANGES IN EQUITY	56
Production and Costs	12	CASH FLOWS STATEMENTS	57
Resources and Reserves	13	NOTES TO THE FINANCIAL STATEMENTS	58
Outlook	13	DIRECTORS' DECLARATION	103
ORE RESERVES AND MINERAL RESOURCES	14	INDEPENDENT AUDITOR'S REPORT	104
KAMBALDA NICKEL EXPLORATION	16	ADDITIONAL SHAREHOLDER INFORMATION	106
Mincor's Nickel Exploration Strategy	16	CORPORATE DIRECTORY	INSIDE BACK COVER
Near-Mine Exploration (Northern Operations)	17		
Near-Mine Exploration (Southern Operations)	19		
Exploration for Ultra-Sized Nickel Ore Bodies - North Kambalda	20		
Regional Kambalda Nickel Exploration	22		
Exploration for New Nickel Districts	23		





## COMPANY PROFILE

Mincor is a Perth-based Australian mining company and one of the largest producers of nickel in Australia. The Company was formed in 1999 and opened its first nickel mine in early 2001. Since that time Mincor has generated cumulative profits in excess of \$230 million on gross revenues of more than \$1.4 billion. The Company has paid regular fully-franked dividends since 2003. Mincor is listed on the Australian Securities Exchange and forms part of the S&P/ASX 200 Index.

Mincor's key goal is the safe and responsible generation of outstanding Total Shareholder Returns. Realised returns to shareholders (through dividends paid and assets spun-off) over the nearly 10 year period from October 1999 to end June 2009 exceed 1400%, while total returns (realised returns plus share price appreciation) exceed 4400%. Mincor's strong focus on the safety and wellbeing of its employees is reflected in its long-term safety record. Mincor continues a relentless focus on safety.

All of Mincor's current mining operations are in the Kambalda Nickel District of Western Australia. In terms of its proven endowment, this is one of the most prolific geological regions in the world for high-grade nickel sulphides. Mincor is the largest single producer in the district, and at full capacity operates up to six mines. To the end of June 2009 Mincor had produced over 111,000 tonnes of nickel contained in ore, at an average grade of 2.95% nickel.

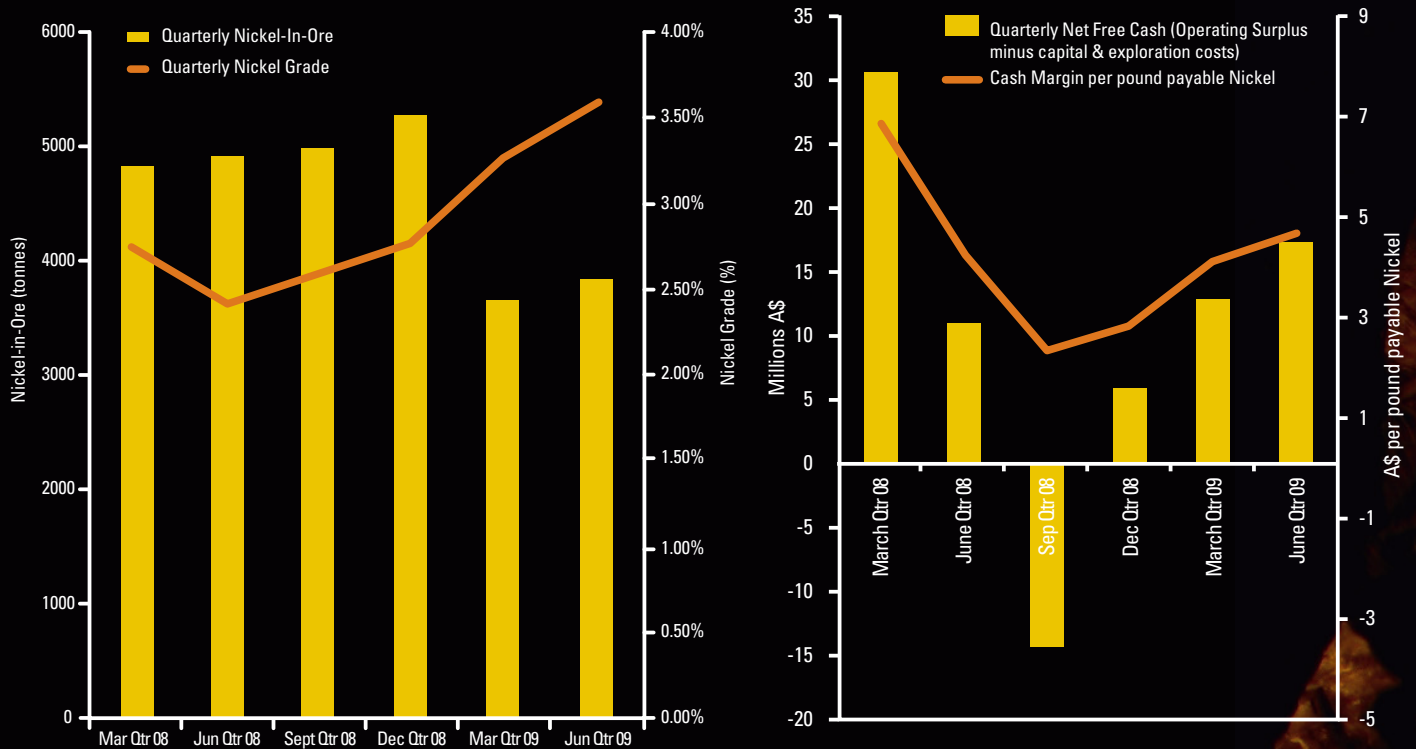
Mincor has a strong tenement position in the Kambalda District and a very strong record of exploration success. The Company has grown its ore reserves five-fold over the years, and today maintains a well-funded exploration effort that continues to generate outstanding success. Mincor is also exploring beyond Kambalda and runs active base metal and uranium exploration projects throughout Australia.

Mincor respects and supports the communities in which it operates, and respects and recognises the traditional owners of the land. The company places an exceptionally high value on its reputation for integrity, and seeks to treat all parties – suppliers, contractors, business partners, employees, its own shareholders and the wider community – with fairness, respect, openness and honesty.



# WEATHERING THE STORM

THE DRAMATIC EVENTS OF THE GLOBAL FINANCIAL CRISIS TEST MINCOR'S STRENGTH AND FLEXIBILITY AS NEVER BEFORE



THE **FINANCIAL CRISIS DROVE A 60% COLLAPSE IN THE NICKEL PRICE** BETWEEN SEPTEMBER AND OCTOBER OF 2008. MINCOR'S **STRENGTH AND FLEXIBILITY**, AND THE SUCCESS OF ITS RESPONSE TO THESE EVENTS, IS REFLECTED IN THE ABOVE GRAPHS – THE COMPANY TOOK A SERIES OF ACTIONS THAT SAW **CASH COSTS REDUCED** TO MULTI-YEAR LOWS AND AN IMMEDIATE TURNAROUND IN OPERATING MARGINS AND CORPORATE CASH FLOWS.



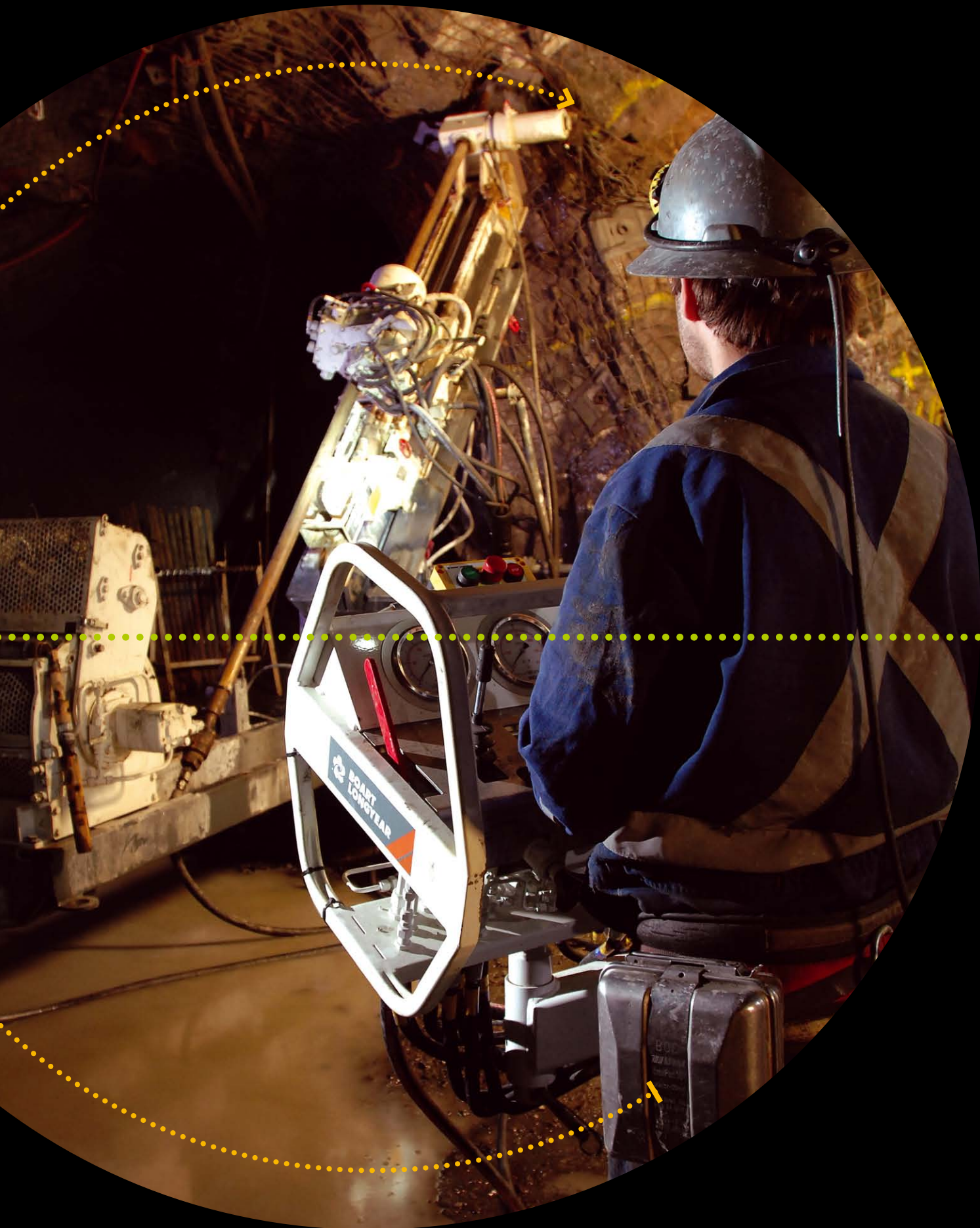
MINCOR'S **COST REDUCTION STRATEGIES** DURING 2008/09 WERE THE CULMINATION OF A **SUSTAINED EFFORT** TO REDUCE COSTS DATING BACK TO MID-2007 – THE PEAK OF THE NICKEL BOOM.



UNDERGROUND JUMBO CARRYING OUT REHABILITATION WORK AT THE CARNILYA HILL MINE  
(PHOTO BY BRADLEY ROBINSON)





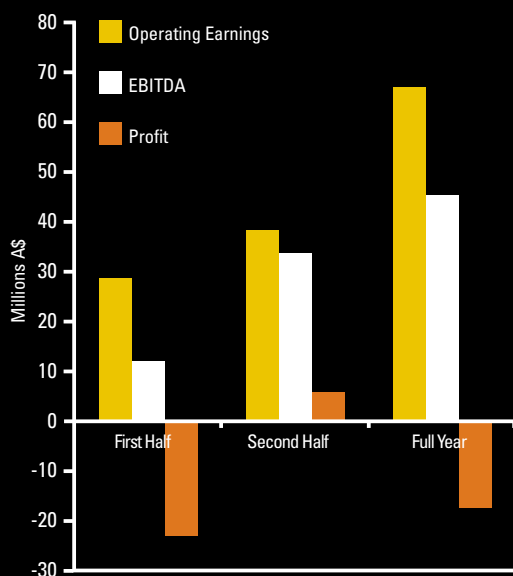


UNDERGROUND DIAMOND DRILLING AT OTTER JUAN

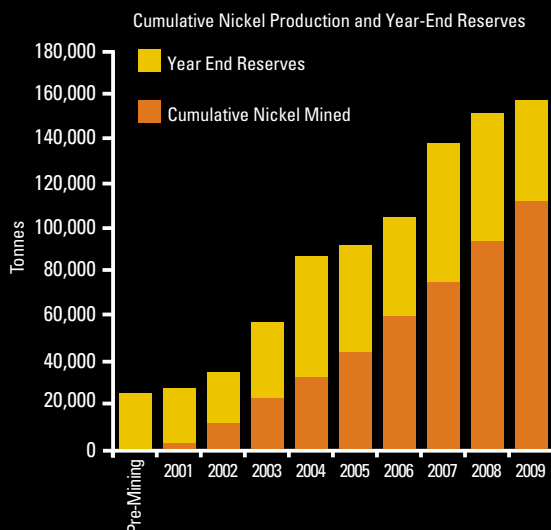


# DRIVING NEW GROWTH

WITH A RAPID TURNAROUND IN PROFITABILITY ACHIEVED BY DECEMBER-END, MINCOR RAMPED UP EXPLORATION EXPENDITURES IN THE MARCH QUARTER — WITH IMMEDIATE SUCCESS



THE SUCCESS OF MINCOR'S RESPONSE TO THE GLOBAL FINANCIAL CRISIS SAW AN **IMMEDIATE RETURN TO PROFITABILITY** IN THE SECOND HALF OF THE YEAR – THE COMPANY'S **STRENGTH** WAS FURTHER DEMONSTRATED BY OUR CASH HOLDINGS, NO DEBT AND THE CONTINUED PAYMENT OF DIVIDENDS TO SHAREHOLDERS THROUGHOUT THE CRISIS. MINCOR'S UNDERLYING FULL-YEAR EBITDA (EXCLUDING THE IMPACT OF PRIOR PERIOD PROVISIONAL PRICING ADJUSTMENTS) **REMAINED A VERY HEALTHY \$53.6M**



MINCOR'S SLOW-DOWN IN DRILLING THROUGH THE MID-YEAR PERIOD MADE IT IMPOSSIBLE TO FULLY REPLACE RESOURCES AND RESERVES BY THE END-JUNE REPORTING DEADLINE – A TIMING INDUCED SHORTFALL THAT IS EXPECTED TO BE RECTIFIED OVER THE COMING YEAR...

BY THE END OF THE FINANCIAL YEAR MINCOR HAD ACCUMULATED A COMPELLING SUITE OF EXCITING DRILL-READY TARGETS – AND LOOKS FORWARD TO **DRIVING NEW GROWTH THROUGH EXPLORATION** OVER THE COMING YEARS:

- North Kambalda Ultra-Sized Nickel Ore Body (US-NOB) targets – based on extensive geological and geophysical work, directed to exploring our mining region which is the single richest province of high-grade nickel sulphides in Australia.
- Bluebush Line tenements – very high quality nickel sulphide targets along 40 km of proven fertility.
- High-value brownfields targets – the new high-grade N10 discovery at Mariners, down-plunge potential at Carnilya Hill and Miitel, the exciting discovery of new mineralised contact surfaces at Otter Juan – already Australia's biggest high-grade nickel sulphide mine.
- Exciting copper, zinc and uranium targets throughout Australia, under active exploration.



# CHAIRMAN'S REPORT



## TO OUR SHAREHOLDERS

Our financial results for the 2008/09 financial year did not compare with earlier years due to the dramatic fall in the price of nickel metal. We experienced a loss in the first half year, however, with the recent improvement in price and the successful execution of our cost and production management plan, we roared back to outstanding levels of mine performance and to profitability in the second half, particularly in the last quarter of the year.

Currently we are meeting all our targets.

Confidence in the world economic outlook and in global banking and credit systems is improving. Growth in China is high and Japan's economy is beginning to grow again. Provided we have a steady, and hopefully, improving price for nickel, we see a good year ahead.

You will see from the report of our Managing Director and the company highlights discussion that we have made excellent nickel resource discoveries during the year; for example the 3.8 metres @ 5.12% nickel encountered at the Mariners Mine in June.

We intend to maintain substantial exploration and mine development budgets in the current year and, as illustrated in this report, we have numerous exciting targets to convert to measured resources. We are making full use of the best technology to aid our mapping and drilling programs.

Our nickel mining cash costs are showing remarkable efficiencies and are now at lower levels than those seen for several years.

We have announced that our nickel ore off-take customer, BHP Billiton has exercised the option to extend our Ore Tolling Agreement for a further 9 years to 27 February 2019. This ensures your Company has in place a high quality customer for all its production for the long term. Our working relationship with BHP Billiton continues to be highly satisfactory.

We continue to build our interests in other key metals. In August we announced a strengthening of our relationship with the important Japanese Government entity, Japan Oil, Gas and Metals National Corporation (JOGMEC) by completing a significant exploration joint venture agreement covering the large scale Bonaparte Zinc Project in Western Australia. This new joint venture complements our existing cooperation with JOGMEC in the Georgina Basin Zinc Project in the Northern Territory of Australia.

Our 100% owned Gascoyne Tungsten/Uranium prospect continues to be investigated. The market for these metals, and in particular uranium, is strong. The need for a capacious, powerful, safe and cost-effective alternative energy generation system is urgent. Uranium mining and export is encouraged by our governments. The realisation that base load power demands, here and overseas, are going to continue to increase rapidly, should assure an excellent market over the long-term for any viable deposit we may discover. We should hope that Australia will follow world leaders in energy generation and provide a local market for uranium.

Our sound financial position enables us to develop existing mines and new prospects with full confidence we can fund our expansion on very competitive terms. Current levels of profitability combined with a lower cost base, satisfactory nickel prices, assured sales revenues and high levels of working capital underpin our confidence.

At 30 June 2009 our working capital was \$94 million and we had no significant interest bearing debt. Net cash flow from operating activities for the year ended 30 June 2009 was \$39.9 million. This cash was invested in the final payment as part of our acquisition of an operating subsidiary, purchase of property, plant and equipment and in exploration and development projects, comprising an investment program for the year of \$60 million. Dividends paid in 2008/09 were \$16 million, arriving at a cash balance at year end of \$76 million.

As announced, your Directors have decided to declare a final, fully paid dividend of 4 cents per share. This brings our full year pay out to 6 cents per share.

I should draw specific attention to the extraordinarily hard work undertaken by our staff, contractors and management team during the shock of the financial crisis. This crisis caused high uncertainty and volatility in the key factors affecting our business. David Moore and his people rapidly developed and effected our management plan which not only protected the Company from the threats arising from the sudden loss in confidence in credit and other markets, but we were able to set up permanent competitive advantages which will serve us well in the future.

Your Company has been well served by your Managing Director in difficult conditions. I thank him and the Board for their support during the year.

DAVID J HUMANN



# MANAGING DIRECTOR'S REPORT



## DEAR FELLOW SHAREHOLDERS

We have come to the end of another extraordinary year – the second in a row – in which the Australian mining industry had to cope with extreme events emanating from the world of global finance. That Mincor did cope, and very successfully, is an outstanding tribute to the flexibility and strength of our company, and above all to the men and women at all levels of the organisation whose skill and dedication saw us through the crisis.

Mincor's successful response to the crisis is detailed elsewhere in this report. Suffice to say that we emerge from a world-shaking event, one that saw numerous Australian mining companies destroyed or severely damaged, having taken no permanent damage ourselves and in a stronger position than ever.

The crisis did lead, however, to Mincor's first ever net loss as a mining company. But looking below the headline numbers reveals the Company's underlying strength. The headline loss of \$16.7 million includes some \$17.9 million in (non-cash) asset impairment charges. Earnings before interest, tax, depreciation and amortisation were in fact a healthy \$45.2 million, and even that understates the case, as it includes \$8.4 million in negative provisional pricing adjustments from the previous year.

Thus it is fair to say that Mincor has demonstrated its capacity to generate strong cash flows, to avoid debt and to pay healthy dividends, right through the mineral commodity cycle.

In October 2009 Mincor will complete its tenth year of existence. Over the past 10 years the Company has, by any measure, met its goal of the safe and responsible generation of outstanding Total Shareholder Returns. But we feel that this is only the beginning of our journey and we look forward to our second decade with great confidence, and with a determination to continue to grow our Company into one of Australia's finest.

Indeed our underlying theme this coming year can be summed up as "Driving Growth through Exploration". I have seldom been as excited by the exploration prospects that lie before us as I am now. We have, I believe, an outstanding chance of bringing to fruition one of the underlying goals of our purchase, 2 years ago, of Goldfields Mine Management Pty Ltd ("GMM"). That goal was the discovery of an Ultra-Sized Nickel Ore Body. GMM's tenements already host the largest high-grade nickel sulphide ore body ever discovered in Australia (our Otter Juan mine) and we have always believed that there is a chance of finding another one. We will be drilling in search of that target at North Kambalda throughout the year.

In addition, our Bluebush Line tenements have yielded excellent drill targets, based on strong geological data and successful geophysical work. We have 12 very high-quality targets to pursue there, and will be drilling most of the year. Elsewhere in the Kambalda District our traditional brownfields extensional targets have already started to yield exciting results, with the emerging discovery of the high-grade N10 ore body at Mariners Mine and the discovery of new, mineralised, basal contacts in an area of extreme complexity at Otter Juan, as well as the down-plunge potential at Carnilya Hill.

Beyond Kambalda we continue to explore vigorously for base metal and uranium targets, and have exciting exploration prospects throughout Australia, any one of which could catapult Mincor into a profitable new commodity. Finally, our business development activities remain a strong focus. We have demonstrated our ability to make sensible acquisitions at reasonable prices, and this route to growth will continue to be actively pursued.

Thus, on the threshold of our second decade, we feel the past is only a springboard to greater achievements in the future, and while success is never guaranteed, shareholders may be certain that Mincor and its employees will work as hard as they have ever done to grow shareholder wealth and to build a company we can all remain proud of.

I would like to thank everyone whose efforts helped us through the turbulent year gone by. My thanks to the community of Kambalda, whose support we value very highly. My thanks also to our two mining contractors, Barminco and RUC Mining Pty Ltd, as well as our other contractors and suppliers, for their sterling efforts. My respectful thanks to our indigenous hosts in many of our outlying exploration prospects for their goodwill and support. My deep thanks to my fellow board members for their guidance, advice and steady support through a trying year. I also wish to thank our shareholders for their continued support, and most particularly those many shareholders who felt moved to contact us with words of advice and encouragement.


Finally my most profound thanks to all our employees, who endured the uncertainty of redundancies and mine closures, the stress of cost-cutting measures and the freezing of wages and bonuses, yet through it all maintained a cheerful and determined attitude and whose skill, dedication and professionalism is the real reason that Mincor today is stronger than it has ever been.

A handwritten signature in dark ink, appearing to read 'D. Moore'.

DAVID MOORE



# MINCOR'S KAMBALDA NICKEL BUSINESS



TREMENDOUS FLEXIBILITY...  
MINCOR HAS NUMEROUS INDIVIDUAL MINES,  
ALL OPERATED INDEPENDENTLY OF EACH OTHER

## OVERVIEW AND OUTLOOK

Mincor operates two mining centres in the Kambalda Nickel District of Western Australia. Each operational centre comprises several mines and each is headed by a General Manager who reports to Mincor's Chief Operating Officer. This structure allows Mincor to derive the benefits of owning multiple production sources while at the same time maximising synergies within and between the operational centres.

During a year that will forever be remembered as the nadir of the Global Financial Crisis, the strength and flexibility of Mincor's mining operations were displayed as never before, with the cyclonic impact of the Crisis in September/October leading to a rapid revision in the group's mining plan which in turn produced a very strong second half despite the continuing challenges.

Nickel prices dropped nearly 60% between September and October of 2008. Faced with this challenge, Mincor reviewed its strengths, identifying these as the high-quality of its site management and workforce, its strong cash balance and hedging position, the fundamentally robust nature of its mines, and above all the tremendous flexibility inherent in its mining operations. This flexibility comes about because Mincor has numerous individual mines, all operated independently

of each other, and because Mincor has all its ore production toll-treated through a third-party mill. Thus Mincor was able to flex its production downwards to accommodate the lower nickel price by suspending higher cost mines, without having to "high-grade" individual mines and thus permanently damage or sterilise their ore reserves, and without having to suffer increased unit milling costs.

Mincor encapsulated the actions needed, as a result of the Crisis and based on its strengths, in a Management Plan. This called for a number of rapid actions designed to ensure that net corporate cash flows remained positive while avoiding any actions that could have long-term negative consequences. The Management Plan required the immediate suspension of operations at Miitel, the suspension of capital development at McMahon, the switch from contract-mining to owner-mining at Carnilya Hill, a re-engineering of production to focus on margin not volume (a process that had already been underway for 18 months), an across-the-board wage and bonus freeze, price discussions with contractors and suppliers, a halt to regional exploration and a deep cut in nickel exploration. It is worth noting however that some nickel exploration (two underground drill rigs) continued throughout this period, and the essential underground capital development at all three of Mincor's main operations continued without pause.

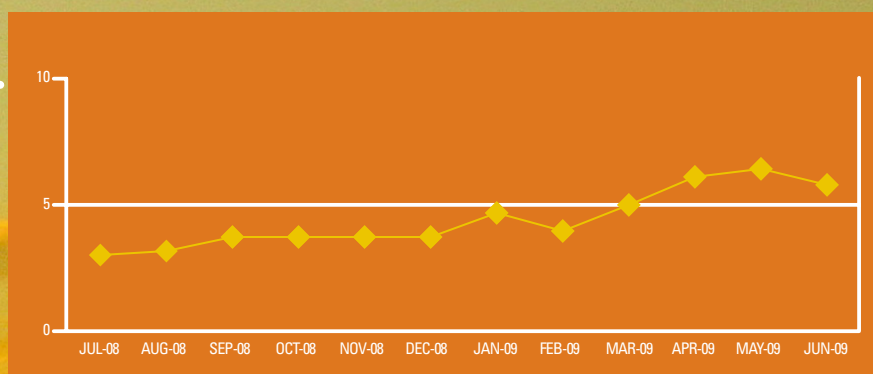
The Management Plan was immediately effective, producing a sustained drop in cash costs, an increase in grade, a strong

rebound in net cash flows, a return to profitability and a 300% increase in cash margins over the 6 months to 30 June 2009.

Thus the year under review was one of two halves. From July to December the operations performed as per plan, marginally exceeding the annualised target of 20,000 tonnes of nickel-in-ore at cash costs of around \$5.76 per pound payable nickel. From January to June production proceeded under the management plan. The plan included a revised full-year target of 17,000 tonnes nickel-in-ore, which in the event was substantially exceeded, with cash costs down to multi-year lows of \$4.83.

As foreshadowed in Mincor's previous Annual Report, and well-before the full impact of the Global Financial Crisis, a key theme was the shift in focus from volume to margin in order to reduce average cash costs. This was successfully achieved, with actual performance for the year (A\$5.37/lb) being substantially better than the target of A\$6.00/lb; and cash costs for the final quarter were the lowest they had been in several years, continuing a downward trajectory that had commenced in mid-2007. This outstanding cost performance was achieved through a reduction in the size of mine openings, a progressive move to non-entry mining methods (mainly at South Kambalda Operations), tight control on mining dilution, the suspension of higher-cost mining operations, rigorous management of expenditure, reductions in support personnel, and price re-negotiations with key suppliers and contractors.





**FIGURE 1** 12 Month Moving Average Lost Time Injury Frequency Rate, Mincor's Kambalda Operations

A KAMBALDA SUNRISE (PHOTO BY MATT ALEXANDER)

While the mid-year slow-down in exploration drilling impacted resources and reserves reported at year-end, considerable success was achieved following the drilling re-start in the fourth quarter. Significant intersections of nickel sulphides were returned well down-plunge of the existing mine development at Otter Juan and Mariners.

Over the coming year the key sources of production will be the Otter Juan, Mariners and Carnilya Hill mines, supplemented by production from McMahon and Coronet. Miitel remains on care and maintenance, with substantial reserves and resources, including nearly 100,000 tonnes of developed reserves ready for mining. Should economic conditions stabilise Miitel can be brought back into production quickly and at minimal cost.

Capital development will continue at all three of the principal mines to develop ore reserves in a timely fashion to maximise the reliability of production. A capital budget of \$19 million has been set aside for this work, intended to ensure that sufficient operating headings are available over the next few years to achieve Mincor's production goals.

High priority resource extension drilling will continue at Otter Juan, Mariners, Carnilya Hill and Miitel. Drilling to convert resources to reserves will be undertaken at all mines, particularly at Mariners.

The focus on maintaining margins by managing the cost per pound of production will continue. Key initiatives will include continual expenditure control, competitive tendering of key contracts,

control of dilution, exploration for and delineation of high-grade ore bodies and investigation of alternative mining methods and systems.

## Safety

Mincor places the highest priority on the safety and wellbeing of its employees and contractors. During the year our extensive safety program continued. Very pleasingly the last quarter of the year saw an ongoing reduction in the number of Lost Time Injuries and Total Recordable Injuries (Figure 1).

During the year the main thrusts of Mincor's safety program included the development of Major Hazard Standards, Supervisor Training, Accountability and Responsibility for Safety Workshops and Task Observations. Other elements of the safety improvement program included:

- Safety-linked bonus/penalty system for key contractors
- Fitness for Work programs
- Auditing of the Safety Management System and actioning audit findings
- Continued development of the safe work procedures
- Safety inspections and audits
- Emergency response capability

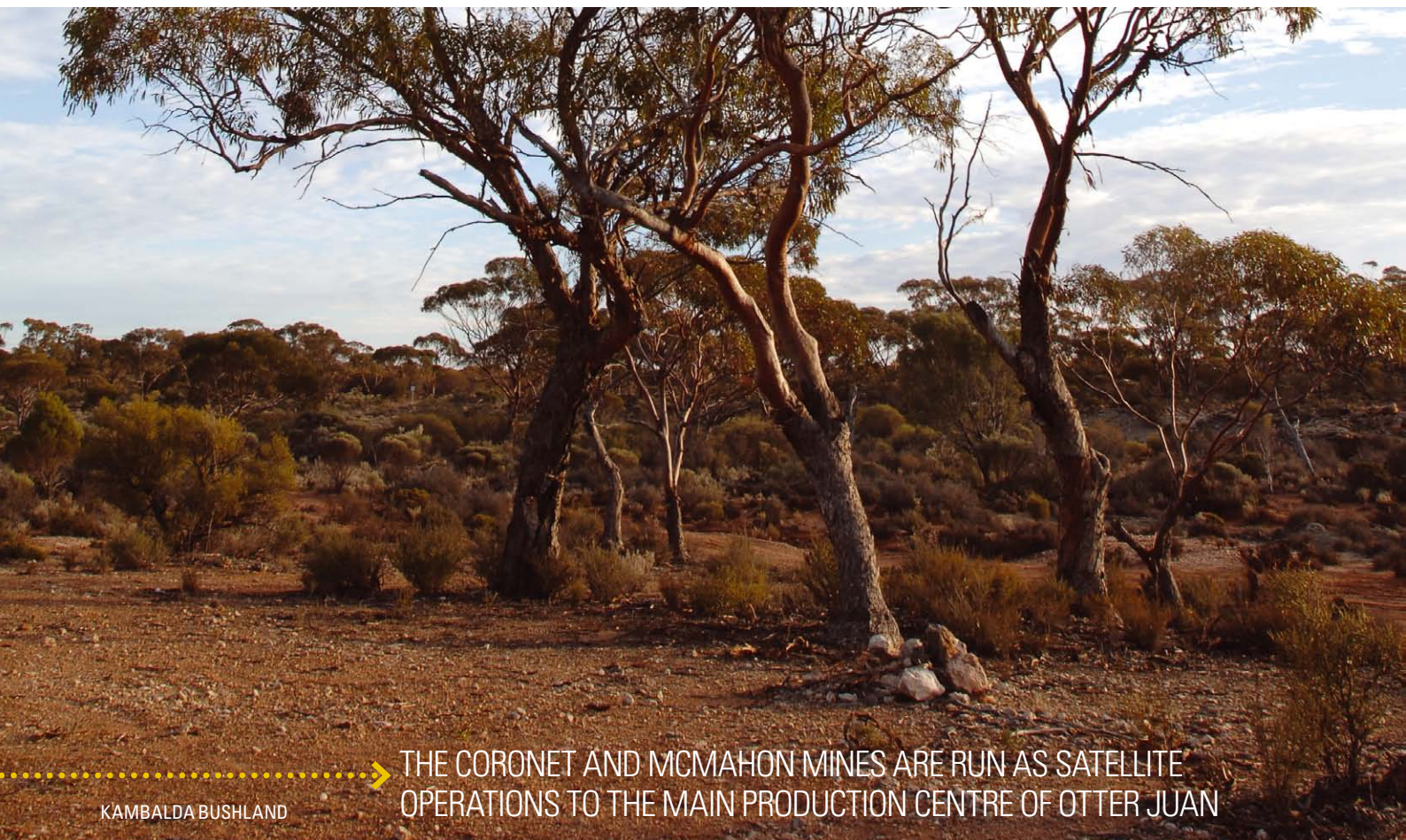
Safety requires an unrelenting focus and Mincor intends to continue to enhance its safety systems and culture with the ultimate goal of achieving its stated aim of "Zero Harm".



MINCOR TRUCK DRIVER, CHIEW WONG



# MINCOR'S KAMBALDA NICKEL BUSINESS



KAMBALDA BUSHLAND

THE CORONET AND MCMAHON MINES ARE RUN AS SATELLITE OPERATIONS TO THE MAIN PRODUCTION CENTRE OF OTTER JUAN

## Ownership and Operation

All of Mincor's mines and associated tenements in the Kambalda Nickel District are owned 100% by Mincor, with the sole exception of Carnilya Hill, which is owned 70% by Mincor and 30% by View Resources Ltd. Mincor is the operator of the Carnilya Hill Joint Venture.

Mincor's South Kambalda Operations (SKO) comprise the operating Mariners Mine as well as the Miitel and Wannaway Mines, which were placed on care and maintenance during the year, and the Redross Mine, which closed in April 2009 having reached the scheduled end of its mine life. The Mariners Mine is mined in cooperation with Barminto Mining Contractors under Mincor's management and technical direction. Barminto also operated at Miitel until December 2008 when Mincor placed that mine on care and maintenance. At that time Mincor reached agreement with Barminto to terminate the Miitel component of the mining contract and to extend the Mariners contract by 3 months to the end of September 2009. The mining contract for Mariners post-September is currently in the process of a competitive tender.

North Kambalda Operations (NKO) comprises the Otter Juan, Coronet, McMahon and Carnilya Hill Mines located at and northeast of Kambalda. The Coronet and McMahon Mines are run as satellite operations to the main production centre of Otter Juan. All are owner-mining operations. During the first half of the year Mincor employed the

services of RUC Mining Pty Ltd to undertake the mining at Carnilya Hill, but this operation was switched to owner-mining in January 2009. The transition was accomplished seamlessly and Mincor is very appreciative of the professionalism displayed by RUC and thank RUC for the excellent work it performed at Carnilya Hill from July 2007.

## Sales

Mincor's long-term Ore Tolling and Concentrate Purchase Agreements with BHP Billiton (Nickel West) continued to operate satisfactorily during the year.

Under these agreements, ore produced at each of Mincor's nickel mines is transported to Nickel West's mill at Kambalda, where it is toll-treated and the resulting concentrate sold to Nickel West. Payment is made to Mincor in US dollars, based on the average spot nickel price during the third month after the month of delivery.

Mincor's mines operate under six separate Ore Tolling and Concentrate Purchase Agreements with Nickel West. Four of these Agreements expire in February 2010, but are extendable (to 2019) at Nickel West's option. As at the date of this report (August 2009) Nickel West had already provided Mincor with the required 6 months notice of its intention to extend these Agreements. The remaining agreements extend to, or have already been extended to, 2016 or 2019.

## Metal Prices and Hedging

The LME spot nickel price for the financial year averaged US\$13,367/t, a significant 53% decrease from the 2008 average of US\$28,574. The LME spot nickel price declined substantially and consistently over the course of the financial year from a high of US\$21,880/t on 10 July 2008 to a low of US\$8,810 on 24 October 2008 before recovering to close at US\$16,010/t on 30 June 2009.

In Australian dollar terms the average nickel price realised by Mincor, net of hedging, dropped by nearly 40% to A\$8.39/lb, compared to A\$13.53/lb the previous year. Thus despite a 16% reduction in cash costs (from A\$6.40/lb to A\$5.37/lb), the lower nickel price reduced Mincor's average cash margin by 58%.

As a result of lower cobalt and copper prices during the year, Mincor derived approximately 2.9% of its gross revenue from the sale of by-product copper and cobalt. This is a decrease from 4.3% in the preceding year.

The lower nickel prices during the year reduced the royalty costs for the year to \$7.8 million, or \$0.36 per pound payable nickel (2008: A\$0.79/lb payable nickel).



# OPERATIONAL RESULTS

**TABLE 1** Operational Results

	SOUTH KAMBALDA OPERATIONS <sup>(1)</sup>	NORTH KAMBALDA OPERATIONS <sup>(2)</sup>	TOTAL FOR FINANCIAL YEAR 2008/09	PRECEDING FINANCIAL YEAR (2007/08) TOTAL
Ore Tonnes Treated (DMT)	343,042	230,082	573,124	722,615
Average Nickel Grade (%)	2.84	3.42	3.08	2.63
Nickel-in-Concentrate Sold (tonnes)	8,515.2	7,253.0	15,768.1	16,562.1
Copper-in-Concentrate Sold (tonnes)	764.9	483.7	1,248.6	1,430.0
Cobalt-in-Concentrate Sold (tonnes)	162.6	94.6	257.2	323.5
Sales Revenue* (A\$)	106.69M	87.98M	194.67M	334.84M
Direct Operating Costs** (A\$)	68.39M	51.33M	119.72M	147.06M
Royalty Costs (A\$)	4.34M	3.46M	7.80M	18.87M
<b>Operating Surplus*** (A\$)</b>	<b>33.96M</b>	<b>33.19M</b>	<b>67.15M</b>	<b>168.91M</b>
Capital Costs**** (A\$)	22.76M	16.18M	38.94M	38.67M
<b>Costs Per Pound Payable Nickel</b>				
Payable Nickel Produced (lbs)	12,166,518	10,346,613	22,513,131	23,733,581
Mining Costs (A\$/lb)	3.21	3.13	3.17	3.85
Milling Costs (A\$/lb)	1.04	0.81	0.93	1.09
Ore Haulage Costs (A\$/lb)	0.26	0.06	0.17	0.23
Other Mining/Administration (A\$/lb)	1.11	0.86	0.99	1.01
Royalty Cost (A\$/lb)	0.36	0.34	0.36	0.79
By-product Credits (A\$/lb)	(0.28)	(0.22)	(0.25)	(0.57)
Cash Costs (A\$/lb nickel)	5.70	4.98	5.37	6.40

<sup>(1)</sup> Production from Miitel, Mariners, Redross and Wannaway operations.

<sup>(2)</sup> Production from Otter Juan, Coronet and McMahon and Mincor's 70% interest in the Carnilya Hill operation.

\* Sales Revenue – estimate, awaits the fixing of the 3 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.

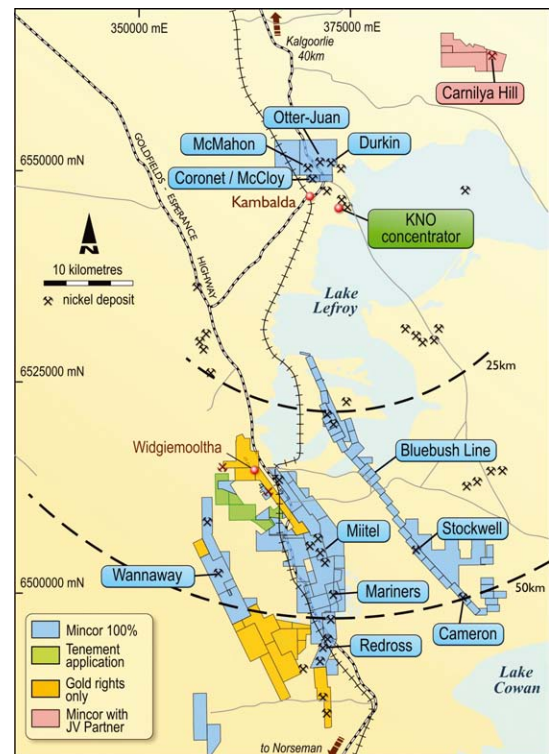
\*\*\*\* Capital Costs – includes mine capital and development costs and extensional exploration costs.

## 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.

**TABLE 2** Production by mine site, financial year 2008/09

MINE	TONNES	GRADE	NICKEL-IN-ORE	NICKEL-IN-CONCENTRATE
Miitel	87,208	2.41	2,105	1,817
Mariners	187,443	3.11	5,834	5,123
Redross	66,119	2.69	1,779	1,550
Wannaway	2,272	1.43	32	25
Otter Juan	117,362	3.93	4,614	4,261
McMahon	19,064	1.86	355	326
Coronet	23,410	2.49	584	538
Carnilya Hill	70,246	3.31	2,326	2,128
<b>Totals</b>	<b>573,124</b>	<b>3.08</b>	<b>17,630</b>	<b>15,768</b>



**FIGURE 2** Location map of all Mincor tenements in the Kambalda District



# MINCOR'S KAMBALDA NICKEL BUSINESS



THE CARNILYA HILL MINE PORTAL

## NORTH KAMBALDA OPERATIONS

### Production and Costs

Mincor's North Kambalda Operations had another outstandingly successful year. Production from Otter Juan and Coronet exceeded targets and Otter Juan produced 3% more nickel than the previous year. Production was principally sourced from the F62 and U surfaces at Otter Juan with a strong contribution from remnant operations at Coronet. Opportunities to mine remnant ore higher in the mine were evaluated and this ore will continue to provide valuable additional production sources. Operating and capital expenditures at Otter Juan and Coronet were below budget and consequently cash costs were better than targeted. Development of the capital decline at Otter Juan continued throughout the year and at year-end had provided access to the 48f1 level in the F62 ore surface.

Capital development at McMahon was halted in October in response to the Global Financial Crisis as discussed above. As a consequence production from McMahon was below the original budget. The capital development at McMahon can be recommenced at any time, and will provide access to the higher grade MMN3 and Ken1 ore bodies.

Construction of the decline at Carnilya Hill continued and production from the B01C

ore body commenced. By year-end the B01C ore surface was developed from access to the 14 to 18 levels, with high-grade ore exposed on these levels, particularly at the eastern end in the keel pinch-out zone.

Cash operating costs per pound of payable nickel for the North Kambalda Operations remained under A\$5.00 for the full year, and reached A\$4.35/lb in the final quarter of the year.

### Resources and Reserves

Resources and Reserves for the North Kambalda Operations were re-estimated as at 30 June 2009 and these figures are shown in Tables 3 and 4.

### Outlook

Mining at Otter Juan in the coming year is expected to continue largely unchanged. The decline will be progressively developed to continue to access the high-grade 62 ore surface below the current lowest level (48f1 level). Airleg slot stoping of this high-grade ore will continue to advance behind the decline. In the coming year the possibility of further ramping up remnant ore positions in higher levels of the mine will be examined.

Recent drilling down-plunge of the F62 ore surface has identified complexity in the basal contact with disruption to the F62 ore surface. Such structural complexity is very often a good sign, as it can lead to the discovery of multiple ore bodies, substantially increasing the ore tonnes per vertical

metre. Evidence of this is appearing at Otter Juan, with the drill intersection of multiple mineralised basal contacts. Drilling to clarify this complexity and to extend the F62 resource down-plunge and to search for large adjacent parallel ore surfaces will be a high priority during the year.

Airleg stoping at McMahon and Coronet will continue. Opportunities to recommence the McMahon decline and to access the higher grade MMN3 and Ken1 ore bodies will be monitored throughout the year. In addition it is planned to undertake a small amount of development at Coronet West to access newly-identified high-grade ore shoots.

Evaluation of additional resources at Ken Far North and Gellatly, both adjacent to McMahon, and studies into the viability of mining these resources will be undertaken during the year.

At Carnilya Hill the decline and associated development will continue to access the B01C ore surface below the 18 level down to the 21 level. Down-plunge drilling aimed at the discovery of additional resources will be undertaken.

## SOUTH KAMBALDA OPERATIONS

### Production and Costs

Production was sourced primarily from Mariners (60%), Miitel (22%) and Redross (18%) with a small contribution from Wannaway.





SCOTT TURBITT (GEOTECHNICAL ENGINEER) WORKING ON MINCOR'S SEISMIC MONITORING SYSTEM

At Miitel production came from development, mechanised flat-back cut and fill stopes and long-hole open stopes in the N11, N25 and N26 ore surfaces at North Miitel with a minor contribution from the N10S ore surface at South Miitel. As detailed above, operations at the mine were halted and the mine was placed on care and maintenance in December 2008. All the mine infrastructure remains in place and the mine has developed ore awaiting stoping. Production can be rapidly ramped up once the decision to re-open the mine is taken.

Mariners had an outstanding year. Annual nickel production increased for the fourth year in a row. Production was 30% higher than the previous year, due to a substantial increase in ore grade. Production from Mariners was sourced from flat-back stoping and long-hole open stoping in the N08 ore surface and most importantly from development, flat-back stoping and long-hole open stoping in the higher grade N09 ore surface. Wide high-grade ore pods were exposed on most levels from the 1580 down to the 1470 levels during the year. Ore exposed exceeded that predicted by the reserve model. Ore from the 1580 and 1560 levels was particularly strong and made a substantial contribution to the high grades achieved for the year. The decline continued to progress during the year and was at the 1430 level at year end.

Very substantial drill intersections of wide high-grade ore were returned from exploration drilling 100 to 200 metres below the previous base of the mineral resource. This material, named the N10 ore body, has extended mineral resources this year and is a strong indication

that the high-grade ore exposed in the N09 ore surface may be repeated at depth.

At Redross production was won from airleg rill stoping of the N01 ore surface. Ore reserves at Redross were depleted by April, as scheduled, and the mine was closed. A small amount of undeveloped remnant ore remains for future extraction.

Over its life Redross proved to be an exceptionally successful operation for Mincor, generating a profit before tax of \$100 million, substantially in excess of the original feasibility study estimates, which foresaw gross revenues of \$100 million. This out-performance was due to the success of Mincor's innovative mining method, an increase in ore reserves, and the perfect positioning of the project with respect to the nickel boom. Project development commenced in October 2003 and first ore was mined in August 2004. Over its life the mine produced 509,260 tonnes of ore at an average grade of 3.18% nickel, for 16,188 tonnes of contained nickel, against feasibility estimates of 526,000 tonnes of ore at 2.95% nickel for 15,517 tonnes of contained nickel. Mincor pays tribute to the men and women who worked at Redross over the past 5 years, whose efforts made it an outstanding success.

Reserves at Wannaway were depleted early in the year and the mine was placed on care and maintenance in August. Mineral resources remain at Wannaway below the current mine workings.

Despite lower overall production, operating cash costs per pound of payable nickel at South Kambalda was 20% lower than the previous year. Factors contributing to this were the high-

grade production from the N09 ore surface at Mariners, cessation of lower grade, higher cost ore production and expenditure reductions.

## Resources and Reserves

Resources and Reserves for the South Kambalda Operations were re-estimated as at 30 June 2009 and these figures are shown in Tables 3 and 4.

## Outlook

The decline at Mariners will continue during the year in order to provide further access to the N09 surface at depth. Development of the level drives and stoping will continue. Diamond drilling to extend the mineral resource and to upgrade the N10 resource to reserve status will continue. A feasibility study to evaluate the economics of this resource will be undertaken during the year including an examination of the geomechanics, power supply and ventilation.

The current mining contract at Mariners ceases at the end of September 2009. A competitive tender process is currently underway to replace the existing contract post-September. Opportunities to re-open Miitel and to develop and mine remnant ore at Redross and Wannaway will be monitored.

Exploration targets in the vicinity of Mariners, such as the southern extensions at the top of the mine and the Miitel contact in the footwall of the current mine, will be tested. Exploration drilling to extend the existing resources at Burnett and South Miitel will also be undertaken during the year.



# MINCOR'S KAMBALDA NICKEL BUSINESS

## ORE RESERVES AND MINERAL RESOURCES

A key aspect of Mincor's business model in Kambalda is its ability to replace ore reserves every year (i.e. replace annual mined production), and to continually grow its mineral resources (after taking account of mined production). Due to the mid-year slow-down in drilling activities, this objective was not fully achieved for the 2008/09

financial year, as the Company's drilling program was not sufficiently advanced by the cut-off date for annual reporting purposes.

Thus Mincor produced 17,652 tonnes of nickel from its reserves during the year, and added 6,052 tonnes of new reserves – an increase of around 10% over the June 2008 reserve base, but not a full replacement of nickel metal mined during the year. Similarly, a small increase in resources was achieved over the June 2008 figure, but not enough to replace depletion during the year.

Mincor's ore reserves have grown from a starting position of 25,400 tonnes of contained nickel in 2001, to today's 45,400 tonnes, and that is after the mining of 111,000 tonnes. If mined tonnes are added back, then it can be seen that Mincor has increased its original reserves by 5.4 times, as a result of exploration success and judicious acquisitions. Similarly, mineral resources have grown from 45,550 tonnes of nickel to today's 153,700 tonnes, and if mined production is added back, then mineral resources have grown by 5.8 times.

**TABLE 3** Mineral Resources as at 30 June 2009

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL	
		TONNES	Ni (%)	TONNES	Ni (%)	TONNES	Ni (%)	TONNES	Ni TONNES
Mariners	2009	178,000	3.5	316,000	3.3	213,000	5.0	707,000	3.9
	2008	334,000	4.2	378,000	3.5			712,000	3.9
Redross	2009	31,000	5.1	138,000	2.9	67,000	2.9	236,000	3.2
	2008	61,000	7.7	154,000	3.0	67,000	2.9	283,000	4.0
Miitel	2009	152,000	3.5	476,000	3.7	189,000	3.2	817,000	3.6
	2008	278,000	3.4	457,000	3.6	115,000	3.7	850,000	3.6
Wannaway	2009			123,000	2.6	16,000	6.6	139,000	3.0
	2008	2,000	1.4	123,000	2.6	16,000	6.6	142,000	3.0
Carnilya Hill*	2009	29,000	5.3	139,000	4.4			168,000	4.5
	2008			174,000	5.5			174,000	5.5
Otter Juan**	2009	241,000	4.4	238,000	3.6	104,000	2.5	583,000	3.7
	2008	258,000	5.2	289,000	3.0	207,000	3.1	754,000	3.8
McMahon/Ken	2009	26,000	3.1	269,000	3.3	93,000	6.3	388,000	4.0
	2008			282,000	3.3	91,000	6.4	374,000	4.1
Durkin	2009			251,000	5.2	127,000	5.0	378,000	5.1
	2008			251,000	5.2	127,000	5.0	378,000	5.1
Gellatly	2009			29,000	3.4			29,000	3.4
	2008			29,000	3.4			29,000	3.4
Stockwell	2009			557,000	3.1			557,000	3.1
	2008			195,000	2.4	435,000	3.7	630,000	3.3
Cameron	2009			96,000	3.3			96,000	3.3
	2008								
GRAND TOTAL	2009	657,000	4.0	2,632,000	3.5	810,000	4.3	4,099,000	3.8
	2008	934,000	4.5	2,332,000	3.6	1,059,000	4.0	4,325,000	3.9

Notes:

Resources are inclusive of Reserves.

Figures have been rounded and hence may not add up 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.

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 PAD AT CARNILYA HILL

TABLE 4 Ore Reserves as at 30 June 2009

RESERVE		PROVED		PROBABLE		TOTAL	
		TONNES	Ni (%)	TONNES	Ni (%)	TONNES	Ni TONNES
Mariners	2009	138,000	2.8	203,000	2.6	340,000	2.7
	2008	272,000	3.0	172,000	3.3	444,000	3.1
Redross	2009	33,000	3.5			33,000	3.5
	2008	63,000	2.9	21,000	2.4	84,000	2.8
Miitel	2009	28,000	2.6	440,000	2.7	468,000	2.7
	2008	119,000	2.5	459,000	2.6	579,000	2.6
Wannaway	2009			39,000	2.9	39,000	2.9
	2008	2,000	1.4			2,000	1.4
Carnilya Hill*	2009	54,000	3.1	74,000	3.3	127,000	3.2
	2008			220,000	2.8	220,000	2.8
Otter Juan**	2009	185,000	3.4	123,000	3.5	307,000	3.4
	2008	209,000	3.8	111,000	3.7	320,000	3.8
McMahon	2009	23,000	2.3	269,000	2.4	291,000	2.4
	2008			322,000	2.4	322,000	2.4
GRAND TOTAL	2009	460,000	3.1	1,147,000	2.7	1,607,000	2.8
	2008	666,000	3.1	1,299,000	2.8	1,965,000	2.9

**Notes:**

Figures have been rounded and hence may not add up 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.

The information in this Public Report that relates to Mineral Resources 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.



# MINCOR'S KAMBALDA NICKEL BUSINESS



MINCOR ENDED THE YEAR WITH A  
COMPELLING SUITE OF EXPLORATION TARGETS

JUMBO IN A FLAT-BACK STOPE IN THE MIITEL NICKEL MINE

## KAMBALDA NICKEL EXPLORATION

### Mincor's Nickel Exploration Strategy

Following the slow-down in drilling as a result of the global financial crisis, Mincor ramped up exploration in the fourth quarter. This work produced excellent results and has generated an outstanding suite of targets that will be vigorously pursued over the coming year.

Mincor's exploration goals in nickel may be summarised as follows:

- Continually expand existing resources and reserves at all mines through sustained extensional drilling;
- Discover new high-grade ore systems in the Kambalda District, leading to the development of new mines;
- Discover an Ultra-Sized Nickel Ore Body (US-NOB) at North Kambalda;
- Discover whole new nickel districts outside Kambalda.

Mincor aims to apply the latest exploration technologies and to keep abreast of the most up-to-date geological thinking, and this cutting edge approach was on display during the past year. Mincor carried out an advanced 3-Dimensional seismic survey,

in conjunction with BHP Billiton, its tenement neighbour to the north, over its North Kambalda tenement. Mincor also applied the advanced VTEM airborne system to its Bluebush Line tenements, pioneered the use of underground contact-parallel directional drilling in Kambalda, and continues to make use of the advanced geological and geophysical skills present in Perth's universities.

Building on the successes of the past year, Mincor's nickel exploration efforts will focus on the following areas, among others, through the year ahead:

- Work during 2008/09 delineated an initial US-NOB target in the highly prospective Eastern Corridor of the Kambalda Dome through a combination of detailed geological, geochemical and conceptual studies supported by the later results of the seismic survey. Over the coming year this target and others along the prospective corridor will be drilled from underground positions in the Otter Juan mine and from surface where possible.
- Geological work at Mariners Mine followed by deep drilling from underground during 2008/09 led to the discovery of the N10 ore body and a preliminary inferred resource of 10,600 tonnes contained nickel. Drilling during 2009/10 will continue the exploration of this new discovery, which remains open in the down-plunge direction. Infill drilling will also be required to convert the resource to the Indicated category.
- Excellent geological, geochemical and geophysical work along the Bluebush Line tenements over the past year has produced a suite of 12 high-quality VTEM anomalies with strong geological support. Eight of these targets have had no previous attention. All of these exciting prospects will be drill-tested over the coming months. In addition, high-grade drill intersections at Cameron, achieved during the past year, will be followed up.
- A major program of drilling is currently underway at the Otter Juan Mine, following up the extraordinary complexity that has emerged there in drilling over the past few months. Multiple mineralised basal contacts have been encountered, in both the footwall and the hanging-wall of the single currently-known ore surface. This is an exciting development that could lead to the discovery of significant new ore bodies in this major ore system as drilling continues.
- Brownfields extensional drilling will continue at both North and South Miitel, and at Carnilya Hill, where work during the past year has highlighted the ongoing potential of these prolific ore systems.



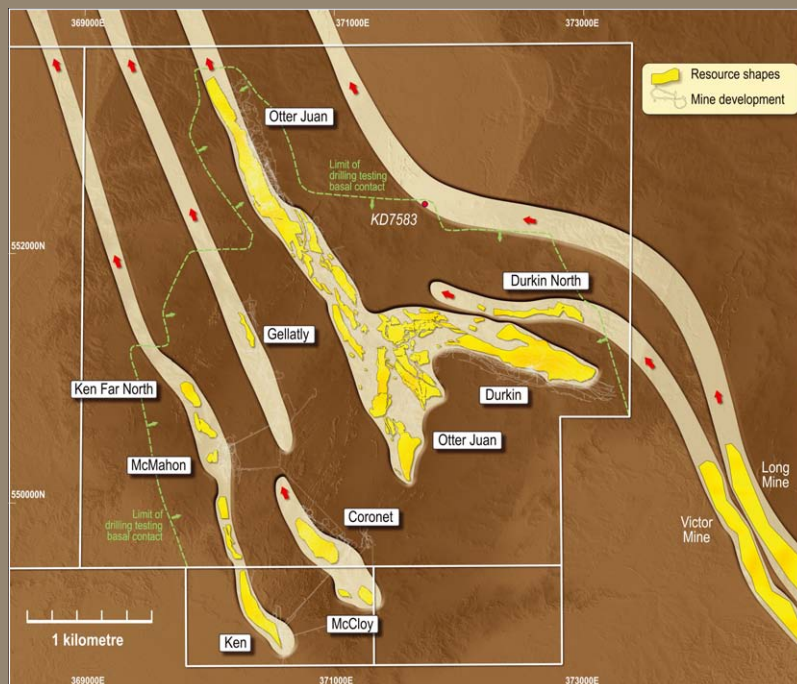


FIGURE 3 North Kambalda map showing channels and ore bodies

## Near-Mine Exploration (Northern Operations)

Based on its known nickel endowment, Mincor's North Kambalda tenement is perhaps the single most prospective area in Australia for high-grade nickel sulphides. All of the numerous known ore systems remain open at depth and require further drilling. The greatest of them, Otter Juan, is a special case and will be the focus of a sustained drilling effort over the coming months.

Mincor's drilling over the past year highlighted an increasing complexity in the Otter Juan ore system, such as occurs in numerous upper areas of the mine. Such zones of complexity are welcome and valuable, as they almost invariably lead to the discovery of additional ore bodies within the overall ore system.

The initial indications of the current complexity were suggested by the steepening of the dip of the ore body first identified by Mincor's directional drilling program. More recently further evidence of increased complexity was observed when significant high-grade mineralisation was intersected within the hanging-wall ultramafics by a number of operational underground drill holes that were extended beyond the basal contact.

Three of these holes intersected ore grade material some 16 metres above the main F62 ore body in an area amenable to mining using existing infrastructure:

- JS48-009: 6.67 metres @ 3.58% nickel from 193 metres (true width 4.3 metres)
- JS48-008: 9.52 metres @ 3.59% nickel from 177.29 metres (true width 6.1 metres)
- JS48-010: 6.15 metres @ 4.98% nickel from 181.87 metres (true width 4.0 metres)

JS48-010 zone was stoped out by porphyry and JS48-008 ended in ore so these two intervals may be wider than reported. The intercepts are in an area 17 metres x 16 metres which runs parallel to the basal contact and is comprised of massive, matrix and disseminated sulphides.

Further drilling led to the discovery of at least two new basal contact positions in the hanging-wall of the main basal contact. These holes intersected mineralised basalt-ultramafic contacts approximately 30 metres above the main ore body, and could be the harbinger of a significant new discovery.

The mineralisation on these contacts include (all estimated true width):

- JS48-019: 1.7 metres @ 4.08% nickel – first basalt outer contact
- JS48-010: 0.2 metres @ 3.37% nickel – second outer basalt contact (HBOO)
- JS47-012: 0.3 metres @ 2.78% nickel – first basalt underside contact (HBU)
- JS48-019: 0.1 metres @ 1.85% nickel – first basalt underside contact (HBU)

These newly discovered and structurally repeated basal contacts could have the potential to host large bodies of massive sulphides remobilised both into the foot-wall and hanging-wall. The significant hanging-wall mineralisation remains open and is likely to be connected to the repeated basal contacts reported above.



# MINCOR'S KAMBALDA NICKEL BUSINESS



A BOLD EXPLORATION  
STRATEGY WAS ADOPTED

CARNILYA HILL MINE

## CARNILYA HILL

Exploration drilling tested an area immediately down-plunge of the main B01C ore body, with modest results, and the area down-dip of the B01C ore body, with more success. The down-plunge drilling comprised four holes, two of which returned the following:

- CUD0053: 3.37 metres @ 1.83% nickel (true width 1.24 metres)
- CUD0057: 2.45 metres @ 2.43% nickel (true width 1.07 metres) within a mineralised picrite on the contact.

Although these intersections are of modest grade they do highlight the continuation of the mineralised system. A conductor identified from a previous down-hole electromagnetic survey is located between these latest drill holes and the resource boundary and remains to be tested. In the down-dip direction the B01C ore body is believed to terminate in a basalt pinch-out locally termed the 'keel'. Mineralisation generally improves within the keel due to better developed thicknesses of remobilised massive sulphides. Recent drilling in this area has included the following intersections:

- CUD0038: 4.63 metres @ 12.75% nickel (true width of 2.66 metres)
- CUD0063: 2.77 metres @ 5.62% nickel (true thickness 2.44 metres)
- CUD0061: 1.47 metres @ 6.01% nickel (true thickness 1.06 metres) and 0.68 metres @ 15.8% nickel (true thickness 0.50 metres)

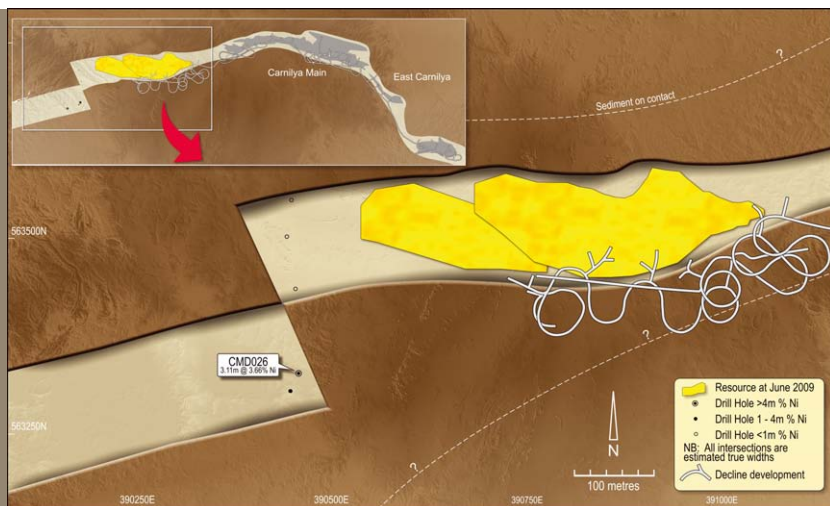
The keel drilling program has successfully extended the resource down-dip from 2008 and these results have been included in the current resource.

A fixed loop surface electromagnetic survey was undertaken covering a large area east of the Carnilya Hill Mine and extending to the tenement boundary. A strong anomaly was identified in a favourable geological setting. The anomaly is positioned immediately west of historic hole CHD397 (0.1 metres @ 10% nickel) and in close proximity to the interpreted keel of the Carnilya Syncline. The anomaly has an interpreted dimension of 80 metres x 100 metres and could represent massive nickel sulphides. Follow up drill-testing is planned. The most eastern portion of the survey was ineffective due to a large palaeo-channel. This area will be tested by other means.

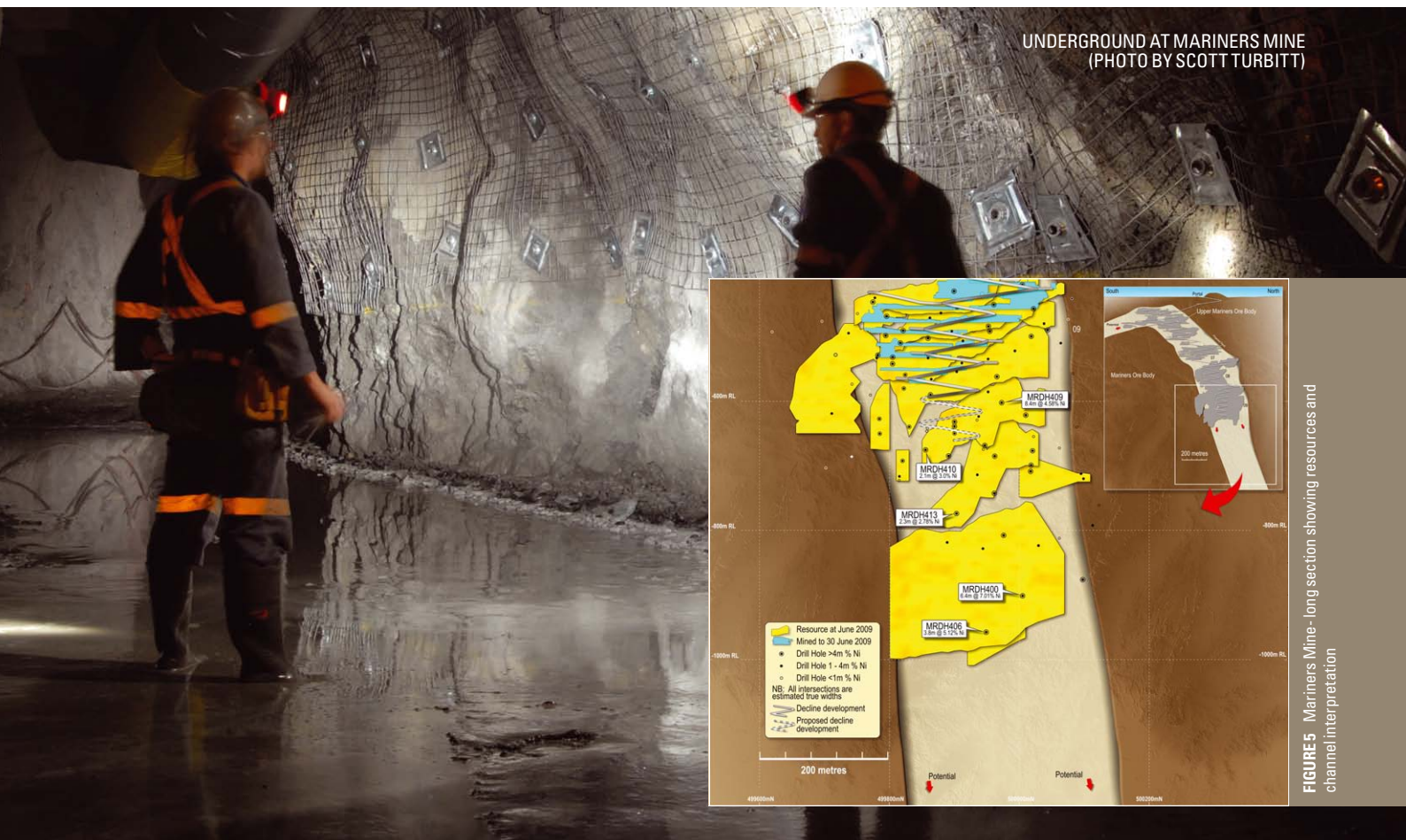
Ongoing geological work has continued to refine Mincor's understanding of the complexities of the Carnilya Hill mineralisation. The following targets are considered the highest priority at and near Carnilya Hill:

- Potential for a major re-make of this strong ore system in the down-plunge direction to

FIGURE 4 Carnilya Hill Mine - showing resources and channel interpretation







UNDERGROUND AT MARINERS MINE  
(PHOTO BY SCOTT TURBITT)

FIGURE 5 Mariners Mine - long section showing resources and channel interpretation

the west along the main ore trend – drill-testing from surface was underway at the time of this report.

- At Carnilya East the testing of the near-surface electromagnetic anomaly generated from the fixed loop survey.
- A re-examination of the hanging wall mineralisation at Zone 29 – based on the concept that it could represent a structural or syngenetic link to a very large, undiscovered basal contact ore body nearby.

## Near-Mine Exploration (Southern Operations)

Mincor has enjoyed outstanding exploration success at its Southern Operations over the years, and this looks set to continue with the new discovery at Mariners and strong targets at Miitel and elsewhere.

### MARINERS

Mariners has become an exceptionally successful mine for Mincor. The N09 ore body in particular, discovered by Mincor 2 years ago, has proved to be of higher grade than any previous ore body in the mine and very amenable to productive, mechanised, low-cost mining. This success, and the evident improvement of the grade with depth, led Mincor to focus early in the past year on the outstanding further down-plunge potential of the Mariners ore system.

A bold exploration strategy was adopted, designed to create a vision of production at

Mariners extending several years beyond the then current mineral resources. It was decided to drill a deep contact-parallel hole that followed the interpreted steep northerly plunge of the ore system. Using directional drilling techniques, wedges off the parent holes were then drilled to test the basal contact at selected intervals. This is the same directional drilling technique used successfully at Otter Juan in the previous year.

MRDH381 was drilled parallel to the basal contact for a length of 897 metres. Once the hole was two-thirds complete, two surveys were undertaken. Borehole radar successfully identified the position of the basal contact and a down-hole electromagnetic survey (DHEM) identified two strong anomalies. At the bottom of the hole, some 1,430 metres below surface, the basal contact was successfully intersected, returning two sub-grade intersections of disseminated nickel sulphides within fertile ultramafics. The presence of disseminated sulphides and the identification of strong DHEM anomalies were used to update the geological model and to optimise a follow-up extensional drill program. The information clearly identified a steepening of the overall Mariners mineralised trend. Follow up drill-testing of this newly interpreted trend commenced immediately when appropriate underground drill platforms were available.

Outstanding success was achieved in one of the earliest of these drill holes, with an intersection of 34.68 metres @ 7.01% nickel (true width 6.4 metres). Apart from the spectacular grade

and width, the significance of the intersection lay in its location some 180 metres below the previous resource boundary – pointing to the likely discovery of an entirely new ore body.

Better intersections to date below the previous resource include:

- MRDH0400: 34.68 metres @ 7.01% nickel (true width 6.4 metres)
- MRDH0406: 29.70 metres @ 5.12% nickel (true width 3.8 metres)
- MRDH0394: 10.11 metres @ 3.38% nickel (true width 5.5 metres)
- MRDH0413: 9.51 metres @ 2.78% nickel (true width 2.32 metres)
- MRDH0402: 16.64 metres @ 1.75% nickel (true width 3.3 metres)
- MRDH0396: 1.84 metres @ 10.34% nickel (true width 1.2 metres)
- MRDH0397: 6.20 metres @ 2.56% nickel (true width 4.9 metres)

The results so far suggest that the N10 ore body has indeed been discovered and that it is likely to be similar to the N09, in which the bulk of the metal occurs in separate very thick and high-grade ore pods. These have proved amenable to productive and low-cost mining with the added benefit of improved control of the local stress field. The N10 mineralisation remains open down-plunge and along strike and will be a key focus of Mincor's exploration at Mariners over the coming year.



# MINCOR'S KAMBALDA NICKEL BUSINESS

FIGURE 6 Miitel Mine - Long section showing channel interpretation

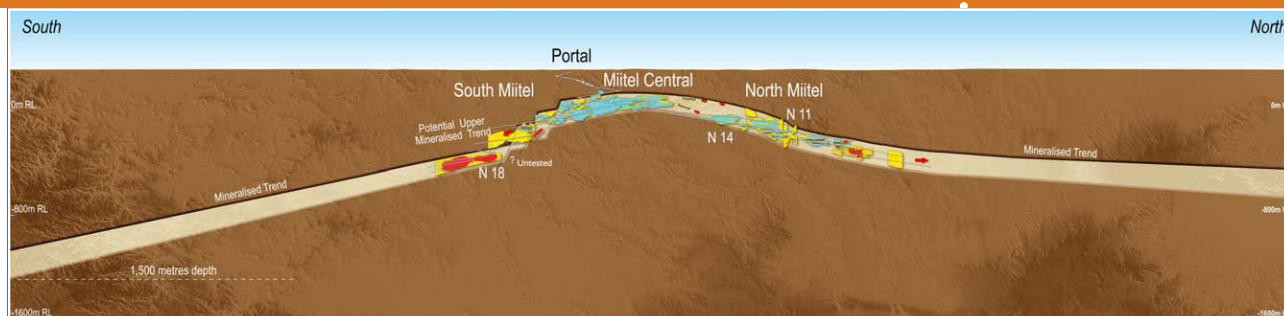
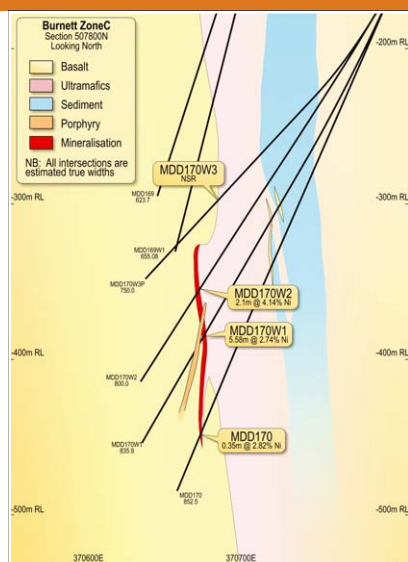


FIGURE 7 Burnett zone section 507800N - Geological interpretation



## MIITEL

Miitel is one of the larger of the known ore systems in the Kambalda District. The mine has a flat plunge and a vertical dip and as such is capable of high rates of low-cost mechanised production. Ore development is not continuous along the channel structure. This means that exploration persistence is required when barren sections of the channel structure are encountered. Such persistence led to the discovery of the North and South Miitel ore bodies by Mincor over the past several years.

## BURNETT (NORTH MIITEL)

At Burnett Mincor's persistence paid off with the success of a major step-out drill traverse. The traverse was drilled from surface some 800 metres beyond the known resource boundary, and intersected strong, wide, nickel sulphide mineralisation in a well-developed channel-like structure – almost certainly the northward continuation of this remarkably extensive ore system.

The surface discovery hole, MDD170W1, intersected 8.72 metres @ 2.74% nickel (true width 5.58 metres) from 751 metres down-hole, including 5.30 metres @ 3.42% nickel (true width 3.39 metres). Significantly, the intersection comprised a well-developed "Kambalda Profile" with a narrow zone of medium/high-tenor massive sulphides grading 13.15% nickel lying directly on the basal contact, overlain by matrix and then disseminated sulphides. In total 3 intersections

were achieved on the traverse, clearly identifying a mineralised channel structure with a vertical dimension of up to 100 metres.

A later hole, MDD171, was drilled 160 metres north of MDD170W2 and intersected two separate mineralised zones. Strong hanging-wall mineralisation returned 1.90 metres @ 8.91% nickel from 713.5 metres (true thickness 1.09 metres) in a hanging-wall position; and 5.45 metres @ 1.21% nickel from 747.50 metres (true thickness 3.49 metres) on the basal contact. The footwall mineralisation, position and style are typical of the extremities of a basalt pinch-out. A wedge, MDD171W1, achieved a separation of 70 metres down-dip, intersecting a weakly mineralised contact at 785 metres down-hole. These results may suggest that the mineralisation encountered in the first traverse closes off at about this position.

An underground drilling program was also carried out, testing the 400 metres of the contact closest to existing underground development at North Miitel. Nine underground holes were completed both infilling and extending from the previous 2008 inferred resource. All but one of these holes intersected nickel mineralisation greater than 1% nickel, further defining a flat plunging mineralised trend. The best intersection was in UMI-08-081, being 1.19 metres @ 7.32% nickel (true thickness 0.97 metres). Importantly a down-hole electromagnetic anomaly was defined off this hole and remains a high priority follow up drilling target. The results of this work suggest

that, while the Burnett channel is continuously mineralised for at least the first 400 metres beyond current North Miitel resources, the mineralisation is weak and structurally attenuated and likely to be sub-economic.

Beyond this area, however, and centred around the traverse completed in parent hole MDD170, there remains a very high quality target, with a well-developed and well-mineralised trough structure with ore grade intersections and the clear potential for economic mineralisation. This area will be the focus of further drilling during the coming year.

## SOUTH MIITEL

The southward extension of the South Miitel ore body will receive attention over the coming year, with the likely design and drilling of a deep traverse section, with a parent hole and daughter wedges, similar to the concept employed so successfully at Burnett described above.

## Exploration for Ultra-Sized Nickel Ore Bodies - North Kambalda

The greater Kambalda area is a world-class nickel district that has produced over 1.3 million tonnes of nickel metal to date. Most of this has come from Ultra-Sized Nickel Ore Bodies (US-NOBs) located around the Kambalda Dome. Mincor's Northern Kambalda tenements cover the northern third of this Dome and have



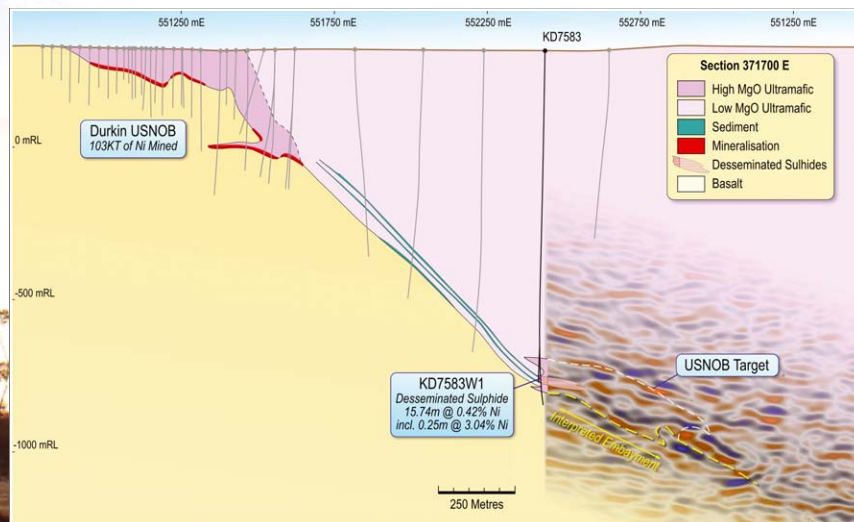


FIGURE 9 Otter Juan - US - NOB target generated from seismic data

produced nickel from seven known ore systems, including the largest single high-grade nickel sulphide ore body in Australia – Otter Juan. It is an extraordinary fact that around two thirds of the prospective basal contact – the stratigraphic location of all Kambalda’s nickel ore bodies – on Mincor’s North Kambalda tenements have not been drill-tested. This remarkable prospectivity explains Mincor’s sustained focus on the discovery of additional US-NOBs in this area. An important additional point is Mincor’s enhanced ability to convert any new discovery into a reserve due to the large amount of existing underground development (down to 1.5 km vertical depth), improvements in mining methodology at depth and the use of innovative exploration technologies.

The structural complexity of the North Kambalda Dome can be seen on the cross section interpretation (Figure 8). The basal contact is in places faulted to shallower positions via thrust faults resulting in the doubling of the contact in plan view. This doubling up of the contact increases the surface area of fertile contact on Mincor’s tenements. It is possible that further thrust faults occur in the undrilled

portions of the tenement, possibly relocating the basal contact closer to surface.

During December 2008 Mincor completed a high resolution 3-dimensional seismic survey in a joint initiative with BHP Billiton, Mincor’s tenement neighbour to the north. The purpose of the seismic survey was to identify the prospective basal contact at depth and, if possible, identify structures within the contact that could represent the trough structures that hold ultra-sized nickel ore bodies (US-NOBs).

Interpretation of the vast quantity of seismic data is now well underway. Initial results suggest that, for the first time, the deep architecture of the northern third of the Kambalda Dome may be resolved, and that the location of the basal contact throughout this area may be discernable. Of particular note is the seismic signature of the Otter Juan ore body, which can be detected well beyond the current workings and appears to continue to at least as far as Mincor’s northern tenement boundary. Of great importance is the approximate identification of the basal contact to both the east and west of Otter Juan.

To the east of Otter Juan the results of the seismic survey have added support to a very

strong geological target previously identified by Mincor. Mincor’s detailed geological interpretation identified the area down-dip and west of a deep historical drill hole as an outstanding target for an US-NOB, possibly the continuation of the Long ore body, a known US-NOB. The drill hole, one of the deepest in the region that actually intersects the basal contact, intersected a number of ore body “indicators” derived from well established geological models at Kambalda, including a thick zone of disseminated mineralisation in the hanging-wall ultramafic rock, a possible re-entrant structure in the basal contact, and fertile high-magnesium ultramafics in the important basal lava flow. Mincor’s seismic data has imaged a full profile immediately down-dip of this drill hole. The seismic data suggests that the basal contact contains an embayment up to 75 metres deep and 200 metres wide, with a strike of approximately 300 metres. Within this embayment a moderate seismic reflector can be discerned.

It is possible that the embayment represents a typical Kambalda-style trough structure, and that the contained reflector represents actual mineralisation. Importantly, this seismic target is directly coincident with

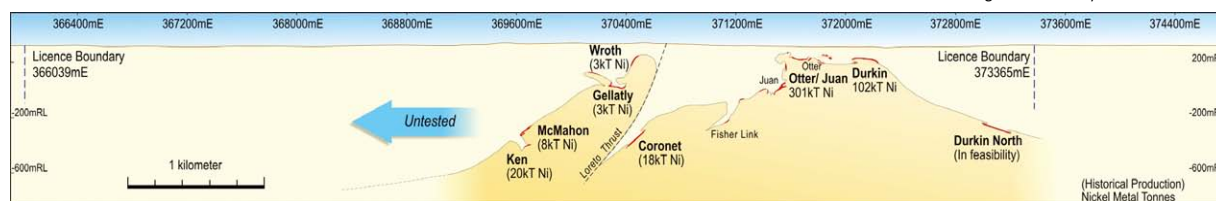


FIGURE 8 North Kambalda - Idealised cross section (551200N)



# MINCOR'S KAMBALDA NICKEL BUSINESS

FIGURE 10a North Kambalda - Interpreted Geological Cross Section (6553150N)

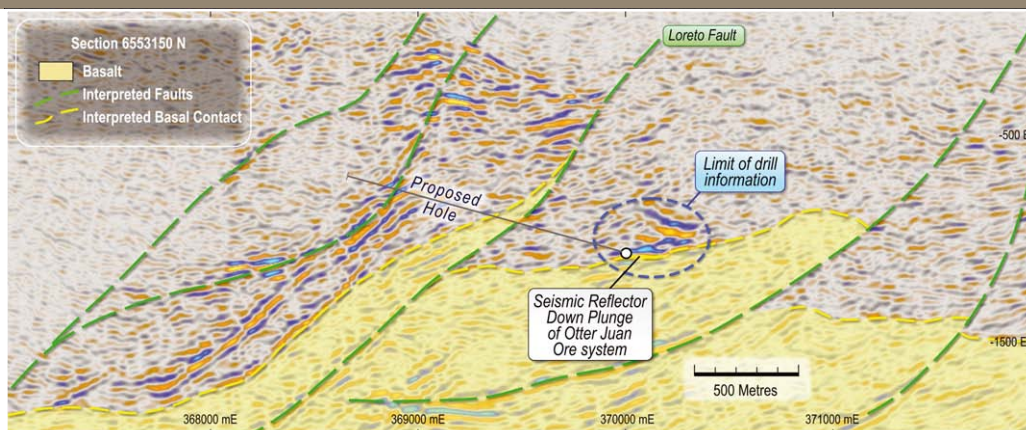


FIGURE 10b Bluebush tenements and geological interpretation

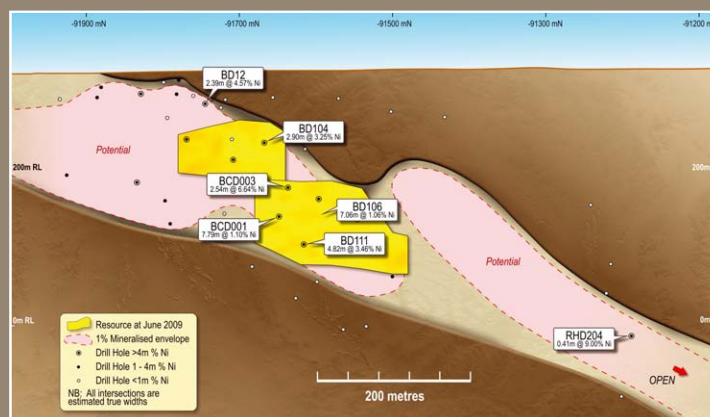


FIGURE 11 Cameron - Long section

the previously identified and high-quality geological target described above. Follow up drilling of this outstanding target will take place from underground positions in the Otter Juan ore body, and is planned for early in the new financial year.

To the west of Otter Juan the seismic data has enabled the resolution of the complex thrust structures on the western side of the Kambalda Dome. Of critical importance to Mincor is the identification of the basal contact within this thrust stratigraphy, as this basal contact hosts substantial ore bodies in the up-plunge direction, including the Coronet, McMahon, Ken, McCloy, Wroth and Gellatly ore bodies. The initial interpretation of this western half of the seismic data suggests that the basal contact may be discernable within the thrust blocks, and that drill-testing of targets to be derived in this area is easily achievable from underground positions in Otter Juan. Further interpretation is underway and is likely to be followed up by stratigraphic drilling in due course.

## Regional Kambalda Nickel Exploration

### BLUEBUSH LINE TENEMENTS

Mincor's acquisition of the Bluebush Line tenements from BHP Billiton was announced during November 2007. However, no access to the tenements was possible during the earlier part of the year, pending ministerial

approval to the sub-lease. This approval was granted during April 2008 and final permitting was completed during July 2008.

The Bluebush tenements represent a significant expansion of Mincor's nickel exploration potential in the Kambalda Nickel District. The tenements cover approximately 40 km of the strike of the basal contact, the stratigraphic position along which all known Kambalda ore bodies occur. Numerous high-grade nickel sulphide intersections are known from previous drilling along the length of the tenements.

### STOCKWELL

The Stockwell Project was drilled by WMC Resources Ltd in the late 1990s. Based on the results of 51 drill holes, Mincor estimated and published an initial mineral resource. The mineral resources at Stockwell/Grimsby lie less than 300 metres below surface, making them among the shallowest unexploited nickel deposits currently known in the Kambalda District. The ore trend has a shallow plunge and a variable dip and appears to be influenced at depth by a fault structure. The mineralisation is of typical Kambalda style, consisting of matrix and disseminated nickel sulphides lying directly on the basal contact. The average true width of the mineralisation is 1.2 metres.

Mincor completed a total of 21 holes to test the continuity of mineralisation within the Grimsby 1 and Grimsby 2 inferred resources at the Stockwell Project. Results were generally disappointing,

with a high degree of variability evident in the mineralisation. This variability appears to be due to a structural overprint that locally remobilises, attenuates and thickens the ore surface. The drilling however did enable a conversion from inferred to indicated resource category.

To assist in the further exploration of this a surface SQUID electromagnetic program was completed from Grimsby 2 south and generated conductors in known mineralisation as well as a subtle conductor down-plunge of the main ore trend. This target will be tested at a later date. There is still good potential to join the Grimsby 1 and Grimsby 2 ore pods with further drilling.

### CAMERON

The Cameron Prospect is located 7 km south of Stockwell. The prospect is sparsely drilled with better historic intersections including BD111 (4.83 metres @ 3.45% nickel) and BD104 (2.9 metres @ 3.25% nickel). The prospect has a moderate southerly plunge defined by the overall mineralised trend and sediment free prism above the basal contact. The prospect has a significant structural overprint with a number of oblique faults that appear to stack the basal contact. Mincor's drill holes BCD001 and BCD003 intersected significant mineralisation on the basal contact. BCD003 intersected 2.54 metres @ 7.75% nickel (true thickness 1.70 metres) including 1.02 metres down-hole of massive sulphides grading 13.30% nickel.



FIGURE 13 Kambalda West - Regional magnetics and tenements

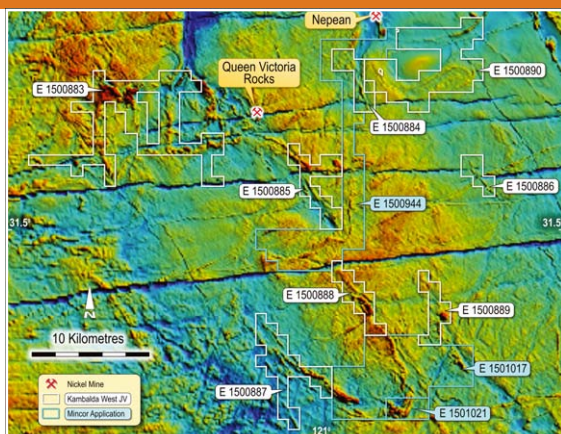
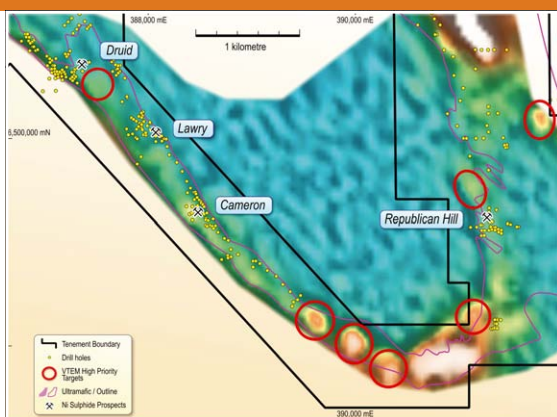


FIGURE 12 Bluebush - VTEM targets



## LAWRY

The Lawry prospect is located 8 km south of Stockwell. The sparsely drilled prospect was originally identified by WMC in the 1970s and includes historic intersections such as RHD212 (2 metres @ 3.75% nickel), RHD220 (1.63 metres @ 5.7% nickel) and BD312 (1.65 metres @ 4.3% nickel) possibly on the southern edge of embayed basal contact. The prospect has a moderate southerly plunge defined by the mineralised trend, thickened basal flow and sediment-free contact. Mincor completed two reverse circulation and two diamond holes on a section testing the up-plunge extents of the embayment and confirmed channel-like features hosting nickel mineralisation. BLRC002 drilled within the embayment intersected 2 metres @ 1.83% nickel from 96 metres down-hole in disseminated sulphides on an open contact. The disseminated sulphide profile was thick but graded less than 1% nickel. Current interpretations indicate the plunge extent is only partially tested. High priority follow up drilling is planned to test a plunge extent currently defined over 300 metres, which is open at depth.

## REGIONAL BLUEBUSH

A number of high-quality exploration targets occur along the Bluebush Line, including near-surface high-grade drill intersections at Cameron, Lawry and Stockwell, as described above. However, Mincor's regional work has demonstrated that much of the Bluebush

Line remains largely untested. Based on this, and on the success of an orientation EM survey previously completed by Mincor, the Company carried out a 582 line km, helicopter-borne, B-Field, Versatile Electromagnetic Survey (VTEM) covering approximately 35 km of prospective basal contact.

The results of the VTEM survey were impressive, with a very good signal to noise ratio due to the resistive ground over most of the survey area. The survey successfully identified conductors over known mineralisation at Cameron, Obelisk and Republican Hill. The survey generated 12 high-priority anomalies along the fertile Bluebush ultramafic rock suite, eight of which are completely new, with no previous drilling, and hidden under younger cover. These are untested and high-quality anomalies with EM signatures typical of massive sulphides. A surface EM survey has now commenced, aimed at providing better anomaly definition to allow the drill-testing of these targets within the next few months.

## Exploration for New Nickel Districts

### WEST KAMBALDA EXPLORATION (MINCOR EARNING 70%)

In November 2006 Mincor negotiated a farm-in agreement with Image Resources Ltd covering a suite of tenements south of Coolgardie and west of Mincor's Widgiemooltha leases.



DRILLING AT NORTH KAMBALDA

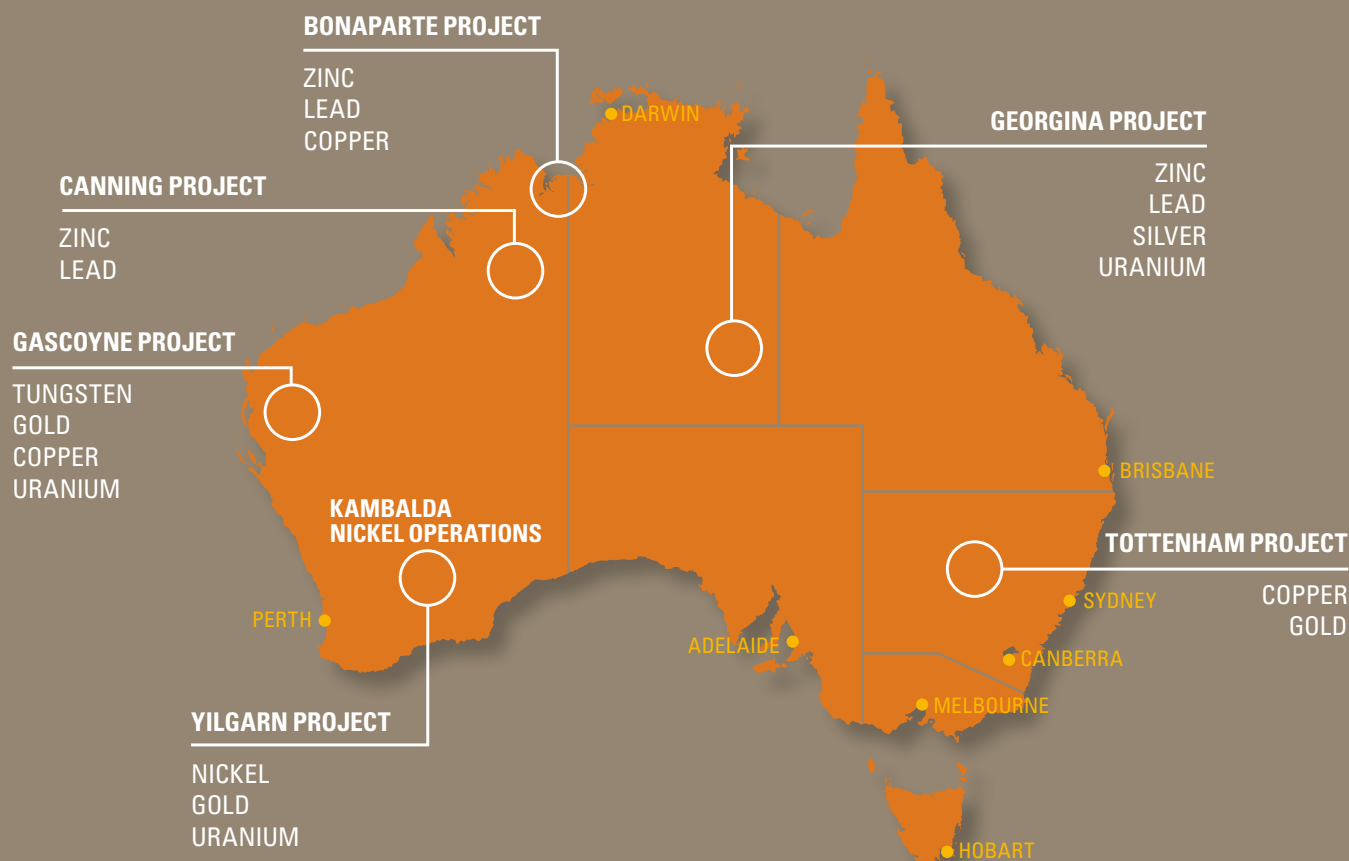
These areas cover aeromagnetic trends that are believed to reflect ultramafic rocks, generally on ground that is covered and has received little nickel exploration in the past. The prospectivity of the group of tenements is bolstered by the nearby nickel sulphide mine at Nepean and the Queen Victoria Rocks nickel prospect containing numerous intersections of disseminated sulphides. Mincor's work is aimed at discovering new mineralised ultramafic belts – whole new nickel districts. Mincor has earned a 51% interest in the tenements and has the right to earn up to a 70% interest.

A Versatile Time Domain Electromagnetic Survey (VTEM) totalling 1,266 line km, was completed over a number of the joint venture tenements in November 2007. Ten VTEM anomalies were identified and coincide with significant aeromagnetic anomalies.

Environmental permitting delays prevented the drill-testing of the highest priority targets. However approvals have now been obtained and drilling is planned for the new financial year.



# OTHER GOLD AND BASE METAL EXPLORATION



MINCOR'S ONGOING EXPOSURE TO REGIONAL GOLD, BASE METAL AND URANIUM OPPORTUNITIES WAS **MAINTAINED DESPITE THE EFFECTS OF THE GLOBAL FINANCIAL CRISIS.** DISCRETIONARY EXPENDITURE WAS REDUCED IN THE LATTER HALF OF THE YEAR BUT WILL STEP UP AGAIN IN THE NEW FINANCIAL YEAR.



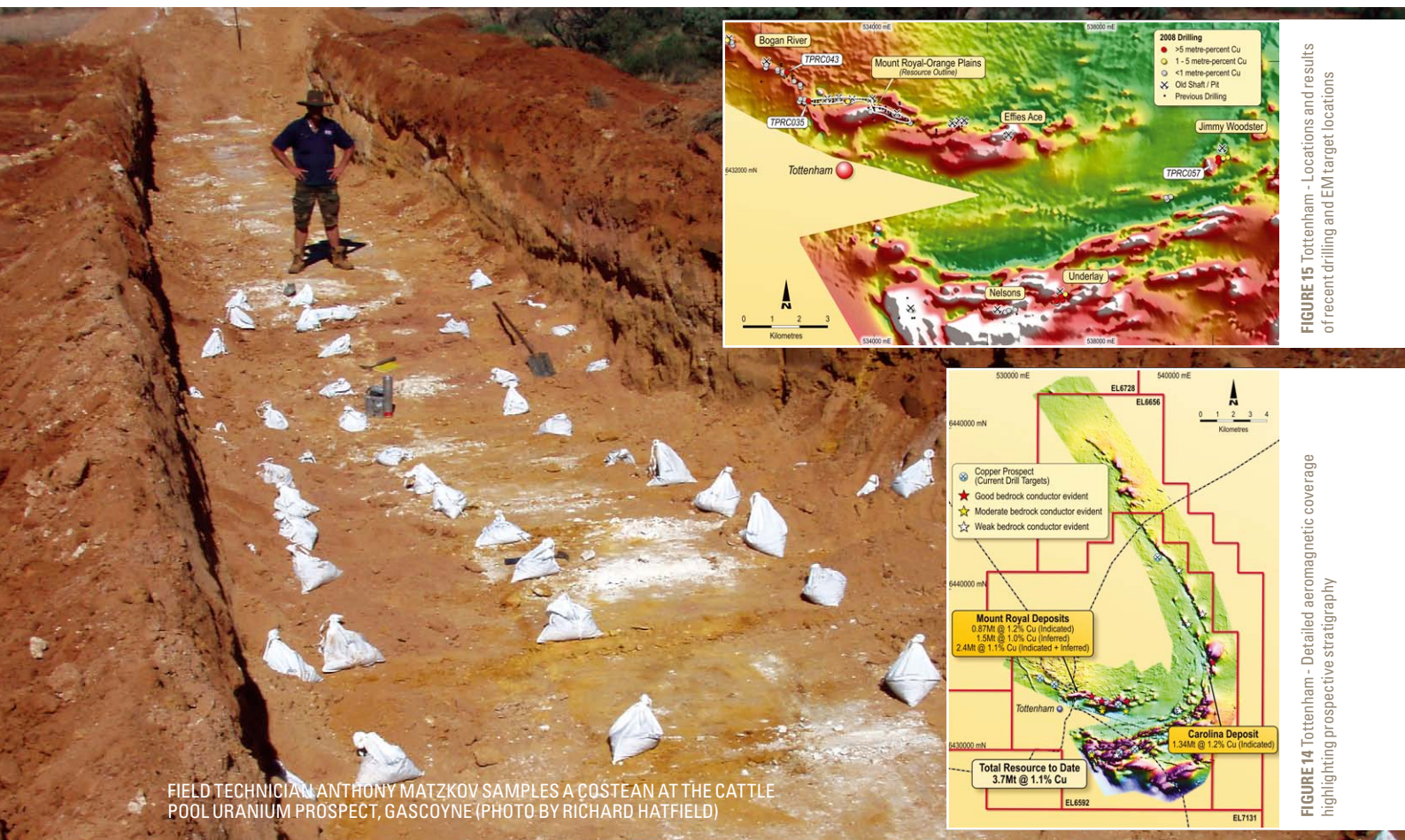


FIGURE 15 Tottenham - Locations and results of recent drilling and EM target locations

FIGURE 14 Tottenham - Detailed aeromagnetic coverage highlighting prospective stratigraphy

FIELD TECHNICIAN ANTHONY MATZKOV SAMPLES A COSTEAN AT THE CATTLE POOL URANIUM PROSPECT, GASCOYNE (PHOTO BY RICHARD HATFIELD)

## Tottenham Copper Project

An initial round of drilling completed during 2007 identified a maiden copper resource estimate of 41,850 tonnes of contained metal comprising 26,078 tonnes at Mount Royal and 16,034 tonnes at Carolina (see Figure 14, full details reported in Mincor's 2008 annual report). The second round comprised a first pass test of other selected prospects outside of these areas although adverse weather conditions restricted access and led to the premature termination of the program.

The best of the 16 drill intersections from the portion of the second round of drilling that was completed are detailed in Table 5.

Intercept widths are down-hole however down-hole width closely approximates true width. MGA zone 55 grid used (GDA94), drill hole location are shown in Figure 15.

Oxide copper mineralisation was intersected beneath and adjacent to anomalies at Underlay, Jimmy Woodser, and Nelson (Figure 15). At Underlay, persistent mineralisation over a strike-length of 200 metres was encountered with intercepts in five holes averaging 5 metres @ 1% copper (using a 0.2% lower cut-off). This mineralisation remains open to the east and west. At Jimmy Woodser, the best of three intersections was 24 metres @ 0.68% copper (using a 0.2% lower cut-off).

Infill drilling at Bogan River produced one intersection (TPRC043, see Figure 15) of 23 metres @ 3.39% copper beneath existing workings; and known mineralisation at Orange Plains was extended more than 60 metres to the west by TPRC035.

The soil sample traverses, completed on a trial basis at the Nelsons, Underlay and Jimmy Woodser prospects, revealed significant additional mineralisation potential, and following the success of this program it is planned to extend soil sampling across the entire prospective strike length of Mincor's tenements. This will allow the oxide potential of the area to be fully tested, both in and around known prospects as well as potential new areas along a prospective strike length of more than 30 km.

Ground EM surveys at Effies Ace and down-hole electromagnetic surveys on TPDD008 at Orange Plains showed planar conductors at both localities. These indicate potential for a deeper sulphide system that is linked to the near surface oxide mineralisation and are supported by (airborne) VTEM anomalies located down dip of the Orange Plains resource area – collectively forming an excellent copper sulphide target.

The area thus remains highly prospective for copper sulphide mineralisation beneath the oxide zone, similar in style to the Tritton copper mine (13 million tonnes @ 2.4% copper). This potential is virtually untested to date and, together with ongoing exploration aimed at doubling the current oxide resource, will be a priority target at Tottenham during the coming year.

TABLE 5 Best intersections from 2008 drilling at Tottenham

HOLE ID	MGA E	MGA N	FROM (M)	TO (M)	INTERVAL (M)	COPPER (%)
TPRC035	532878	6433481	40	44	4	1.7
TPRC043	532562	6433993	3	26	23	3.39
Including			16	19	3	17.16
TPRC057	540199	6432475	32	56	24	0.68



# OTHER GOLD AND BASE METAL EXPLORATION

**TABLE 6** Summary of Costean Channel Sample Results at Cattle Pool

PROSPECT NAME	AVERAGE ASSAY $U_3O_8$ (PPM)	CUMULATIVE METRES SAMPLED	AVERAGE GRADE THICKNESS (METRES X PPM)
Dolerite (May 2008)	608	73	684
Junction (May 2008)	481	82	547
Maslin (May 2008)	319	71	359
Zinger (May 2008)	157	14	181
Antex (May 2008)	326	16	345
Dolerite (October 2008)	184	105	207
Junction (October 2008)	313	99	353
Maslin (October 2008)	190	33	207
<b>Total/average – all costeans</b>	<b>349</b>	<b>481</b>	<b>392</b>

**TABLE 7** Drilling Results – Gascoyne Uranium Project

DRILL HOLE ID	LOCATION	FROM	WIDTH	$U_3O_8$ (PPM)
CPA-012	Junction North	1-5m	4m	207
CPA-044	Junction	0-2m	2m	295
CPA-052	Junction West	2-6m	4m	166
CPA-073	Junction	1-3m	2m	431
CPA-120	Maslin	0-3m	3m	279
CPA-128	Zinger	1-2m	1m	1499
CPA-181	Mesa	0-2m	2m	319

*Note: All holes are vertical and quoted down-hole widths approximate true widths using a cut off grade of 50ppm  $U_3O_8$  and allowing for a maximum of 1 metre of internal waste. Analytical method used comprised a 4-acid digest followed by an ICP finish*

## Gascoyne Uranium Project

Uranium exploration continued at Cattle Pool, located 270 km east of Carnarvon in Western Australia. Follow up rock chip and channel sampling of costeans was completed at the Junction, Dolerite and Maslin prospects and was followed by a program of air core drilling comprising 122 holes for 1,037 metres. These programs have confirmed the widespread occurrence of secondary  $U_3O_8$  (U-K vanadates) in a variety of settings, as well as the occurrence of  $U_3O_8$  (U-K silicates) in altered basement gneiss. Soil and silcrete cover obscures large portions of the prospective area, and radiometric anomalies (on which exploration has been targeted so far) are confined to areas of thinnest cover.

The results to date indicate strong potential for further discoveries over untested radiometric anomalies, and also in areas of thicker surficial cover well beyond the confines of the current drilling. This potential will be evaluated by means of a radon emanometry survey, planned for September 2009, comprising some 1,000 sample sites generally at 100 metres x 200 metres centres over a prospective soil-covered area of 5 km x 5 km.

### COSTEAN RESULTS

Assays from 428 costean channel samples at Cattle Pool ranged from an average of 684ppm (parts per million)  $U_3O_8$  per linear metre at Dolerite to 319ppm  $U_3O_8$  per linear metre at Maslin, as shown in Table 6 (location of costeans is shown in Figure 16).

The October 2008 follow up and infill sampling was designed to test areas of lower radiometric response to assess the variability of the disequilibrium ratio (DR). Average assays returned from the low radiometric areas were still anomalous; 353ppm  $U_3O_8$  per linear metre at Junction and 207ppm  $U_3O_8$  per linear metre at Dolerite and Maslin. This confirms a DR>1 at Junction and that the DR is close to 1 at Dolerite and Maslin, again indicating potential for mineralised zones to extend beyond the boundaries defined by radiometric anomalies alone.

### DRILLING RESULTS

Of 122 holes drilled, 78 intersected anomalous radioactivity and returned assays in excess of 50ppm  $U_3O_8$  and of these 49 holes had assays above 100ppm  $U_3O_8$  (Figure 16). The analytical method used (ICP-MS61) is considered a cost effective technique for preliminary assessment, however more detailed follow-up in future will use the XRF method for analysis, also incorporating a more complete digest. Several check XRF assays already carried out have returned uranium values 10-15% above the original ICP analyses.

Overall results are shown in Figure 18 with the best results noted in Table 7. Locations of quoted drill holes are also shown in Figure 18.

Key observations from the air core drilling are as follows:

- The mineralised portion of the saprolite varies between 1 and 6 metres thick and is generally within 2 metres of the surface.

- Average thickness of the mineralised zone defined to date is 2.5 metres, with an average grade of 218ppm  $U_3O_8$  - bearing in mind that only a small portion of the project area has been drill-tested.
- In areas of strong surface radiometrics the mineralisation tends to be within 0-2 metres of the surface, however, mineralisation has been intersected as deep as 8 metres in areas of low surface radiometrics (e.g. at Junction where mineralisation remains open to the north, west and southeast).
- The presence of deeper mineralisation, not detectable by surface radiometric methods, indicates further potential – deeper targets are yet to be evaluated.
- Drilling has also identified a series of sub-parallel northeast oriented structures which show strong shearing and potassic sericite-hematite alteration, spacially associated with uranium mineralisation in the area. This is most evident between Maslin and Zinger and represent new and untested targets.
- Initial observations suggest that secondary uranium mineralisation occurs marginal to these alteration zones thus forming additional basement targets which have yet to be evaluated.
- Tourmaline alteration is also associated with uranium mineralisation in a number of areas, but is particularly notable in granitic zones at Junction, Dolerite and Maslin.





THE RESULTS TO DATE INDICATE STRONG  
POTENTIAL FOR FURTHER DISCOVERIES

It is evident from the drilling results described above that some areas of lower order radiometric anomalism also contain uranium mineralisation and as such it was decided, in early 2009, to evaluate some of these lower order anomalies (in soil covered areas) with ground radiometrics and hand auger sampling.

Two anomalies were sampled in the general Cattle Pool area (Figure 16) and one of these (Lowrie) returned an assay of 425ppm  $U_3O_8$  within altered paragneiss, again confirming that additional untested potential does exist. A more systematic investigation of these soil covered areas will be carried out using the RadonX soil emanometry system, which will allow the indirect measurement of uranium through soil up to 80 metres thick. The system measures the gamma emitting radon (gas) daughters of uranium which can migrate through the variable soil cover, overcoming the limitation of direct surface radiometrics in which gamma radiation can be totally masked by as little as 10 cm of soil.

#### NEW KENDALL BORE APPLICATION

This new application (ELA09/1593 shown in Figure 17) augments Mincor's existing land holding and contains known calcrete-hosted uranium prospects at Kendell and Kendell South, near the headwaters of the Thirty Three River.

At Kendell South, a series of secondary uranium occurrences were located over a strike length of approximately 1 km within dissected calcrete units parallel to the current drainage

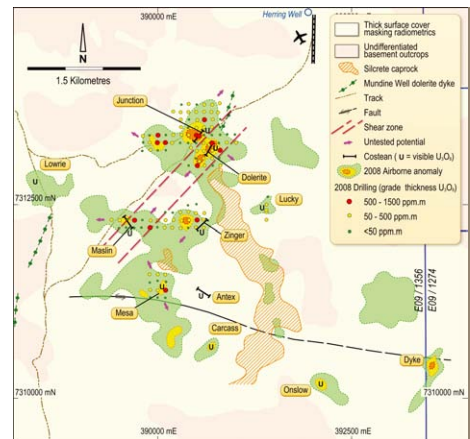


FIGURE 16 - Cattle Pool - Drill hole, costean and prospect locations

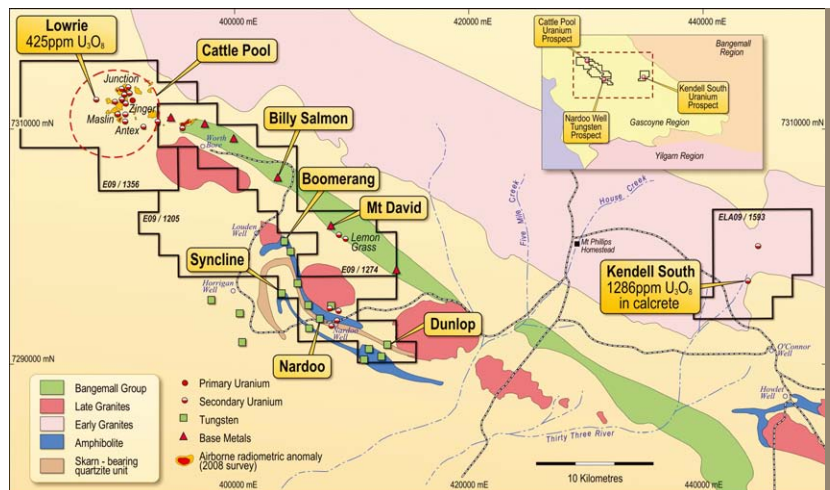
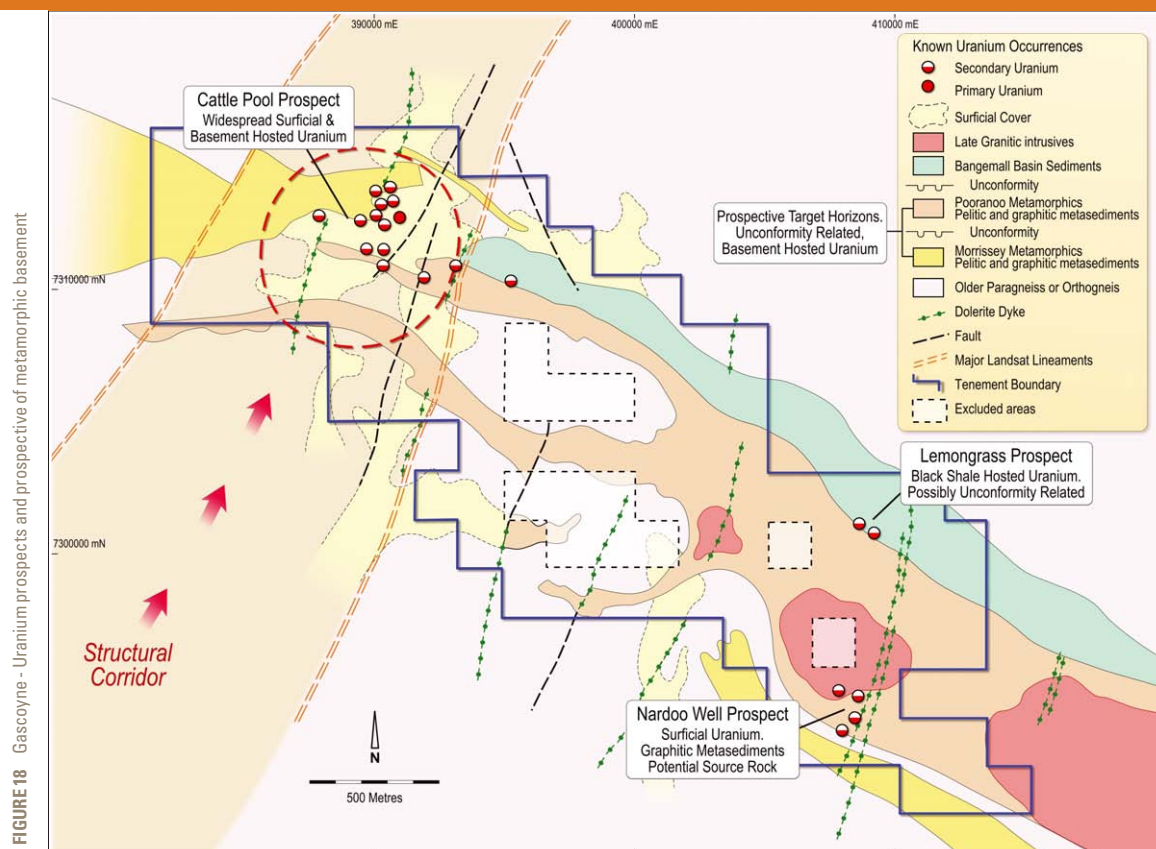


FIGURE 17 - Gascoyne - Landholding, prospect locations and rock chip assay



# OTHER GOLD AND BASE METAL EXPLORATION



channel. The calcrete attains a maximum thickness of 2 metres at one small creek exposure, but in general outcrop is sporadically located within a soil covered depression between granitic gneiss outcrops. Preliminary investigations and consistent radiometric readings suggest that the mineralised calcrete may be more or less continuously preserved beneath thin soils in this area.

Three anomalous areas were sampled with results as shown in Table 8.

Note that the discrepancies in correlation between radiometrics and assays indicates that uranium mineralisation is not in equilibrium, suggesting that near surface groundwater is actively dissolving and re-precipitating secondary uranium minerals in this area.

A further 3 km of strike of sub-cropping calcrete in the vicinity of the Kendell South Prospect

remains to be investigated. Evaluation of these and other known uranium occurrences will commence once the tenement is granted.

Previous exploration at Nardoo Well tested the scheelite bearing amphibolite unit (Pooranoo Metamorphics) in 1980 and found that in at least 6 drill holes the amphibolite was graphitic and in some of these holes the geological logging noted uranium minerals (no U-assays were carried out). Mincor has now confirmed carnotite mineralisation within calcrete skins over the outcropping amphibolite and also within sheared clay-altered pelitic schist. A maximum assay of 434ppm  $U_3O_8$  was returned from the clay-altered metapelite, and 649ppm  $U_3O_8$  in calcrete. The graphitic amphibolite and meta-pelites are a potential host rock for basement hosted unconformity related uranium mineralisation (as seen at

Ranger, Jabiluka in the Northern Territory and in the Athabasca Region of Canada). Similar graphitic metasediments within the Morrissey Metamorphics at Reid Well, 50 km south of Nardoo Well, are known to contain high-grade uranium mineralisation (2 metres @ 0.44%  $U_3O_8$ ).

Mincor will continue to evaluate the extensive surficial uranium occurrences at Cattle Pool, but also assess the prospectivity of basement metasediments as potential hosts for high-grade unconformity related uranium mineralisation.

**TABLE 8** Anomalous grab-sample results from Mincor's Kendell Bore application – Gascoyne Uranium Project

ANOMALY NO.	SAMPLE NO.	MGAE	MGAN	RADIO-METRICS (LEVEL ABOVE BACKGROUND)	ASSAY $U_3O_8$ (PPM)	COMMENT
KE01	G1493	444316	7297151	5.5x	307	Carnotite in white clay and calcrete; 800 metres northeast of Kendell South
KE02	G1494	444098	7296905	5.0x	1286	Carnotite in calcrete beneath brown grey soil north of Kendell South
KE03	G1495	443988	7296432	4.0x	649	Carnotite in calcrete beneath brown grey soil, and clay 200 metres west of Kendell South





## Georgina Zinc Project

(Mincor 100%, JOGMEC sole funding to earn up to 40%)

The Georgina project, located approximately 200 km northeast of Alice Springs in the Northern Territory, is a conceptual play targeting the discovery of an entirely new zinc-lead district.

The program to date has involved the accumulation of all data and interpretations originally provided by the Northern Territory Geological Survey together with a new detailed gravity survey of the 9,000 km<sup>2</sup> tenement (Figure 19). Analysis of this data, including the interpretation of new geophysical and geological cross sections, was used to generate a hypothetical 3-dimensional geological and structural model of the region, which can in turn be used to model likely (metal-bearing) fluid flow patterns within the basin. Re-interpretation of historical seismic sections using revised stratigraphic logging of historical diamond drill holes was completed as part of the modelling program and has suggested greater extent and thickness of Neoproterozoic sediments in the deeper parts of the basin.

This has positive implications for prospectivity of shallower parts of the basin and areas located above basement highs and/or tapped by fault structures acting as regional plumbing systems. The current field component of this exercise is focusing, by means of a regional soil geochemical survey, on identifying the interpreted faults

that may have acted in conjunction with favourable stratigraphy to form preferred sites for base metal deposition (Figure 19).

Preliminary results from the first few traverses indicate an elevation of mobile zinc ion concentrations across interpreted fault zones in several traverses, confirming their presence and effectiveness of the technique. One potentially anomalous result identified thus far is

associated with a northwest trending fault zone, approximately 40 km south of known lead and zinc mineralisation at the old Box Hole workings.

The Japan Oil, Gas and Metals National Corporation (JOGMEC) is sole funding A\$2.5 million over 2 years to earn a 25% interest in the project and may earn a further 15% interest by spending an additional \$2 million on the project over a further 12 month period.

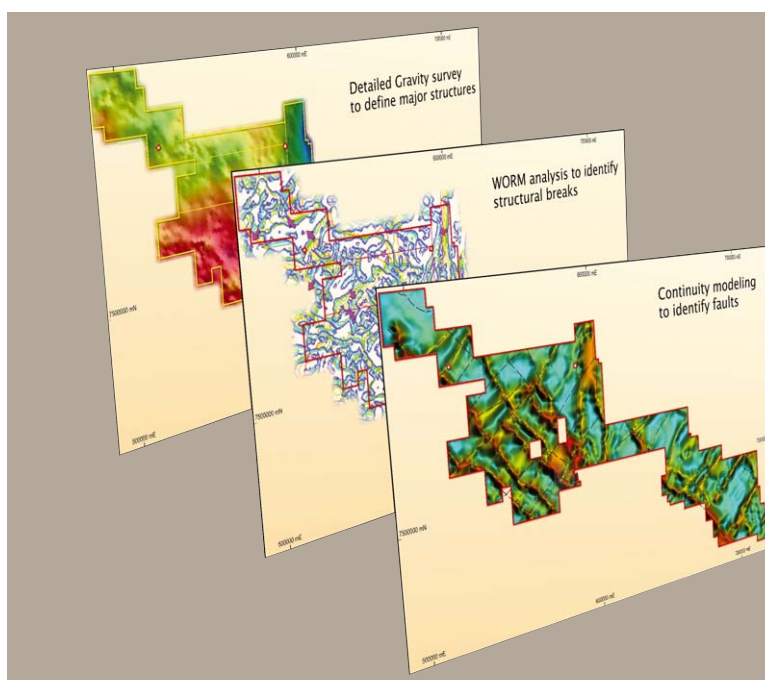


FIGURE 19 Georgina Basin – Continuity modelling to define fault structures



# OTHER GOLD AND BASE METAL EXPLORATION



## Bonaparte Copper and Zinc Project

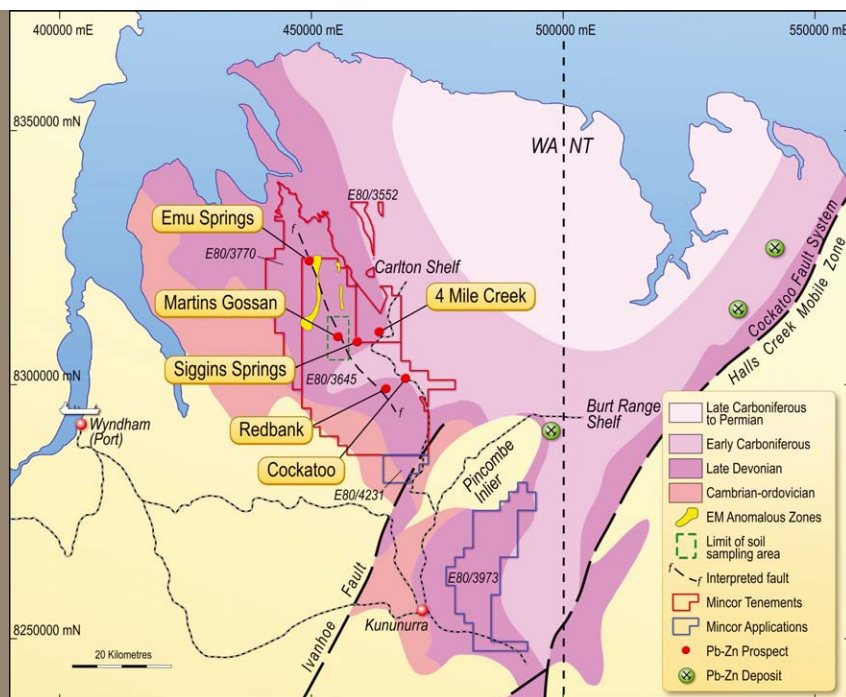
(Mincor 100%, JOGMEC sole-funding to earn up to 40%)

The Bonaparte project is located within the onshore Bonaparte Basin and underlain by Devonian and Carboniferous rocks that are prospective for carbonate and shale hosted zinc, lead and/or copper deposits. Fieldwork will commence following completion of Heritage Surveys. An extensive literature and data review has been completed and planning for the 2009 field season is well advanced. Following the above review, a portion of E80/3770, predominantly underlain by less prospective Proterozoic rocks, has been relinquished. The revised tenement area is shown in Figure 20.

A VTEM survey is planned for early in the new financial year. This will bring this powerful new geophysical technology to this area for the first time.

After the end of the financial year under review, Mincor announced that it had reached an agreement with JOGMEC for the Japanese entity's participation in the project. JOGMEC will sole fund up to the first \$2 million of exploration expenditure in order to earn an interest of up to 40% in the project.

FIGURE 20 Bonaparte - Landholding and main prospect locations





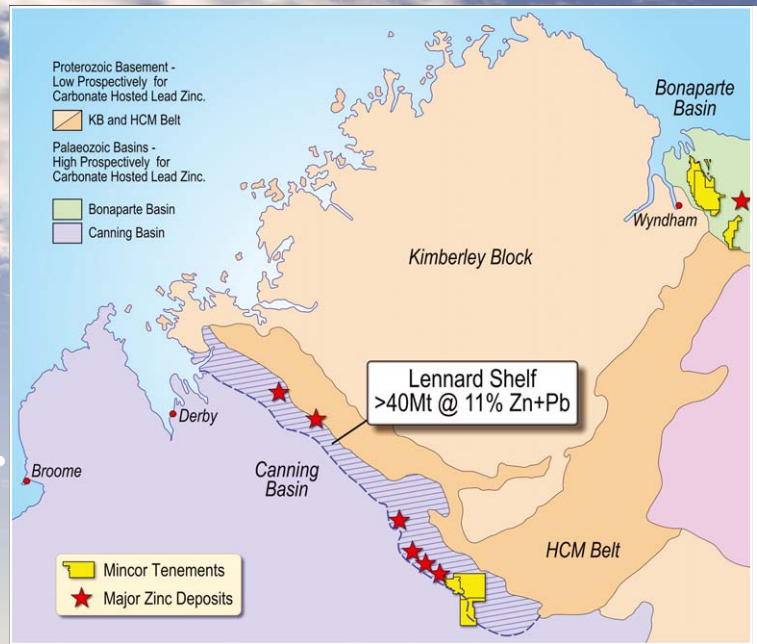
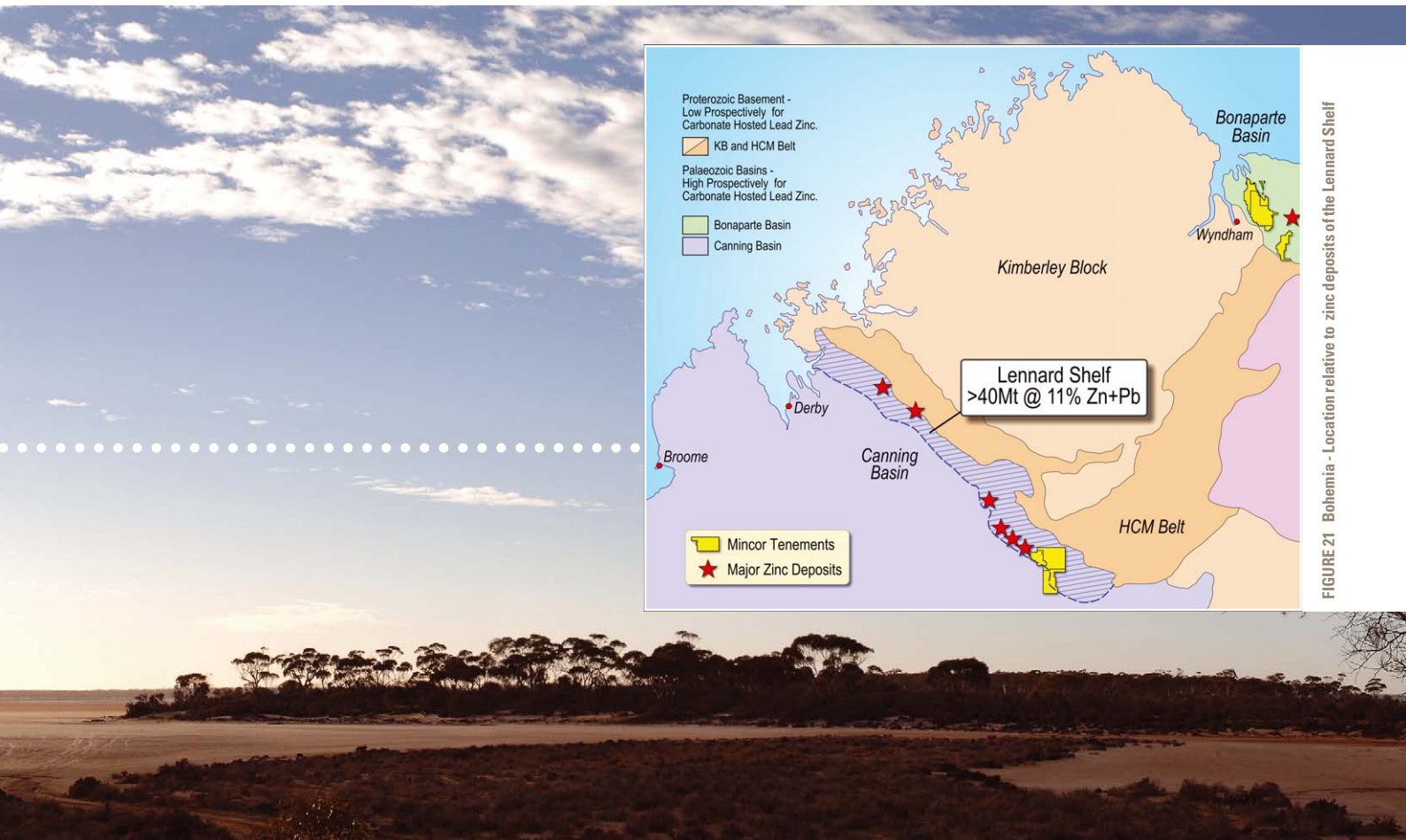


FIGURE 21 Bohemia - Location relative to zinc deposits of the Lennard Shelf

## Bohemia Zinc-Lead project

(Mincor 100%, under application)

This new application covering 1,700 km<sup>2</sup> represents a compelling conceptual target aimed at the discovery of large zinc-lead ore bodies in the world-class Lennard Shelf zinc district.

Empirical evidence suggests that the largest of the Lennard Shelf deposits are associated with cross faults ("transfer structures") that cut across the frontal fault that is the over-riding control on mineralisation elsewhere in the district. One such transfer structure is interpreted to control the location of Pillara (23 million tonnes @ 7.12% zinc, 2.2% lead), which is the largest of the Lennard Shelf ore bodies. At Bohemia, Mincor is targeting similarly large scale zinc mineralisation associated with a geological setting that is interpreted to mirror that of Pillara (Figures 21 and 22).

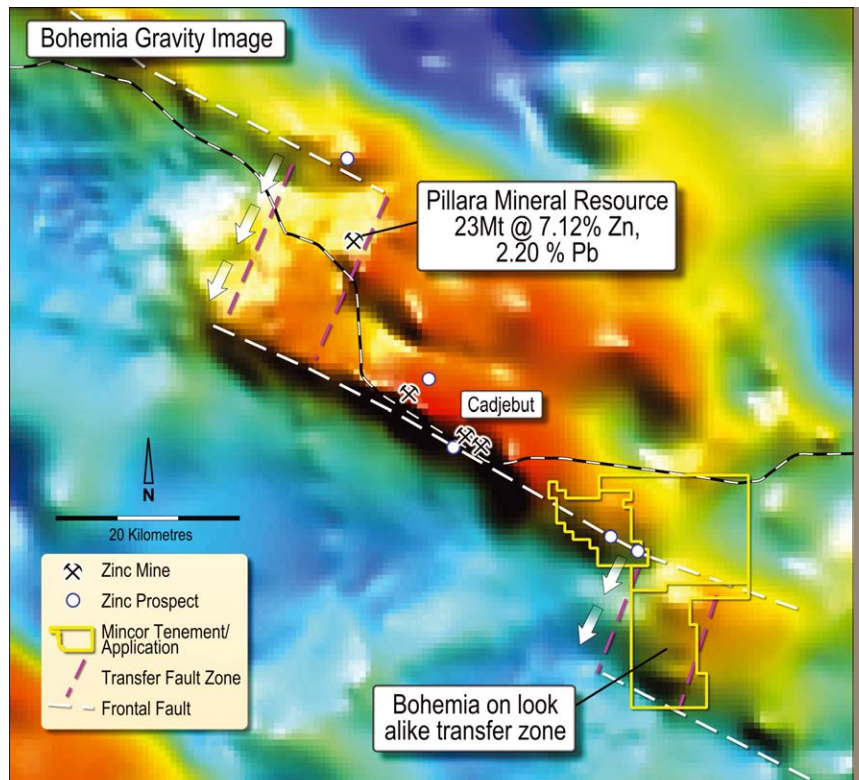


FIGURE 22 Bohemia - Regional gravity image highlighting conceptual structural setting



# STATEMENT OF HEALTH, SAFETY AND ENVIRONMENTAL POLICIES



MINCOR MINES RESCUE TRAINING

## Vision and Mission

### VISION

Mincor's stakeholders include its shareholders, employees, local residents and the wider community. Mincor recognises its responsibilities to all its stakeholders and will ensure that its Health, Safety and Environmental standards are second to none.

### MISSION

Mincor will carry out its business in a responsible manner, and will protect and cherish the natural environment.

Mincor will ensure that its employees are protected from all occupational injuries and diseases.

Mincor will provide a safe working environment for its employees, will ensure that Health and Safety are management's top priority and that its workforce is fully trained in Health and Safety matters.

## Policy Statement

Mincor attaches the greatest value to the health and safety of its employees; it is every manager's and supervisor's duty to do everything in his or her power to avert damage, occupational injuries and occupational diseases, and it is also everyone's personal duty to avert damage and occupational injuries and occupational diseases, both in respect of himself or herself and of his or her fellow-workers.

## Principles and Values

Mincor subscribes to the following eleven self-explanatory principles and values:

- All injuries, occupational diseases and damage can be prevented.
- Preventing injuries, occupational diseases and damage makes good business sense.
- Everybody occupying a managerial or supervisory position is personally responsible for the safety and health of those working under him or her.
- Everybody in Mincor's employment carries personal responsibility for his or her own and his or her fellow workers' health and safety.
- Training is an essential element in ensuring the safety and health of employees.
- Safety and health audits are carried out regularly, participatively and meaningfully, with the emphasis on the modification of attitudes.
- Every shortcoming in the field of occupational health and safety is rectified immediately and permanently.
- All injuries, occupational diseases and damage are investigated thoroughly and participatively, not only to determine the direct causes but also to uncover underlying causes.
- People are the most important element of Mincor's occupational health and safety program.

- Following best practices elsewhere in the world, supervisors spend at least 20% of their time on matters directly related to the protection of their subordinates' health and safety.
- Contractor's personnel are viewed as Mincor employees for health and safety purposes. Mincor's safety principles and values apply equally to contractor's personnel.

Deviations from these principles and values and from required conduct are unacceptable.

## Objectives

- Elimination of unsafe environments and unsafe working conditions.
- Elimination of unsafe acts.
- Maintenance of high safety awareness among all employees.
- Continual safety training at all levels.
- Comprehensive induction of part-time and casual employees.
- Insistence on similar safety standards from contractors.



# FINANCIAL REPORT >

## CONTENTS

CORPORATE GOVERNANCE STATEMENT	34
DIRECTORS' REPORT	40
AUDITOR'S INDEPENDENCE DECLARATION	53
INCOME STATEMENTS	54
BALANCE SHEETS	55
STATEMENTS OF CHANGES IN EQUITY	56
CASH FLOWS STATEMENTS	57
NOTES TO THE FINANCIAL STATEMENTS	58
DIRECTORS' DECLARATION	103
INDEPENDENT AUDITOR'S REPORT	104
ADDITIONAL SHAREHOLDER INFORMATION	106



NOTE 1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	58	NOTE 18	CONTRIBUTED EQUITY	85
NOTE 2	FINANCIAL RISK MANAGEMENT	70	NOTE 19	RESERVES	87
NOTE 3	REVENUE	74	NOTE 20	RETAINED PROFITS	88
NOTE 4	EXPENSES	74	NOTE 21	DIVIDENDS	88
NOTE 5	INCOME TAX EXPENSE	75	NOTE 22	KEY MANAGEMENT PERSONNEL DISCLOSURES	88
NOTE 6	TRADE AND OTHER RECEIVABLES	76	NOTE 23	EXPENDITURE COMMITMENTS AND CONTINGENCIES	91
NOTE 7	INVENTORY	77	NOTE 24	SEGMENT INFORMATION	92
NOTE 8	DERIVATIVE FINANCIAL INSTRUMENTS	77	NOTE 25	REMUNERATION OF AUDITORS	93
NOTE 9	OTHER FINANCIAL ASSETS	79	NOTE 26	SUBSIDIARIES	93
NOTE 10	AVAILABLE-FOR-SALE FINANCIAL ASSETS	79	NOTE 27	DEED OF CROSS GUARANTEE	94
NOTE 11	PROPERTY, PLANT AND EQUIPMENT	80	NOTE 28	INTERESTS IN JOINT VENTURES	96
NOTE 12	EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE	82	NOTE 29	RELATED PARTY TRANSACTIONS	96
NOTE 13	PAYABLES	82	NOTE 30	RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES	98
NOTE 14	INTEREST BEARING LIABILITIES	83	NOTE 31	EARNINGS PER SHARE	99
NOTE 15	TAX (ASSETS)/LIABILITIES	83	NOTE 32	SHARE-BASED PAYMENTS	99
NOTE 16	PROVISIONS	84	NOTE 33	EVENTS OCCURRING AFTER BALANCE SHEET DATE	102
NOTE 17	DEFERRED TAX LIABILITIES	85			



# CORPORATE GOVERNANCE > STATEMENT

The Board of Directors of Mincor Resources NL (“the Company”) is responsible for corporate governance of the Company. The Board has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. The Board continually reviews its governance practices to ensure they remain consistent with the needs of the Company.

In accordance with the ASX Corporate Governance Council’s Revised Corporate Governance Principles and Recommendations (“ASX Principles and Recommendations”), the Company publishes information about its governance on the Company’s website at [www.mincor.com.au](http://www.mincor.com.au). This information includes charters (for the board and its sub-committees), the Company’s code of conduct and other policies and procedures relating to the Board and its responsibilities such as:

- selection and appointment of new directors;
- process for performance evaluation;
- a summary of the policy for trading in company securities;
- a summary of the Company’s ASX continuous disclosure procedures;
- procedures for selection, appointment and rotation of external auditor;
- shareholder communication strategy; and
- a summary of the risk management policy.

The Company has followed each of the ASX Principles and Recommendations to the extent the Directors considered they genuinely improve the Company’s internal processes and accountability to external stakeholders. The Board continually reviews its governance practices to ensure they remain consistent with the needs of the Company. The following table sets out where the Company has followed the Recommendations or provided “if not, why not” reporting.

	ASX P&R <sup>1</sup>	If not, why not <sup>2</sup>		ASX P&R <sup>1</sup>	If not, why not <sup>2</sup>
Recommendation 1.1	✓		Recommendation 4.3	✓	
Recommendation 1.2	✓		Recommendation 4.4 <sup>3</sup>	✓	
Recommendation 1.3 <sup>3</sup>	✓		Recommendation 5.1	✓	
Recommendation 2.1	✓		Recommendation 5.2 <sup>3</sup>	✓	
Recommendation 2.2	✓		Recommendation 6.1	✓	
Recommendation 2.3	✓		Recommendation 6.2 <sup>3</sup>	✓	
Recommendation 2.4	✓		Recommendation 7.1	✓	
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6 <sup>3</sup>	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4 <sup>3</sup>	✓	
Recommendation 3.2	✓		Recommendation 8.1	✓	
Recommendation 3.3 <sup>3</sup>	✓		Recommendation 8.2	✓	
Recommendation 4.1	✓		Recommendation 8.3 <sup>3</sup>	✓	
Recommendation 4.2	✓				

<sup>1</sup> Indicates where the Company has followed the ASX Principles & Recommendations

<sup>2</sup> Indicates where the Company has provided “if not, why not” disclosure

<sup>3</sup> Indicates an information based recommendation that is neither adopted or reported against using “if not, why not” disclosure

## ROLE OF THE BOARD

The Board of Directors operates pursuant to a charter which states that Mincor’s goal is to develop into a diversified mining company offering shareholders participation in the global expansion in demand for minerals through profits and capital growth. A copy of the charter is available on the Company’s website.

Mincor’s fundamental aim is to be a profitable dividend payer while offering strong capital growth through a disciplined and focused exploration and acquisition strategy.

The Board’s objectives are to:

- increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company’s shareholders; and
- ensure the Company is properly managed.

The Board Charter establishes the functions reserved to the Board. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company’s structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives. Senior executives are responsible for supporting and assisting the Managing Director to implement and progress the strategic direction provided by the Board, in accordance with the delegated authority of the Board.



## COMPOSITION OF THE BOARD

During the year the Board comprised a majority of independent directors (including the Chairman). Details of the Directors (including details of their skills, experience, expertise and term of office) are set out in the Directors' Report.

The Board has adopted a policy for assessing the independence of directors. This policy provides that when determining the independent status of a director the Board should consider whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
- has within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another group member other than as a director.

In determining the independence of a director, the Board considers quantitative and qualitative materiality thresholds from the perspective of both the Company and the director. From the Company's perspective, items are considered material if they have a value greater than 10% of net asset or would have a greater than 10% impact on current year profit. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact shareholders' understanding of a director's performance.

The Board considers that Messrs DJ Humann, IF Burston and JW Gardner are independent. These directors are considered independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Mr DCA Moore is the executive Managing Director and is therefore not independent.

In the interests of disclosure, the Board notes that Mr Humann is a director of and minority shareholder in James Anne Holdings Pty Ltd, a company which provides the services of Mr Humann to act as Director and Chairman of the Company. James Anne Holdings Pty Ltd receives consulting fees for providing the services of Mr Humann to the Company. The Directors (in the absence of Mr Humann) have ascertained the level of consulting fees paid to James Anne Holdings Pty Ltd is not material to either the Company, James Anne Holdings Pty Ltd or Mr Humann and that the arrangement does not affect Mr Humann's non-executive status. Furthermore, the Board notes that Mr Humann is not an executive and does not have a major shareholding in the Company. As such, the Board considers that there is limited scope for Mr Humann's personal interests to conflict with those of shareholders.

All Directors receive a written letter on their appointment to the Board which sets out in detail the expectations the Company has of the Director in discharging his duties as a director of the Company.

The Board delegates responsibility for the Company's administration and operation to the Managing Director, who is accountable to the Board.

## MEETINGS

The Board holds at least 4 meetings per annum and on other occasions as required. Senior managers of the Company are invited to attend meetings of the Board. Non-executive Directors may meet independently of the Executive Directors, although in this financial year no such meetings occurred. At each meeting of the Board time is allocated for consideration of strategic planning issues.

## RETIREMENT AND RE-ELECTION OF DIRECTORS

The Company's constitution requires one third of directors (other than the Managing Director and alternate directors) to retire from office at each Annual General Meeting. Directors appointed by the Board are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of directors to retire by rotation at the Annual General Meeting.

Directors cannot hold office for more than 3 years following their appointment without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders.



## APPOINTMENT OF NEW DIRECTORS

No new directors were appointed during the last financial year. The Board (subject to member's voting rights in a general meeting) is responsible for selection of new members and succession planning. Regard is given to a candidate's background and experience which is relevant to the business needs of the Company. New directors are invited to join the Board by the Chairman, who makes the invitation based on recommendations made by the Nomination Committee and approved by the Board. The Policy for selection and appointment of new directors is available on the Company's website.

## EVALUATION OF BOARD, BOARD COMMITTEES AND EXECUTIVES

The Board's *Process for Performance Evaluation* (available on the Company's website) states that the Chairman is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. It further states that the Nomination Committee is responsible for evaluating the Managing Director and that other senior executives are evaluated by the Managing Director.

During the year, the Chairman (in conjunction with the Nomination Committee) reviewed the performance of the Board as a whole. The review was undertaken by way of round-table discussions relating to how the Board functions and operates effectively. No significant adverse issues were identified. The process applied during the year did follow the disclosed process.

During the year, the Chairman (in conjunction with the Board of Directors) reviewed the performance of the Audit Committee, Remuneration Committee and Nomination Committee. The reviews were undertaken by way of round-table discussions relating to how the committee's functioned and how effectively they operated. No significant adverse issues were identified. The process applied during the year did follow the disclosed process.

The Managing Director was evaluated by the Chairman and the Board by way of informal discussion. The Managing Director's performance was also subject to continuous review through ongoing discussions with the Chairman. The process applied during the year did not follow the disclosed process.

The Managing Director evaluated the performance of senior executives of the Company during the year utilising personal interview processes which were appropriately documented. The process applied during the year followed the disclosed process.

## CONFLICT OF INTEREST

The Company's code of conduct states that the Board, management and employees must not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises the matter should be brought to the attention of the Chairman in the case of a Director, or the Managing Director in the case of a member of management, or a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned.

## REMUNERATION AND REMUNERATION POLICIES

Details of remuneration, including the Company's policy on remuneration are contained in the 'Remuneration Report' which forms part of the Directors' Report.

All compensation arrangements for Directors and key management personnel are determined at Board level, in consultation with the Remuneration Committee, after taking into account the current competitive rates prevailing in the market.

Remuneration levels of the Directors and key management personnel are set by reference to other similar-sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the consolidated entity's operations in Australia. Remuneration of non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to non-executive Directors, nor is there any termination or other benefits paid on retirement.

Details of the nature and amount of remuneration paid to each Director of Mincor Resources NL and each key management personnel of the consolidated entity are provided in the 'Remuneration Report' contained within the Directors' Report.

The Company has an established Remuneration Committee. Details of meetings held by the Remuneration Committee are set out below.

A copy of the Company's Remuneration Committee Charter (including a statement of the Company's prohibition on transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration scheme) is available on the Company's website.



## INDEPENDENT ADVICE

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office as a director, then, provided the Director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

## BOARD COMMITTEES

The Board has three committees comprising the Audit, Nomination, and Remuneration committees. Each committee has a separate charter which describes their role, composition, functions and responsibilities. Copies of each charter are set out on the Company's website.

Details of the number of meetings held and attendance at each committee meeting during the financial year ended 30 June 2009 are detailed below.

### Nomination Committee Meetings

Name	No. of meetings held	No. of meetings attended
DJ Humann (Independent)	1	1
DCA Moore	1	1
IF Burston (Independent)	1	1

### Remuneration Committee Meetings

Name	No of meetings held	No of meetings attended
DJ Humann (Independent)	1	1
DCA Moore	1	1
IF Burston (Independent)	1	1

### Audit Committee Meetings

Name	No. of meetings held	No. of meetings attended
IF Burston (Chairman, Independent)	4	2
DJ Humann (Independent)	4	4
JW Gardner (Independent)	4	4

The qualifications of each director are set out in the Directors Report. Mr Burston has over 30 years experience in the extractive and related industries and therefore possesses the requisite industry knowledge to participate on and act as Chairman of the Audit Committee. Mr Humann is a Chartered Accountant and therefore possesses the requisite financial literacy and expertise to participate on the Audit Committee. Mr Gardner is an Independent Director with requisite financial and industry knowledge.

The main responsibilities of the Audit Committee are to:

- Review and report to the Board on the annual financial report, the half-year financial report and all other financial information published by the Company or released to the market;
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting
  - compliance with applicable laws and regulations;
- Oversee the effective operation of the risk management framework; and
- Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit.

In fulfilling its responsibilities, the Audit Committee receives regular reports from management and the external auditors. It also meets with the external auditors at least twice a year – more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit Committee and the Chairman of the Board.



The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Audit Committee operates under an established charter which is available on the Company's website.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

## SHAREHOLDER INFORMATION

The Company values its relationship with shareholders and understands the importance of communication with them in accordance with the requirements of the ASX. For this purpose the Company has two communication policies; one for keeping shareholders up to date with Company information and one to ensure it is compliant with the continuous disclosure obligations of the ASX.

To keep shareholders informed the Company maintains a website at [www.mincor.com.au](http://www.mincor.com.au), on which the Company makes the following information available:

- company announcements for the last 3 years;
- information briefings to media and analysts for last 3 years;
- notices of meetings and explanatory materials;
- financial information for the last 3 years; and
- annual reports for the last 3 years.

The Company sends a copy of its quarterly report to all Shareholders. It also sends copies of significant announcements to Shareholders and any other person who registers with the Company as an 'Interested Party'. The Company also encourages shareholder participation at general meetings. A copy of the Company's shareholder communication strategy is available on the Company's website.

The Company understands the importance of ensuring the market has full and timely information available to all on an equal basis. For this reason the Company has detailed compliance procedures for ASX listing rule disclosure requirements which covers the following areas:

- providing guidelines for identifying disclosure material and monitoring share price movements;
- guidelines for trading halts;
- guidelines for decision-making processes;
- details on record keeping, confidentiality, education of executives and staff, release of disclosure material; and
- updating of procedures.

To ensure accountability at a senior executive level the Company has appointed an officer responsible for ensuring compliance with this policy. A summary of the Company's ASX continuous disclosure procedures is available on the Company's website.

## FINANCIAL REPORTS

In accordance with the requirements of the *Corporations Act 2001* and Principle 7 of the ASX Principles and Recommendations the Managing Director and Chief Financial Officer have provided a declaration in accordance with Section 295A of the *Corporations Act* and have assured the Board that the declaration is founded on sound systems of risk management and internal controls and that the systems are operating effectively in all material respects in relation to financial reporting.

## RISK MANAGEMENT

The Company has an established Risk Management Policy, a summary of which is available on the Company's website.

The Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of these systems.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director, with the assistance of senior management. The Managing Director is responsible for regularly reporting directly to the Board on all matters associated with risk management, including whether the Company's material business risks are being managed effectively. During the year the Managing Director reported to the Board on the effectiveness of the Company's management of its material business risks. In fulfilling his duties, the Managing Director has



unrestricted access to company employees, contractors and records and may obtain independent expert advice on any matter he believes appropriate, with the approval of the Board.

During the year the Company established a Risk Register as part of its risk management and internal control systems. The Risk Register formally documents:

- the identification of business risks;
- an assessment of the consequence of each business risk;
- an assessment of the likelihood of each business risk;
- a risk rating for each identified business risk;
- what existing controls are in place for each identified business risk;
- the effectiveness of each of the existing controls; and
- where further actions may be required to further mitigate or reduce business risk.

The Risk Register is reviewed and updated by management on an ongoing basis and reported to the Board on a quarterly basis. The Company established the Risk Register in December 2008. Prior to this date the risk management system was not documented.

In addition, the Company maintains a number of policies and practices designed to manage specific business risks. These include:

- Audit Committee and Audit Committee Charter;
- insurance programs;
- regular budgeting and financial reporting;
- clear limits and authorities for expenditure levels;
- procedures/controls to manage environmental and occupational health and safety matters;
- procedures for compliance with continuous disclosure obligations under the ASX listing rules; and
- procedures to assist with establishing and administering corporate governance systems and disclosure requirements.

The Company's risk management system is an ongoing process. It is recognised that the level and extent of the risk management system will evolve commensurate with the evolution and growth of the Company's activities. Further information on financial risk management is outlined in Note 2 to the financial statements.

## TRADING IN COMPANY SECURITIES

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers, employees and consultants which prohibits dealing in Company securities when those persons possess inside information. The policy contains a blackout period for directors, officers and senior accounting employees and also prohibits short-term or speculative trading of the Company's securities. A copy of the Company's policy for trading in Company securities is set out on the Company's website.

## CODE OF CONDUCT

The Company has established a comprehensive code of conduct which is set out in full on the Company's website. The purpose of the code of conduct is to establish practices to maintain confidence in the Company's integrity, set in place practices to take account of its legal obligations and the reasonable expectations of its stakeholders, and outline practices for the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. This code of conduct sets out the standard which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders, and the broader community.

The Board supports the highest standards of corporate governance, and requires its members and the staff of the Company, to act with integrity and objectivity in relation to:

- Compliance with the law;
- Record keeping;
- Conflicts of interest;
- Confidentiality;
- Acquisitions and disposals of the Company's securities; and
- Safe and equal opportunity employment.

The Board and management are also conscious of and aim to ensure fulfillment of the wider obligations of Mincor Resources NL and its staff to people affected by its operations, and for responsible management of the environment.



# DIRECTORS' REPORT >

FOR THE YEAR ENDED 30 JUNE 2009

The Directors present their report on the consolidated entity consisting of Mincor Resources NL ("the Company") and its controlled entities, for the year ended 30 June 2009.

## DIRECTORS

The names of the Directors of Mincor Resources NL in office at the date of this report are:

Name	Particulars	Shareholding Interest
<b>DJ Humann</b> FCA, FCPA, FAICD (Chairman)	<p><b>Experience and expertise</b></p> <p>Mr Humann joined Mincor Resources NL on 30 September 1999 as a Non-executive Director and Chairman of the Company. Mr Humann is a fellow of the Institute of Chartered Accountants, a fellow of the Institute of Certified Practising Accountants and also a fellow of the Australian Institute of Company Directors.</p> <p>He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China firm) from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the global firm's World Executive Management Committee based in London and New York. He was formerly a member of the Australia and New Zealand Firm's Executive Policy Committee. Mr Humann is a member of the boards of a number of public and private companies.</p> <p><b>Other current directorships</b></p> <p>Non-executive chairman of Advanced Braking Technologies Ltd, Atomaer Holdings Pty Ltd, Exxaro Australia Sands Pty Ltd, Logicamms Ltd and Matrix Metals Ltd.</p> <p>Non-executive director of Durack Estates Ltd (Bahamas), Braemore Resources PLC, and Rewards Holdings Pty Ltd.</p> <p>Director of James Anne Holdings Pty Ltd.</p> <p><b>Former directorships in last 3 years</b></p> <p>Non-executive chairman of Tethyan Copper Company Ltd from 2000 to 2006.</p> <p>Non-executive director of Durack Estates Pty Ltd from 1985 to 2007.</p> <p>Non-executive director Durack International Pty Ltd from 1985 to 2007.</p> <p>Non-executive director of India Resources Ltd from 2006 to 2008.</p> <p>Non-executive director of Monarch Gold Mining Co from 2006 to 2008.</p> <p>Non-executive director of Territory Resources Ltd from 2008 to 2008.</p>	295,000 shares
<b>DCA Moore</b> (Managing Director)	<p><b>Experience and expertise</b></p> <p>Mr Moore joined Mincor Resources NL on 30 September 1999 and is the Managing Director of the Company. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration, business development, project management and strategic planning. In 1996 he left a position as Billiton's Chief Geologist in Peru to join Iscor Australia Pty Ltd as director of business development. In that role he established Iscor's gold and base metal exploration unit in Australasia. During 1999 he conducted the transactions that lead to the creation of Mincor Resources NL and became Managing Director of that Company. In 2000 Mr Moore founded Tethyan Copper Company Ltd and as Managing Director drove that company's development, spin-off, listing and growth until its successful cash takeover by a joint venture between Antofagasta and Barrick in 2006. Mr Moore has worked extensively in South America, southern and eastern Africa and Australasia. He holds a B.Sc (Eng) (Mining Geology).</p> <p><b>Other current directorships</b></p> <p>None</p> <p><b>Former directorships in last 3 years</b></p> <p>Managing director of Tethyan Copper Company Ltd from 2000 to 2006.</p>	4,045,000 shares



Name	Particulars	Shareholding Interest
IF Burston	<p><b>Experience and expertise</b></p> <p>Mr Burston is a Non-executive Director who joined the Company in January 2003. He holds a Bachelor of Engineering (Mech) degree from Melbourne University and a diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Program in Paris and the Harvard Advanced Management Program in Boston. Mr Burston has over 30 years' experience in the extractive and related industries. His prior positions included Managing Director and Chief Executive Officer of Aurora Gold Ltd, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines, Vice President – WA Business Development of CRA Ltd and Managing Director of Hamersley Iron Pty Ltd.</p> <p><b>Other current directorships</b></p> <p>Non-executive chairman of Imdex Ltd, Broome Port Authority, NRW Ltd and Auvex Resources Ltd. Non-executive director of Fortescue Metals Group Ltd.</p> <p><b>Former directorships in last 3 years</b></p> <p>Executive chairman of Aztec Resources Ltd from 2003 to 2007. Executive chairman of Cape Lambert Iron Ore Ltd from 2006 to 2008.</p>	50,000 shares
JW Gardner	<p><b>Experience and expertise</b></p> <p>Mr Gardner is a Non-executive Director who joined the Company in February 1996. Mr Gardner graduated from the University of Melbourne in 1962 with a Bachelor of Engineering (Mech) degree and is a Fellow of the Institution of Engineers Australia. He also holds a Master of Business Administration degree from Curtin University, Western Australia. After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Ltd, Comsteel Vickers/ANI, Minproc Engineers Pty Ltd and Broken Hill Metals NL between 1970 and 1990, he formed his own engineering consultancy. He has consulted on many gold and base metal projects both in Australia and overseas. Mr Gardner was chairman of Ghana Manganese Company from 1995 until 2000. From 1993 until 2006 he was actively involved in Canadian listed company, Guinor Gold Corporation where he was Chief Engineer, Mining Projects. Since 1996 he has developed and managed the 100,000 ounce per annum Lero gold Heap Leach Project and completed the LEFA Corridor project study and supervised the EPCM contractor constructing its 350,000 ounce per annum multiple open pit and CIP Plant project in remote Guinea, West Africa. Currently he is pursuing bauxite, uranium, copper and gold exploration projects in West Africa and Australia.</p> <p><b>Other current directorships</b></p> <p>Non-executive director of Vortex Minerals Pty Ltd, Mineraus Resources Pty Ltd, Viking Metals Pty Ltd, Greenline Investments Pty Ltd, Bayfield Enterprises Pty Ltd and Aerial Holdings Pty Ltd.</p> <p><b>Former directorships in last 3 years</b></p> <p>Non-executive director of Norske Precious Metals from 2006 to 2007.</p>	1,218,176 shares

## COMPANY SECRETARY

The name of the Company Secretary of Mincor Resources NL in office at the date of this report is:

Name	Particulars
B Lynn	Mr Lynn is a Chartered Accountant with over 20 years experience. He joined Mincor in May 2001 and prior to this held various senior financial positions with companies involved in the mining industry, including gold and mineral sands.



## REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS

### Mining Operations

The Company produced 15,768 tonnes of nickel-in-concentrate during the year ended 30 June 2009 (2008: 16,562 tonnes of nickel-in-concentrate).

During the year, the Company's South Kambalda Operations (including Miitel, Mariners, Redross and Wannaway Nickel Operations) produced 343,042 dry metric tonnes at an average grade of 2.84%, to produce 8,515 tonnes of nickel-in-concentrate.

The Company's North Kambalda Operations (including Otter Juan, Coronet and McMahon Nickel Operations and Mincor's 70% interest in the Carnilya Hill Nickel Operation) produced 230,082 dry metric tonnes at an average grade of 3.42%, to produce 7,253 tonnes of nickel-in-concentrate.

In response to the severe economic downturn the Company implemented a Management Plan during the year to protect operating margins and strengthen cash flows. The Plan was developed to address the sharp falls in the nickel price experienced since July 2008 and was centered on maintaining the Company's financial and operational strength through the current economic downturn.

The Management Plan took advantage of Mincor's unique business structure, under which production is sourced from numerous mines and delivered to a central plant owned by a third party. The Company was able to both reduce costs by suspending higher cost operations without damaging those operations or their ore reserves and maintain overall production capacity.

In accordance with the Plan, capital expenditures were halted at the Miitel and McMahon Nickel Mines during November 2008, and the Miitel Nickel Mine was placed on care and maintenance in late December 2008. McMahon Mine was set up for stoping operations which are currently underway. In addition, the Carnilya Hill Nickel Mine was moved from contractor to owner-mining in mid-January 2009 and significant contractor cost reductions were agreed at Mariners Nickel Mine. Full-scale production and capital development continued at the Otter Juan, Carnilya Hill and Mariners Nickel Mines during the year, with production supplemented by ore from McMahon and Redross Mines. In August 2008 remnant mining operations at Wannaway Nickel Mine ended. In May 2009 Redross Nickel Mine was shut following depletion of the ore body.

### Exploration and Development Projects

During the year, the Company spent \$12.6 million on exploration activities, comprising \$7.6 million on regional exploration activities and \$5.0 million on extensional exploration activities.

Exploration and development drilling continued throughout the period, with considerable success at Otter Juan Nickel Mine, Mariners Nickel Mine and Miitel Nickel Mine. The Company has committed to an aggressive exploration drilling program targeting nickel and other base metals on its tenements throughout Australia.

### Corporate

The consolidated entity incurred a loss after tax of \$16.7 million (2008: profit after tax of \$64.0 million) for the year. This loss includes an impairment charge of \$17.3 million following a review of the recoverable amount of each mine in response to the significant adverse movements in the nickel price experienced during the year. A further impairment loss of \$0.6 million was recorded to recognise the devaluation of certain investments held by the Company. The consolidated entity also wrote off acquired exploration costs totalling \$2.5 million which had previously been capitalised.

As at 30 June 2009 the Company had sold forward 2,425 tonnes of nickel to June 2011 at an average price of A\$26,245 per tonne.

On 26 September 2008 the Company paid its sixth fully franked annual dividend of 6 cents per share to shareholders.

On 27 March 2009 the Company paid a fully franked interim dividend of 2 cents per share in respect of the year ending 30 June 2009.

## PRINCIPAL ACTIVITIES

The principal activities of the companies in the consolidated entity during the course of the year were the mining and exploration of mineral resources.

No significant change in the activities occurred during the twelve months to 30 June 2009, except as outlined below.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there have been no significant changes in the state of affairs of the consolidated entity during the financial period.



## GROUP RESULTS

The loss of the consolidated entity for the year after income tax was \$16,664,000 (2008 profit: \$64,041,000).

## DIVIDENDS

A fully franked dividend of 6 cents per share in respect of the year ended 30 June 2008 was paid on 26 September 2008. On 27 March 2009 a fully franked interim dividend of 2 cents per share in respect of the year ended 30 June 2009 was paid. On 19 August 2009 the Directors declared a fully franked final dividend of 4 cents per share in respect of the year ended 30 June 2009.

## MEETINGS OF DIRECTORS'

The number of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2009, and the number of meetings attended by each Director were:

	<b>Total Directors Meetings Available</b>	<b>Directors Meetings Attended</b>	<b>Total Audit Committee Meetings Available</b>	<b>Audit Committee Meetings Attended</b>
DJ Humann	7	7	4	4
DCA Moore	7	7	-	-
JW Gardner	7	7	4	4
IF Burston	7	5	4	2

## FUTURE DEVELOPMENTS

Details of important developments occurring in this financial year have been covered in the Review of Operations. The Company will continue to actively explore for minerals, and any significant information or data will be released to the market and the shareholders pursuant to the Continuous Disclosure rules as and when they are to hand.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

## REMUNERATION REPORT

All compensation arrangements for Directors and key management personnel are determined at Board level after taking into account the competitive rates prevailing in the market place.

Remuneration levels of the Directors and key management personnel are set by reference to other similar sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the consolidated entity's operations in Australia. Remuneration levels for the Managing Director and key management personnel are determined by the Board based upon recommendations from the Remuneration Committee. Remuneration of Non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to Non-executive Directors.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

- Principles Used to Determine the Nature and Amount of Remuneration
- Details of Remuneration
- Service Agreements
- Share-based Compensation
- Additional Information



## REMUNERATION REPORT *(continued)*

### a) Principles Used to Determine the Nature and Amount of Remuneration

The Company's key management personnel remuneration framework aligns their remuneration with the achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that the remuneration of key management personnel is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance.

#### Remuneration of Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board receives advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

##### i) Directors' Fees

The current base remuneration was last reviewed with effect from 8 November 2006. The Chairman's and non-executive directors' remuneration is inclusive of committee fees.

Fees for the Chairman and non-executive directors' are determined within an aggregate directors' fee pool limit of \$350,000, which was last approved by shareholders on 8 November 2006.

##### ii) Retirement Allowances for Directors

No retirement allowances exist for non-executive directors.

#### Remuneration of Key Management Personnel

The pay and reward framework for key management personnel has four components:

- Base pay and benefits;
- Short-term performance incentives;
- Long-term incentives through participation in employee share option plans, including the Mincor Employee Share Option Plan and Mincor Resources Executive Share Option Scheme; and
- Other remuneration.

The combination of these comprises the key management personnel's total remuneration.

##### i) Base Pay and Benefits

The base pay is inclusive of statutory superannuation and is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Key management personnel are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for key management personnel is reviewed annually to ensure the executive's pay is competitive with the market. The pay of key management personnel is also reviewed on promotion.

There is no guaranteed base pay increase included in any key management personnel's contract.

##### ii) Short Term Incentives (STI)

The Company has established an Incentive Bonus Scheme, which is designed to encourage and reward superior performance. The Incentive Bonus Scheme has both a company performance component linked to the Company's annual result as well as an individual component linked to the employee's performance. Whilst it is the Company's intention to apply the Incentive Bonus Scheme annually, it is solely at the discretion of the Directors.

For the year ended 30 June 2009, no Incentive Bonus Scheme was provided to any key management personnel.



## iii) Long Term Incentives (LTI)

Long term incentives are provided to certain employees via the Executive Share Option Scheme and 2002 Employee Share Option Plan. Information on the Executive Share Option Scheme and the 2002 Employee Share Option Plan is set out in Note 32 to the financial statements.

## b) Details of Remuneration

Details of the remuneration of the directors and the key management personnel of Mincor Resources NL and the consolidated entity are set out in the following tables.

The key management personnel of Mincor Resources NL and the consolidated entity (as defined in AASB 124) includes the Directors and the following executive officers who report directly to the managing director and who have authority and responsibility for planning, directing and controlling the activities of the consolidated and parent entity.

- ST Cowle – Chief Operating Officer
- B Lynn – Chief Financial Officer
- GL Fariss – General Manager, Corporate Development
- P Muccilli – Exploration Manager

All of the above persons were also key management personnel during the year ended 30 June 2008.

## i) Key Management Personnel of Mincor Resources NL and its Controlled Entities

2009	Short-Term Employee Benefits					Post-employment Benefits	Long-term Benefits	Share-based Payments	Total
Name	Directors Fees	Salary	Bonus	Non-monetary benefits	Other	Super-annuation	Long service leave	Options	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive Directors</b>									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	50,459	-	-	-	-	4,541	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
<b>Sub-total</b>	<b>205,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,441</b>	<b>-</b>	<b>-</b>	<b>220,000</b>
<b>Executive Directors</b>									
DCA Moore*	-	585,667	-	588	-	13,745	9,687	-	609,687
<b>Other Key Management Personnel</b>									
ST Cowle*	-	315,667	-	588	-	13,745	6,142	-	336,142
B Lynn*	-	308,586	-	588	-	27,826	6,492	11,458	354,950
GL Fariss*	-	237,944	-	588	-	21,468	4,700	15,278	279,978
P Muccilli*	-	218,678	-	588	-	19,734	4,113	15,278	258,391
<b>Total</b>	<b>205,559</b>	<b>1,666,542</b>	<b>-</b>	<b>2,940</b>	<b>-</b>	<b>110,959</b>	<b>31,134</b>	<b>42,014</b>	<b>2,059,148</b>

\* Denotes one of the 5 highest paid executives of the Company and the consolidated entity, as required to be disclosed under the *Corporations Act 2001*.



## REMUNERATION REPORT *(continued)*

### b) Details of Remuneration *(continued)*

#### i) Key Management Personnel of Mincor Resources NL and its Controlled Entities *(continued)*

2008	Short-Term Employee Benefits					Post - employment Benefits	Long- term Benefits	Share- based Payments	Total
Name	Directors Fees \$	Salary \$	Bonus \$	Non- monetary benefits \$	Other \$	Super- annuation \$	Long service leave \$	Options \$	\$
<b>Non-executive Directors</b>									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	50,459	-	-	-	-	4,541	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
<b>Sub-total</b>	<b>205,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,441</b>	<b>-</b>	<b>-</b>	<b>220,000</b>
<b>Executive Directors</b>									
DCA Moore*	-	528,783	150,000	588	-	13,129	23,468	-	715,968
<b>Other Key Management Personnel</b>									
ST Cowle*	-	304,283	51,136	588	-	13,129	6,552	-	375,688
B Lynn*	-	296,660	26,752	588	-	29,160	7,000	31,719	391,879
GL Fariss*	-	199,836	21,420	588	-	19,486	3,555	42,292	287,177
P Muccilli*	-	191,614	15,606	588	-	18,703	5,445	42,292	274,248
<b>Former</b>									
J Reeve (Passed away 16 August 2007)	-	44,434	-	88	-	3,853	660	-	49,035
<b>Total</b>	<b>205,559</b>	<b>1,565,610</b>	<b>264,914</b>	<b>3,028</b>	<b>-</b>	<b>111,901</b>	<b>46,680</b>	<b>116,303</b>	<b>2,313,995</b>

\* Denotes one of the 5 highest paid executives of the Company and the consolidated entity, as required to be disclosed under the *Corporations Act 2001*.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration 2009	At Risk – LTI 2009	At Risk – STI 2009
<b>Directors of Mincor Resources NL</b>			
DJ Humann (Chairman)	100%	-	-
DCA Moore	100%	-	-
JW Gardner	100%	-	-
IF Burston	100%	-	-
<b>Other Key Management Personnel of the consolidated entity</b>			
ST Cowle	100%	-	-
B Lynn	97%	3%	-
GL Fariss	95%	5%	-
P Muccilli	94%	6%	-



## ii) Cash bonuses and options

For each cash bonus and grant of options included in the above tables, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonuses are payable in future years.

Name	CASH BONUS		OPTIONS					
	Paid %	Forfeited %	Year granted	Vested %	Forfeited %	Financial years in which options may vest	Minimum total value of grant yet to vest \$	Maximum total value of grant yet to vest \$
DCA Moore	-	-	-	-	-	-	-	-
ST Cowle	-	-	-	-	-	-	-	-
B Lynn	-	-	2006	33 <sup>1/3</sup>	-	-	-	-
GL Fariss	-	-	2006	33 <sup>1/3</sup>	-	-	-	-
P Muccilli	-	-	2006	33 <sup>1/3</sup>	-	-	-	-

## c) Service Agreements

Remuneration and other terms of employment for the Managing Director and other key management personnel are formalised in employment contracts. Each of these agreements provide for the participation in the Company's Incentive Option Schemes and Incentive Bonus Scheme. Other major provisions of the agreements relating to remuneration are set out below.

All contracts with executives may be terminated early by either party providing between 1 to 3 months notice, subject to termination payments as detailed below.

### *DCA Moore, Managing Director*

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2009 of \$600,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary.

### *ST Cowle, Chief Operating Officer*

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2009 of \$330,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 1 month of the base salary.

### *B Lynn, Chief Financial Officer*

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2009 of \$337,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 1 month of the base salary.

### *GL Fariss, General Manager, Corporate Development*

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2009 of \$260,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 1 month of the base salary.

### *P Muccilli, Exploration Manager*

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2009 of \$239,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 1 month of the base salary.



## **REMUNERATION REPORT** *(continued)*

### **d) Share-based Compensation – Options**

#### **2002 Employee Share Option Plan**

The 2002 Employee Share Option Plan ("Plan") was introduced on 21 August 2002. Persons eligible to participate in the Plan include Directors and all employees of the Company or companies or bodies corporate in which the Company holds at least 20% of all the voting shares.

Options are granted under the Plan for no consideration for a maximum period of 5 years and can be exercised at any time between the date the option is granted and the expiry date, subject to the imposition of any specified vesting date determined at the discretion of the Directors. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of the options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

The Plan rules contain a restriction on removing the 'at risk' aspect of the instrument granted to Plan participants. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

#### **Prospectus dated 6 December 2007**

The Prospectus was issued on 6 December 2007. Persons eligible to participate pursuant to the Prospectus include Directors and all employees of the Company.

Options are granted under the Prospectus for no consideration for a maximum period of 5 years and can be exercised at any time between the date the option is granted and the expiry date, subject to the imposition of any specified vesting date determined at the discretion of the Directors. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of the options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

#### **Mincor Resources Executive Share Option Scheme**

The Mincor Resources Executive Share Option Scheme ("Scheme") was introduced on 8 May 2006. Persons eligible to participate in the Scheme include key employees, who are determined at the discretion of the Directors.

Options are granted under the Scheme for no consideration for a maximum period of 5 years and can be exercised at any time between the date the option is granted and the expiry date, subject to the imposition of any specified vesting date determined at the discretion of the Directors.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

The Scheme rules contain a restriction on removing the 'at risk' aspect of the instrument granted to Scheme participants. Scheme participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.



# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2009

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
6 November 2003 <sup>(1)</sup>	50% after 6 November 2004 50% after 6 November 2005	6 November 2008	\$0.84	\$0.286
22 December 2005 <sup>(1)</sup>	100% after 18 November 2006	25 October 2010	\$0.70	\$0.1834
8 May 2006 <sup>(2)</sup>	33 <sup>1</sup> / <sub>3</sub> % after 8 May 2007	7 May 2011	\$0.85	\$0.240
	33 <sup>1</sup> / <sub>3</sub> % after 8 May 2008	7 May 2011	\$0.85	\$0.230
	33 <sup>1</sup> / <sub>3</sub> % after 8 May 2009	7 May 2011	\$0.85	\$0.220
9 September 2006 <sup>(2)</sup>	100% after 30 June 2007	8 September 2011	\$1.21	\$0.4761
20 October 2006 <sup>(2)</sup>	33 <sup>1</sup> / <sub>3</sub> % after 18 October 2007	19 October 2011	\$1.74	\$0.753
	33 <sup>1</sup> / <sub>3</sub> % after 18 October 2008	19 October 2011	\$1.74	\$0.753
	33 <sup>1</sup> / <sub>3</sub> % after 18 October 2009	19 October 2011	\$1.74	\$0.753
6 December 2006 <sup>(1)</sup>	100% after 6 December 2007	5 December 2011	\$2.16	\$0.7989
24 July 2007 <sup>(2)</sup>	33 <sup>1</sup> / <sub>3</sub> % after 22 July 2008	22 July 2012	\$4.23	\$1.53
	33 <sup>1</sup> / <sub>3</sub> % after 22 July 2009	22 July 2012	\$4.23	\$1.53
	33 <sup>1</sup> / <sub>3</sub> % after 22 July 2010	22 July 2012	\$4.23	\$1.53
25 March 2008 <sup>(2)</sup>	25% after 6 March 2009	5 March 2013	\$3.23	\$0.9552
	25% after 6 March 2010	5 March 2013	\$3.23	\$0.9552
	25% after 6 March 2011	5 March 2013	\$3.23	\$0.9552
	25% after 6 March 2012	5 March 2013	\$3.23	\$0.9552
1 April 2008 <sup>(3)</sup>	100% after 5 June 2009	5 December 2012	\$4.40	\$0.9023

(1) Options granted under the 2002 Employee Share Option Plan which was approved by shareholders at the 2006 annual general meeting. All staff are eligible to participate in the Plan.

(2) Options granted to certain senior executives under the Executive Option Scheme, pursuant to specified terms and conditions.

(3) Options granted pursuant to the Prospectus dated 6 December 2007.

All options granted carry no dividend or voting rights.

### Options Provided as Remuneration

Details of options over ordinary shares in the Company provided as remuneration to each Director of Mincor Resources NL and each of the key management personnel of the consolidated entity are set out below. Further information on the options is set out in Note 32 to the financial statements.

Name	Number of Options Granted during the Year 2009	Number of Options Vested during the Year 2009
<b>Directors of Mincor Resources NL</b>		
DJ Humann (Chairman)	-	-
DCA Moore	-	-
JW Gardner	-	-
IF Burston	-	-
<b>Other Key Management Personnel of the consolidated entity</b>		
ST Cowle	-	-
B Lynn	-	250,000
GL Fariss	-	333,333
P Muccilli	-	333,333

During the year no options were granted to any directors, key management personnel or employees.



## REMUNERATION REPORT *(continued)*

### e) Additional Information

#### Relationship between Compensation and Company Performance

The overall level of key management personnel's compensation takes into account the performance of the consolidated entity over a number of years, with greater emphasis given to the current and prior year. Over the past 5 years, the consolidated entity's profit from ordinary activity after income tax has grown at an average rate per annum of 31.8%. During the same period, average key management personnel compensation has increased by approximately 10.5% per annum.

In considering the consolidated entity's performance, due regard is given to shareholder wealth creation including dividends paid, movements in the market value of the Company's shares and any return of capital to shareholders. The following table summarises the performance of the Company over the last 5 financial years.

	2009	2008	2007	2006	2005
Net (loss)/profit attributable to shareholders of Mincor Resources NL (\$'000)	(16,664)	64,041	101,330	29,309	20,302
(Loss)/earnings per share (cents)	(8.4)	32.4	51.8	15.1	10.4
Dividends paid (\$'000)	15,911	23,722	17,596	7,786	4,859
Dividends paid per share (cents)	8.0	12.0	9.0	4.0	2.5
30 June share price (\$)	1.55	3.32	4.70	0.95	0.63

#### Details of Remuneration

Further details relating to options are set out below:

Name	A Remuneration Consisting of Options	B Value at Grant Date \$	C Value at Exercise Date \$	D Value at Lapse Date \$
B Lynn	3.23%	-	-	-
GL Fariss	5.46%	-	-	-
P Muccilli	5.91%	-	-	-

A = The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.

B = The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year, being the intrinsic value of the options at that date.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year. Lapsed options refer to options that vested but expired unexercised.

During the year ended 30 June 2009 no ordinary shares in the Company were provided to any Director of Mincor Resources NL or any other key management personnel of the parent entity and the consolidated entity as a result of the exercise of remuneration options.

## SHARES UNDER OPTION

Unissued ordinary shares in the Company under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Issue Price of Shares	Number of Options
22 December 2005	25 October 2010	\$0.70	40,000
8 May 2006	7 May 2011	\$0.85	1,082,452
23 October 2006	19 October 2011	\$1.74	333,667
6 December 2006	5 December 2011	\$2.16	250,000
1 April 2008	5 December 2012	\$4.40	535,000
			<b>2,241,119</b>

No option holder has any right under the option to participate in any share issue of the Company or any other entity.



## SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of the Company were issued during and/or since the year ended 30 June 2009 and up to the date of this report on the exercise of options granted under both the 2002 Employee Share Option Plan and Executive Share Option Scheme. No amounts are unpaid on any of the shares.

Date Options Granted	Issue Price of Shares	Number of Shares Issued
22 December 2005	\$0.70	20,000
8 May 2006	\$0.85	550,010
		<b>570,010</b>

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 19 August 2009 the Directors declared a fully franked dividend of 4 cents per share in respect of the year ended 30 June 2009.

## CORPORATE GOVERNANCE

The Company's corporate governance policies and practices are set out separately in this document.

## ENVIRONMENTAL MATTERS

The consolidated entity is subject to environmental regulation on its mineral properties. To this extent, the consolidated entity has raised rehabilitation provisions of \$4,630,000 (2008: \$3,951,000). To the best of the belief and knowledge of the Directors, no breach of environmental legislation occurred during the year and up to the date of this report. Further details on environmental policy are set out in the Annual Report under the Corporate Governance section and the Health, Safety and Environmental Policy section.

### Greenhouse Gas and Energy Data Reporting Requirements

The consolidated entity is subject to the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* and the *National Greenhouse and Energy Reporting Act 2007*.

The *Energy Efficiency Opportunities Act 2006* requires the consolidated entity to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the consolidated entity intends to take as a result.

The *National Greenhouse and Energy Reporting Act 2007* requires the consolidated entity to report its annual greenhouse gas emissions and energy use. The first measurement period for this Act ran from 1 July 2008 to 30 June 2009. The consolidated entity has implemented systems and processes for the collection and calculation of the data required and will be able to prepare and submit its initial report to the Greenhouse and Energy data officer by 31 October 2009.

## INSURANCE OF OFFICERS

During the financial year, the Company paid a premium of \$59,533 to insure the Directors, secretary and senior executives of the Company and its Australian based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.



## NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are provided in Note 25 to the financial statements.

The board of Directors has considered the position and in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 25, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

## AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out separately in this report.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & 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 that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Dated in Perth this 19th day of August 2009 in accordance with a resolution of the Directors.



**DCA Moore**  
Managing Director



# AUDITOR'S INDEPENDENCE > DECLARATION



**PricewaterhouseCoopers**  
**ABN 52 780 433 757**

QV1  
250 St Georges Terrace  
PERTH WA 6000  
GPO Box D198  
PERTH WA 6840  
DX 77 Perth  
Australia  
Telephone +61 8 9238 3000  
Facsimile +61 8 9238 3999  
[www.pwc.com/au](http://www.pwc.com/au)

## Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2009, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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 'John O'Connor'.

John O'Connor  
Partner  
PricewaterhouseCoopers

Perth  
19 August 2009



# INCOME STATEMENTS >

FOR THE YEAR ENDED 30 JUNE 2009

	Note	CONSOLIDATED		PARENT ENTITY	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Revenue</b>	3	191,865	329,340	138,496	232,488
Mining contractor costs		(42,177)	(66,050)	(42,150)	(64,216)
Ore tolling costs		(21,124)	(25,955)	(15,322)	(21,288)
Utilities expense		(9,574)	(9,528)	(5,078)	(5,672)
Mining supplies and consumables		(7,779)	(6,598)	(2,446)	(2,881)
Royalty expense		(5,607)	(14,397)	(4,392)	(12,398)
Employee benefit expense		(32,466)	(33,141)	(16,559)	(19,072)
Finance costs	4	(157)	(548)	(161)	(492)
Foreign exchange loss		(1,541)	(2,010)	-	(894)
Exploration costs expensed	4	(10,128)	(12,823)	(6,439)	(4,839)
Depreciation and amortisation expense	4	(57,111)	(55,638)	(37,585)	(37,047)
Impairment of property, plant and equipment	11	(17,287)	-	(10,221)	-
Impairment of investment in subsidiary	9	-	-	(1,737)	-
Impairment of available-for-sale financial assets	10	(570)	-	(570)	-
Other expenses from ordinary activities		(12,658)	(10,710)	(7,846)	(9,626)
(Loss)profit before income tax		(26,314)	91,942	(12,010)	54,063
Income tax benefit/(expense)	5	9,650	(27,901)	5,283	(16,737)
(Loss)profit attributable to the members of Mincor Resources NL		(16,664)	64,041	(6,727)	37,326
		<b>Cents</b>	<b>Cents</b>		
(Loss)earnings per share	31	(8.4)	32.4		
Diluted (loss)earnings per share	31	(8.4)	32.1		

The above Income Statements should be read in conjunction with the accompanying notes.



# BALANCE SHEETS >

AS AT 30 JUNE 2009

	Note	CONSOLIDATED		PARENT ENTITY	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current Assets</b>					
Cash and cash equivalents	30	75,801	112,499	38,802	76,000
Trade and other receivables	6	35,461	32,877	25,949	28,551
Inventory	7	3,122	2,352	529	303
Current tax asset	15	1,377	-	1,377	-
Derivative financial instruments	8	25,200	19,438	25,200	19,438
<b>Total Current Assets</b>		<b>140,961</b>	<b>167,166</b>	<b>91,857</b>	<b>124,292</b>
<b>Non-Current Assets</b>					
Available-for-sale financial assets	10	1,210	1,707	766	674
Property, plant and equipment	11	94,982	78,239	48,000	46,582
Exploration, evaluation and development expenditure	12	13,021	66,369	3,617	23,038
Derivative financial instruments	8	1,022	15,476	1,022	15,476
Other financial assets	9	-	-	111,839	113,576
<b>Total Non-Current Assets</b>		<b>110,235</b>	<b>161,791</b>	<b>165,244</b>	<b>199,346</b>
<b>TOTAL ASSETS</b>		<b>251,196</b>	<b>328,957</b>	<b>257,101</b>	<b>323,638</b>
<b>Current Liabilities</b>					
Payables	13	22,699	49,273	57,133	85,233
Interest bearing liabilities	14	1,463	792	1,463	792
Current tax liabilities	15	-	1,954	-	1,954
Provisions	16	1,379	1,264	495	655
Derivative financial instruments	8	2,566	-	2,566	-
<b>Total Current Liabilities</b>		<b>28,107</b>	<b>53,283</b>	<b>61,657</b>	<b>88,634</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	14	25	1,555	25	1,555
Provisions	16	4,630	3,951	2,926	2,386
Deferred tax liabilities	17	18,452	31,684	9,008	19,425
Derivative financial instruments	8	656	-	656	-
<b>Total Non-Current Liabilities</b>		<b>23,763</b>	<b>37,190</b>	<b>12,615</b>	<b>23,366</b>
<b>TOTAL LIABILITIES</b>		<b>51,870</b>	<b>90,473</b>	<b>74,272</b>	<b>112,000</b>
<b>NET ASSETS</b>		<b>199,326</b>	<b>238,484</b>	<b>182,829</b>	<b>211,638</b>
<b>Equity</b>					
Contributed equity	18	31,392	31,244	31,392	31,244
Reserves	19	13,858	20,589	13,762	20,081
Retained profits	20	154,076	186,651	137,675	160,313
<b>TOTAL EQUITY</b>		<b>199,326</b>	<b>238,484</b>	<b>182,829</b>	<b>211,638</b>

The above Balance Sheets should be read in conjunction with the accompanying notes.



# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Note	CONSOLIDATED				PARENT ENTITY			
		Issued Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total Equity \$'000	Issued Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total Equity \$'000
<b>At 1 July 2008</b>		31,244	186,651	20,589	238,484	31,244	160,313	20,081	211,638
Change in fair value of available-for-sale investments, net of tax		-	-	51	51	-	-	463	463
Change in fair value of cash flow hedges, net of tax		-	-	(7,636)	(7,636)	-	-	(7,636)	(7,636)
<b>Total income and expense recognised directly in equity</b>		-	-	(7,585)	(7,585)	-	-	(7,173)	(7,173)
Loss for the year		-	(16,664)	-	(16,664)	-	(6,727)	-	(6,727)
<b>Total recognised income and expense for the year</b>		-	(16,664)	(7,585)	(24,249)	-	(6,727)	(7,173)	(13,900)
Issue of shares on conversion of options		148	-	-	148	148	-	-	148
Payment of dividends	21	-	(15,911)	-	(15,911)	-	(15,911)	-	(15,911)
Cost of share based payment	19	-	-	854	854	-	-	854	854
<b>At 30 June 2009</b>		<b>31,392</b>	<b>154,076</b>	<b>13,858</b>	<b>199,326</b>	<b>31,392</b>	<b>137,675</b>	<b>13,762</b>	<b>182,829</b>
<b>At 1 July 2007</b>		29,481	146,332	(25,547)	150,266	29,481	146,709	(26,662)	149,528
Change in fair value of available-for-sale investments, net of tax		-	-	(871)	(871)	-	-	(264)	(264)
Change in fair value of cash flow hedges, net of tax		-	-	46,447	46,447	-	-	46,447	46,447
<b>Total income and expense recognised directly in equity</b>		-	-	45,576	45,576	-	-	46,183	46,183
Profit for the year		-	64,041	-	64,041	-	37,326	-	37,326
<b>Total recognised income and expense for the year</b>		-	64,041	45,576	109,617	-	37,326	46,183	83,509
Issue of shares on conversion of options		1,763	-	-	1,763	1,763	-	-	1,763
Payment of dividends	21	-	(23,722)	-	(23,722)	-	(23,722)	-	(23,722)
Cost of share based payment	19	-	-	560	560	-	-	560	560
<b>At 30 June 2008</b>		<b>31,244</b>	<b>186,651</b>	<b>20,589</b>	<b>238,484</b>	<b>31,244</b>	<b>160,313</b>	<b>20,081</b>	<b>211,638</b>

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



# CASH FLOWS STATEMENTS >

FOR THE YEAR ENDED 30 JUNE 2009

	Note	CONSOLIDATED		PARENT ENTITY	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Cash Flows from Operating Activities</b>					
Receipts from customers (inclusive of GST)		199,994	339,516	152,009	241,209
Payments to suppliers and employees (inclusive of GST)		(161,039)	(200,552)	(118,164)	(162,343)
		38,955	138,964	33,845	78,866
Interest received		3,496	7,317	2,159	5,522
Other revenue/(expenses)		1,270	1,603	(454)	785
Interest paid		(206)	(237)	(203)	(293)
Income tax paid		(3,662)	(53,809)	(3,716)	(38,134)
<b>Net Cash Inflow from Operating Activities</b>	30(a)	39,853	93,838	31,631	46,746
<b>Cash Flows from Investing Activities</b>					
Payments for acquisition of exploration properties		(47)	(116)	(47)	(116)
Payment for purchase of subsidiary, net of cash acquired		(6,575)	(55,074)	(6,575)	(90,698)
Payments for property, plant and equipment		(43,674)	(37,398)	(33,878)	(31,849)
Payments for exploration, evaluation and development expenditure		(9,634)	(35,331)	(7,681)	(18,487)
Loans (to)/from related parties		-	-	(4,027)	23,824
<b>Net Cash Outflow from Investing Activities</b>		(59,930)	(127,919)	(52,208)	(117,326)
<b>Cash Flows from Financing Activities</b>					
Proceeds from issues of shares		149	1,763	149	1,763
Dividends paid		(15,911)	(23,722)	(15,911)	(23,722)
Finance lease payments		(859)	(1,028)	(859)	(1,028)
<b>Net Cash Outflow from Financing Activities</b>		(16,621)	(22,987)	(16,621)	(22,987)
<b>Net Decrease in Cash and Cash Equivalents</b>		(36,698)	(57,068)	(37,198)	(93,567)
Cash at the Beginning of the Financial Year		112,499	169,567	76,000	169,567
<b>Cash at the End of the Financial Year</b>	30(b)	75,801	112,499	38,802	76,000

The above Cash Flows Statements should be read in conjunction with the accompanying notes.



## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Mincor Resources NL as an individual entity and the consolidated entity consisting of Mincor Resources NL and its subsidiaries.

### a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Comparative information is reclassified where appropriate to enhance comparability. The following information has been reclassified in the 2008 comparatives to enhance comparability:

- mining supplies and consumables costs of \$6,598,000 (parent \$2,881,000) were reclassified in the income statement from other expenses from ordinary activities to mining supplies and consumables;
- labour contract costs of \$905,000 (parent \$786,000) were reclassified from employee benefits to mining contractor costs; and
- annual leave and sick leave costs of \$1,741,000 (parent \$354,000) were reclassified from current provisions (Note 16) to other creditors and accruals (Note 13).

### Compliance with IFRS

The financial report of Mincor Resources NL also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value either through profit or loss or equity and certain classes of property, plant and equipment.

### b) Principles of Consolidation

#### Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mincor Resources NL ("company" or "parent entity") as at 30 June 2009 and the results of all subsidiaries for the year then ended. Mincor Resources NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity (refer to Note 1(s)).

Intercompany transactions, balances and unrealised gains on transaction between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at a cost in the individual financial statements of Mincor Resources NL.

### c) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.



### d) Revenue Recognition

Sales revenue comprises revenue earned from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when the product is delivered and:

- risk has been passed to the customer;
- the product is in a form suitable for delivery;
- the quantity of the product can be determined with reasonable accuracy;
- the product has been dispatched to the customer and is no longer under the physical control of the producer; and
- the selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer. Sales are initially recognised at estimated sales value when the product is delivered. Adjustments are made for variations in metal price, assay, weight and currency between the time of delivery and the time of final settlement of sales proceeds.

Interest income is recognised as it accrues using the effective interest rate method.

### e) Property, Plant and Equipment

Office property, plant and equipment are stated at historical cost less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Office property, plant and equipment are depreciated or amortised over their estimated useful economic lives using either the straight line or reducing balance method. The expected useful lives are as follows:

- |                          |   |               |
|--------------------------|---|---------------|
| • Plant and Equipment    | - | 2 to 5 years  |
| • Furniture and Fittings | - | 3 to 10 years |

Refer to Notes 1(i), 1(j), 1(k) and 1(l) for the accounting policy with respect to exploration and evaluation expenditure, development properties, mine properties, and mine buildings, machinery and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

### f) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.



### NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### f) Income Tax *(continued)*

##### Tax Consolidation Legislation

Mincor Resources NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Mincor Resources NL and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right.

In addition to its own current and deferred tax amounts, Mincor Resources NL also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding arrangements with the tax consolidated entities are recognised as amounts receivable from or payable to entities in the consolidated entity. Details about the funding agreement are disclosed in Note 5.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

#### g) Foreign Currency Translation

##### i) Functional and Presentation Currency

Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Mincor Resources NL's functional and presentation currency.

##### ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit and loss as part of the fair value gain or loss. Translation differences on non-monetary items such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

##### iii) Group Companies

The results and financial position of all the consolidated entity's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.



### h) Inventories

#### Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of stock on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### i) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are initially capitalised when incurred and then written off except where they may be carried forward as an item in the balance sheet where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

### j) Development Expenditure

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, any deferred exploration and evaluation expenditure is transferred to "Development Expenditure".

All expenditure incurred prior to the commencement of commercial levels of production from each development property, is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until they are reclassified as "Mine Properties" following a decision to commence mining.

### k) Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the consolidated entity in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when it is probable that the associated future economic benefits will flow to the consolidated entity, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

### l) Mine Buildings, Machinery and Equipment

The cost of each item of buildings, machinery and equipment is written off over its expected useful life using either the unit-of-production or straight-line method. Cost includes expenditure that is directly attributable to the acquisition of the items. The unit-of-production basis results in an amortisation charge proportional to the depletion of the recoverable mineral reserves.



### NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### l) Mine Buildings, Machinery and Equipment *(continued)*

Each item's economic life has due regard to both its own physical life limitations and to present assessments of recoverable mineral reserves of the mine property at which the item is located, and to possible future variations in those assessments.

Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments of major items.

The expected useful lives are as follows:

- Mine buildings – the shorter of applicable mine life and 5 years;
- Machinery and equipment – the shorter of applicable mine life and 2 to 10 years, depending on the nature of the asset.

#### m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the cost of qualifying assets. Qualifying assets are assets that take more than 12 months to prepare for their intended use or sale.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year. No interest was capitalised in 2009 (2008: Nil).

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and
- finance lease charges.

#### n) Leased Non-current Assets

Leases of property, plant and equipment where the consolidated entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated in accordance with policy 1(e) above.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases where the consolidated entity is a lessor is recognised in income on a straight-line basis over the lease term.

#### o) Joint Ventures

The proportionate interests in the assets, liabilities and expenses of jointly controlled assets have been incorporated in the financial statements under the appropriate headings. Details of the joint ventures are set out in Note 28.

#### p) Employee Benefits

##### i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.



### ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### iii) Share-based Payments

Share-based compensation benefits are provided to employees via the Mincor Resources NL 2002 Employee Share Option Plan, the Prospectus issued 6 December 2007 and an Executive Share Option Scheme.

The fair value of options granted under both the Mincor Resources NL 2002 Employee Share Option Plan, the Prospectus issued 6 December 2007 and the Executive Share Option Scheme is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Binomial option valuation model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

### q) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes deposits at call with financial institutions, short-term bank bills, and cash at bank and in transit, all of which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

### r) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### s) Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity investments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the consolidated entity's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.



### NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### s) Business Combinations *(continued)*

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

#### t) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### u) Investments and Other Financial Assets

##### Classification

The consolidated entity classifies its investments into the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. The Company determines the classification of its investments at initial recognition, and in the case of assets classified as held-to-maturity re-evaluates this designation at each reporting date.

##### i) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

##### ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

##### iii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current amounts, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

##### iv) Available-for-sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.



### Recognition and De-recognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit and loss are initially recognised at fair value and transactional costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

### Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

### Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

### Impairment

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

If there is evidence of impairment for any of the consolidated entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the income statement.

## v) Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of highly probable forecast transactions (cash flow hedges).

The consolidated entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 8. Movements in the hedging reserve in shareholders' equity are shown in Note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or a liability when the remaining maturity of the hedged item is less than 12 months.



### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### v) Derivatives and Hedging Activities *(continued)*

##### i) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective investment rate.

##### ii) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

##### iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

#### w) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price and the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

#### x) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.



### y) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial period but not distributed at balance date.

### z) Earnings per Share

#### i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### aa) Rehabilitation and Mine Closure Costs

The consolidated entity has obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment.

Under AASB 116 *Property, Plant and Equipment*, the cost of an asset includes any estimated costs of dismantling and removing the asset and restoring the site on which it is located. The capitalised rehabilitation and mine closure costs are depreciated (along with the other costs included in the asset) over the asset's useful life.

AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* requires a provision to be raised for the present value of the estimated cost of settling the rehabilitation and restoration obligations existing at balance date. The estimated costs are discounted using a pre-tax discount rate that reflects the time value of money. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. As the value of the provision represents the discounted value of the present obligation to restore, dismantle and rehabilitate, the increase in the provision due to the passage of time is recognised as a borrowing cost.

### ab) Royalties

Royalties, to the extent that they represent period costs, are accrued and charged against earnings when the liability from production or sale of the mineral crystallises.

In the case of business combinations, future royalty payments may represent contingent purchase consideration. Where this is the case and an estimate of the probable payments can be reliably measured, such amounts are included in the cost of the business combination.

### ac) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

### ad) Critical Accounting Estimates and Judgements

Critical accounting estimates and judgements are continually evaluated and are based on management's historical experience and knowledge of relevant facts and circumstances at that time.

The consolidated entity makes estimates and judgements concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amounts of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. Information on such estimates and judgements are contained in the accounting policies and/or notes to the financial statements.



### NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### ad) Critical Accounting Estimates and Judgements *(continued)*

Key accounting estimates include:

- estimation of sales revenue when product is delivered (Note 1(d));
- estimation of royalties based on estimated sales revenue;
- estimation of dismantling, restoration costs, environmental clean-up costs and the timing of this expenditure (Notes 1(aa) and 16);
- asset carrying value and impairment charges;
- determination of ore reserves; and
- capitalisation and impairment of exploration and evaluation expenditure.

Critical judgements in applying the entity's accounting policies include determining the effectiveness of forward foreign exchange contracts and futures commodity contracts as cash flow hedges and fair value hedges (Note 1(v)).

#### ae) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

##### i) **AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (effective from 1 January 2009)**

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The group will adopt AASB 8 from 1 July 2009. It is not expected that this will significantly impact the number of reportable segments presented.

##### ii) **Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (effective from 1 January 2009)**

The revised AASB 123 has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the consolidated entity, as the consolidated entity already capitalises borrowing costs relating to qualifying assets.

##### iii) **Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (effective from 1 January 2009)**

The September 2007 revised AASB 101 required the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The consolidated entity will apply the revised standard from 1 July 2009.

##### iv) **AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations* (effective from 1 January 2009)**

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The consolidated entity will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the consolidated entity's share-based payments.

##### v) **Revised AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)**

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to



measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the consolidated entity's current policy which is set out in Note 1(s) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses, see Note 1(b). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the consolidated entity's current accounting policy if significant influence is not retained.

The consolidated entity will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

**vi) AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective 1 July 2009)**

The amendments to AASB 5 *Discontinued Operations* and AASB 1 *First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards* are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The consolidated entity will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

**vii) AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009)**

In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AASB 127 *Consolidated and Separate Financial Statements*. The consolidated entity will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity's current policy, these dividends are deducted from the cost of the investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

**af) Rounding of Amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.



## NOTE 2 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts and commodity price futures to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments.

Financial risk management is carried out by senior management utilising policies approved by the Board of Directors. The Board provides written policies covering specific areas, such as mitigating foreign exchange and price risks, use of derivative financial instruments and investing excess liquidity. The consolidated entity uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, commodity price and interest rate risks.

The consolidated entity hedges less than 60% of its proved and probable ore reserves from its combined operations. The consolidated entity will not hedge more than 80% of its budgeted or forecast production over any 6 month period and will not enter into hedging contracts that terminate less than 6 months before planned exhaustion of ore reserves.

There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the risk.

### a) MARKET RISK

#### i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The entity manages its foreign exchange risk exposure arising from future commercial transactions through sensitivity analysis, cash flow management and forecasting and where appropriate, utilises derivative financial instruments to reduce foreign exchange risk exposure.

The consolidated entity and parent entity is exposed to foreign exchange risk principally through the sale of commodities denominated in US dollars. The consolidated entity hedges part of this exposure through the use of derivative instruments in accordance with policies approved by the Board of Directors.

The consolidated entity's exposure to foreign currency risk at the reporting date was as follows:

	30 JUNE 2009 USD \$'000	30 JUNE 2008 USD \$'000
Cash and cash equivalents	11,549	16,838
Trade and other receivables	25,967	26,307
Derivative financial instruments		
- Futures commodity contracts	74,270	89,975
- Forward foreign exchange contracts	(65,583)	(83,083)

The parent entity's exposure to foreign currency risk at the reporting date was as follows:

	30 JUNE 2009 USD \$'000	30 JUNE 2008 USD \$'000
Cash and cash equivalents	2,073	7,179
Trade and other receivables	16,960	20,774
Derivative financial instruments		
- Futures commodity contracts	74,270	89,975
- Forward foreign exchange contracts	(65,583)	(83,083)

#### Group sensitivity

Based on the financial instruments held at 30 June 2009, had the Australian dollar strengthened/weakened by 10% against the US dollar, with all other variables held constant, the consolidated entity's post-tax loss for the year would have been \$1,667,000 higher/\$2,036,000 lower (2008: post-tax profit \$2,141,000 lower/\$3,203,000 higher), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated trade receivables and US dollar denominated cash and cash equivalents.



Equity would have been \$2,104,000 higher/\$3,149,000 lower (2008: \$2,355,000 higher/\$2,292,000 lower) had the Australian dollar strengthened/weakened by 10% against the US dollar, arising mainly from US dollar denominated trade receivables, US dollar denominated cash and cash equivalents and currency hedging contracts.

### *Parent entity sensitivity*

Based on the financial instruments held at 30 June 2009, had the Australian dollar strengthened/weakened by 10% against the US dollar, with all other variables held constant, the consolidated entity's post-tax loss for the year would have been \$211,000 higher/\$258,000 lower (2008: post-tax profit \$1,237,000 lower/\$1,851,000 higher). This is as a result of foreign exchange gains/losses on translation of US dollar denominated trade receivables and US dollar denominated cash and cash equivalents.

Equity would have been \$3,559,000 higher/\$4,927,000 lower (2008: 3,259,000 higher/\$3,644,000 lower) had the Australian dollar strengthened/weakened by 10% against the US dollar, mainly as a result of US dollar denominated trade receivables, US dollar denominated cash and cash equivalents and currency hedging contracts.

## ii) Price risk

The consolidated entity and the parent entity are exposed to commodity price risk and equity security price risk. Commodity price risk arises from the sales of nickel, copper and cobalt. The entity manages its commodity price risk exposure arising from future commodity sales through sensitivity analysis, cash flow management and forecasting and where appropriate, utilises derivative financial instruments to reduce price risk.

Equity security price risk arises from investments held by the consolidated entity and the parent entity and are classified as available-for-sale instruments. The price risk for equity securities classified as available-for-sale instruments is not material to post tax profit and loss or total equity and has not been included in the sensitivity analysis.

### *Group sensitivity*

Based on the financial instruments held at 30 June 2009, had commodity prices strengthened/weakened by 10% against those recognised, with all other variables held constant, the consolidated entity's post-tax loss for the year would have been \$832,000 lower/\$832,000 higher (2008: post-tax profit \$1,394,000 higher/\$1,394,000 lower), and equity would have been \$2,351,000 lower/\$2,351,000 higher (2008: \$2,345,000 lower/\$2,345,000).

### *Parent entity sensitivity*

Based on the financial instruments held at 30 June 2009, had commodity prices strengthened/weakened by 10% against those recognised, with all other variables held constant, the consolidated entity's post-tax loss for the year would have been \$53,000 lower/\$53,000 higher (2008: post-tax profit \$991,000 higher/\$991,000 lower), and equity would have been \$3,130,000 lower/\$3,130,000 higher (2008: \$2,748,000 lower/\$2,748,000 higher).

## iii) Cash flow interest rate risk

Interest rate risk arises from the consolidated entity's cash and cash equivalents earning interest at variable rates. The significance and management of the risks to the consolidated entity and the parent entity are dependent on a number of factors including:

- interest rates;
- level of cash, liquid investments and borrowings and their term;
- maturity dates of investments.

At the reporting date, the consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	30 JUNE 2009		30 JUNE 2008	
	Weighted Average Interest Rate	Balance \$'000	Weighted Average Interest Rate	Balance \$'000
Cash and cash equivalents	2.28%	75,801	6.05%	112,499
Lease liabilities	9.73%	1,488	9.72%	2,347

The risk is managed by the consolidated entity and parent entity by maintaining an appropriate mix between short-term fixed and floating rate cash and cash equivalents.



### NOTE 2 FINANCIAL RISK MANAGEMENT *(continued)*

#### a) MARKET RISK *(continued)*

##### iii) Cash flow interest rate risk *(continued)*

###### *Group sensitivity*

Based on the financial instruments at 30 June 2009, if interest rates had changed by +/-50 basis points from the year end rates, with all other variables held constant, post-tax loss for the year would have been \$265,000 lower/\$265,000 higher and equity would have been \$265,000 higher/\$265,000 lower (2008: post-tax profit and equity \$393,000 higher/\$393,000 lower).

###### *Parent entity sensitivity*

Based on the financial instruments at 30 June 2009, if interest rates had changed by +/-50 basis points from the year end rates, with all other variables held constant, post-tax loss for the year would have been \$136,000 lower/\$136,000 higher and equity would have been \$136,000 higher/\$136,000 lower (2008: post-tax profit and equity \$266,000 higher/\$266,000 lower).

The consolidated entity and parent entity interest bearing liabilities have not been included in the sensitivity analysis as their possible impact on profit or loss or total equity is not considered material.

#### b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to trade customers, including outstanding receivables and committed transactions and represents the potential financial loss if counterparties fail to perform as contracted. The consolidated entity has credit policies in place and the exposure to credit risk is monitored on an ongoing basis.

All revenue from operations and related trade receivables balances are due from BHP Billiton Limited pursuant to Ore Tolling and Concentrate Purchase Agreements. The receivables balances are monitored on an ongoing basis.

The age analysis of trade receivables past due but not impaired is disclosed in Note 6. The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment is also disclosed in Note 6.

For cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, the consolidated entity controls credit risk by setting minimum creditworthiness requirements of counterparties, which for banks and financial institutions is a Standard & Poor's rating of A or better.

The carrying amount of financial assets recorded in the financial statements represent the consolidated entity's and parent entity's maximum exposure to credit risk.

#### c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the operating commitments of the business.

The consolidated entity aims at maintaining flexibility in funding to meet ongoing operational requirements, exploration and development expenditure and small-to-medium sized business development opportunities by prudent cash flow management and maintaining committed credit facilities.

To the extent that the consolidated entity and parent entity has liabilities on its cash flow hedges, the consolidated entity and parent entity expects to produce sufficient nickel from its nickel operations to deliver into its committed hedge contracts.

The consolidated entity and the parent entity had access to undrawn borrowings. Refer to Note 14 for details at the reporting date.

The following tables detail the consolidated entity's and parent entity's remaining contractual maturity for its financial liabilities and derivatives. The amounts presented represent the future undiscounted principal and interest cash flows.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

At 30 June 2009	Less than 1 year \$'000	Between 1 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets)/liabilities \$'000
<b>CONSOLIDATED</b>				
<b>Non-Derivative Financial Liabilities</b>				
Non-interest bearing liabilities	21,897	-	21,897	21,897
Lease liabilities	1,463	25	1,488	1,488
<b>Total Non-Derivative Financial Liabilities</b>	<b>23,360</b>	<b>25</b>	<b>23,385</b>	<b>23,385</b>
<b>Derivatives</b>				
Gross settled				
- (inflow)	(77,354)	(13,943)	(91,297)	(23,000)
- outflow	69,488	12,773	82,261	-
<b>Total Derivatives</b>	<b>(7,866)</b>	<b>(1,170)</b>	<b>(9,036)</b>	<b>(23,000)</b>
<b>PARENT</b>				
<b>Non-Derivative Financial Liabilities</b>				
Non-interest bearing liabilities	56,845	-	56,845	56,845
Lease liabilities	1,463	25	1,488	1,488
<b>Total Non-Derivative Financial Liabilities</b>	<b>58,308</b>	<b>25</b>	<b>58,333</b>	<b>58,333</b>
<b>Derivatives</b>				
Gross settled				
- (inflow)	(77,354)	(13,943)	(91,297)	(23,000)
- outflow	69,488	12,773	82,261	-
<b>Total Derivatives</b>	<b>(7,866)</b>	<b>(1,170)</b>	<b>(9,036)</b>	<b>(23,000)</b>
<b>At 30 June 2008</b>				
<b>CONSOLIDATED</b>				
<b>Non-Derivative Financial Liabilities</b>				
Non-interest bearing liabilities	47,532	-	47,532	47,532
Lease liabilities	792	1,555	2,347	2,347
<b>Total Non-Derivative Financial Liabilities</b>	<b>48,324</b>	<b>1,555</b>	<b>49,879</b>	<b>49,879</b>
<b>Derivatives</b>				
Gross settled				
- (inflow)	(49,879)	(43,509)	(93,388)	(34,914)
- outflow	58,033	45,383	103,416	-
<b>Total Derivatives</b>	<b>8,154</b>	<b>1,874</b>	<b>10,028</b>	<b>(34,914)</b>
<b>PARENT</b>				
<b>Non-Derivative Financial Liabilities</b>				
Non-interest bearing liabilities	84,879	-	84,879	84,879
Lease liabilities	792	1,555	2,347	2,347
<b>Total Non-Derivative Financial Liabilities</b>	<b>85,671</b>	<b>1,555</b>	<b>87,226</b>	<b>87,226</b>
<b>Derivatives</b>				
Gross settled				
- (inflow)	(49,879)	(43,509)	(93,388)	(34,914)
- outflow	58,033	45,383	103,416	-
<b>Total Derivatives</b>	<b>8,154</b>	<b>1,874</b>	<b>10,028</b>	<b>(34,914)</b>



### NOTE 3 REVENUE

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Revenue</b>				
Sale of goods	186,706	321,029	134,328	226,133
<b>Other Revenue</b>				
Interest income	3,496	7,317	2,159	5,522
Sundry income	1,663	994	2,009	833
	<b>191,865</b>	<b>329,340</b>	<b>138,496</b>	<b>232,488</b>

### NOTE 4 EXPENSES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(Loss)/profit before income tax includes the following specific expenses:				
<b>Expenses</b>				
Cost of sale of goods	114,546	136,549	76,310	106,611
Finance costs				
- Interest paid or due and payable to other persons	206	293	206	293
- Unwinding of discount on rehabilitation	(49)	255	(45)	199
	<b>157</b>	<b>548</b>	<b>161</b>	<b>492</b>
Exploration expenditure written off	10,128	12,823	6,439	4,839
Rental expenses relating to operating leases	699	450	699	450
Government royalty expense	3,445	8,485	3,445	8,485
Impairment				
- Property, plant and equipment (refer Note 11)	17,287	-	10,221	-
- Available-for-sale financial assets (refer Note 10)	570	-	570	-
- Investment in subsidiary (refer Note 9)	-	-	1,737	-
	<b>17,857</b>	<b>-</b>	<b>12,528</b>	<b>-</b>
Depreciation and amortisation:				
- Mine property	48,849	47,144	31,639	29,980
- Plant and equipment	8,262	8,494	5,946	7,067
	<b>57,111</b>	<b>55,638</b>	<b>37,585</b>	<b>37,047</b>



### NOTE 5 INCOME TAX EXPENSE

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>a) Income tax (benefit)/expense</b>				
Current tax	2,760	23,408	3,806	24,307
Deferred tax	(10,082)	5,030	(6,845)	(7,103)
Over provision in prior year	(2,328)	(537)	(2,244)	(467)
Aggregate income tax (benefit)/expense	(9,650)	27,901	(5,283)	16,737
<b>b) Numerical reconciliation of income tax expense to prima facie tax payable</b>				
(Loss)/profit before income tax expense	(26,314)	91,942	(12,010)	54,063
Tax at the Australian tax rate of 30% (2008: 30%)	(7,894)	27,583	(3,603)	16,219
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Amortisation of property, plant and equipment	125	231	125	231
Over provision in prior year	(2,328)	(537)	(2,244)	(467)
Sundry items	447	624	439	754
Income tax (benefit)/expense	(9,650)	27,901	(5,283)	16,737
<b>c) Amounts recognised directly in equity</b>				
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity				
Net deferred tax credited directly to equity (Note 19)	3,250	(19,533)	3,073	(19,792)

Mincor Resources NL and its wholly-owned Australian controlled entities implemented the tax consolidated legislation from 1 July 2006. The accounting policy in relation to this legislation is set out in Note 1(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Mincor Resources NL.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Mincor Resources NL for any current tax payable assumed and are compensated by Mincor Resources NL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Mincor Resources NL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognised as current intercompany receivables or payables (see Note 29(d)).

	PARENT ENTITY	
	2009 \$'000	2008 \$'000
<b>d) Franking credits</b>		
Franking credits available for subsequent financial years based on a tax rate of 30%	80,698	83,855



### NOTE 5 INCOME TAX EXPENSE *(continued)*

#### d) Franking Credits *(continued)*

The amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- i) Franking credits that will arise from the payment of the current tax liability;
- ii) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- iii) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- iv) Franking credits that may be prevented from being distributed in subsequent financial years.

### NOTE 6 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Trade receivables	33,411	30,774	22,267	25,020
Other receivables	1,266	1,280	1,057	1,254
Prepayments	784	823	497	585
Amounts owing from controlled entities	-	-	2,128	1,692
	35,461	32,877	25,949	28,551

Recoverability of the Company's interest in loans to and shares in controlled entities (Note 9) is subject to the successful exploitation and development of the controlled entities' interests in mineral tenements or alternatively, the sale of the Company's interest in the loans and shares at amounts at least equal to the book values.

The total revenue from operations and the related trade receivables' balance are due from BHP Billiton Limited pursuant to Ore Tolling and Concentrate Purchase Agreements.

#### a) Impaired Receivables

The consolidated entity and parent entity have no impaired receivables.

#### b) Past due but not impaired

Financial assets that are neither past due or impaired are trade receivables with companies with a good collection track record with the consolidated entity.

Where financial assets are past due but not impaired, the consolidated entity has assessed that the credit quality of these amounts has not changed and the amounts are still considered recoverable.

None of the current and non-current trade and other receivables are either impaired or past due but not impaired.

#### c) Effective interest rate and credit risk

All receivables in 2009 and 2008 are non-interest bearing and therefore have no exposure to interest rate risk. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The consolidated entity does not hold collateral as security. Refer to Note 2 for more information on the risk management policy of the consolidated entity.

#### d) Foreign exchange risk

Note 2(a)(i) details the trade and other receivables not denominated in Australian dollars and provides an analysis of the sensitivity of trade and other receivables to foreign exchange risk.



### NOTE 7 INVENTORY

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Stores – at net realisable value	2,927	2,049	334	-
Work in progress – at cost	195	303	195	303
	3,122	2,352	529	303

### NOTE 8 DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current Assets</b>				
Forward foreign exchange contracts – cash flow hedges	727	6,914	727	6,914
Futures commodity contracts – cash flow hedges	17,786	4,832	17,786	4,832
Forward foreign exchange contracts – fair value hedges	842	2,662	842	2,662
Futures commodity contracts – fair value hedges	5,845	5,030	5,845	5,030
Total Current Derivative Financial Instrument Assets	25,200	19,438	25,200	19,438
<b>Non-Current Assets</b>				
Forward foreign exchange contracts – cash flow hedges	207	3,072	207	3,072
Futures commodity contracts – cash flow hedges	815	12,404	815	12,404
Total Non-Current Derivative Financial Instrument Assets	1,022	15,476	1,022	15,476
<b>Current Liabilities</b>				
Forward foreign exchange contracts – cash flow hedges	(1,433)	-	(1,433)	-
Futures commodity contracts – cash flow hedges	(1,133)	-	(1,133)	-
Total Current Derivative Financial Instrument Liabilities	(2,566)	-	(2,566)	-
<b>Non-Current Liabilities</b>				
Futures commodity contracts – cash flow hedges	(643)	-	(643)	-
Forward foreign exchange contracts – cash flow hedges	(13)	-	(13)	-
Total Non-Current Derivative Financial Instrument Liabilities	(656)	-	(656)	-
Net Derivative Financial Instrument Assets	23,000	34,914	23,000	34,914



### NOTE 8 DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

#### a) Instruments used by the Consolidated Entity

The consolidated entity is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in future commodity price and foreign exchange rates.

##### i) Forward Exchange Contracts – Cash Flow Hedges

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a pre-determined exchange rate. The objective is to match the contract with anticipated future cash flows from sales in foreign currencies, to protect the Company against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to the income statement except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale.

The following table sets out the net value of Australian dollars to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity.

YEAR	WEIGHTED AVERAGE RATE		TOTAL VALUE (AUD\$'000)	
Sell US Dollars	2009	2008	2009	2008
30 June 2009	-	0.7818	-	50,959
30 June 2010	0.8114	0.8386	54,897	36,885
30 June 2011	0.7594	-	8,747	-
			<b>63,644</b>	<b>87,844</b>

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Company adjusts the initial measurement of the component recognised in the income statement by the related amount deferred in equity.

*For the Consolidated Entity and Parent Entity*

At balance date these contracts represented liabilities of \$512,000 (2008: asset of \$9,986,000).

During the year ended 30 June 2009 a loss of \$1,344,000 (2008: gain of \$14,087,000) was removed from equity and transferred to the income statement.

##### ii) Commodity Price Contracts – Cash Flow Hedges

The Company has entered into forward sales contracts that oblige it to sell specified quantities of base metals in the future at predetermined prices. The contracts are matched against anticipated future base metal production to protect the Company against the possibility of a fall in base metal prices.

The following table sets out details of forward nickel sales contracts in place at 30 June 2009:

Year	NICKEL TONNES		AVERAGE PRICE (US\$/Tonne)	
	2009	2008	2009	2008
30 June 2009	-	1,440	-	27,665
30 June 2010	1,975	1,010	22,554	30,627
30 June 2011	450	-	14,762	-
<b>Total</b>	<b>2,425</b>	<b>2,450</b>		

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Company adjusts the initial measurement of the component recognised in the income statement by the related amount deferred in equity.

*For the Consolidated Entity and Parent Entity*

At balance date these contracts represented assets of \$16,825,000 (2008: \$17,236,000).

During the year ended 30 June 2009 a gain of \$32,171,000 (2008: loss of \$24,521,000) was removed from equity and transferred to the income statement.



### iii) Forward Exchange Contracts – Fair Value Hedges

Certain forward exchange contracts are designated as fair value hedges as they protect the Company against changes in the fair value of recognised assets. Changes in the fair value of the fair value hedges are recorded in the income statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. A gain of \$842,000 (2008: gain of \$2,662,000) was recognised in the income statement which was offset by a loss of \$842,000 (2008: loss of \$2,662,000) of the hedged item.

### iv) Commodity Price Contracts – Fair Value Hedges

Certain futures commodity contracts are designated as fair value hedges as they protect the Company against changes in the fair value of recognised assets. Changes in the fair value of the fair value hedges are recorded in the income statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. A gain of \$5,845,000 (2008: gain of \$5,030,000) was recognised in the income statement which was offset by a loss of \$5,845,000 (2008: loss of \$5,030,000) of the hedged item.

### b) Interest rate, foreign exchange and commodity price risk

An analysis of the sensitivity of derivatives to interest rate, foreign exchange and commodity price risk is provided at Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial assets mentioned above.

## NOTE 9 OTHER FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Non-current</b>				
<i>Shares in subsidiaries (refer Note 26)</i>				
At beginning of year	-	-	113,576	2,047
Additions	-	-	-	111,529
Impairment	-	-	(1,737)	-
At end of year	-	-	111,839	113,576

These financial assets are carried at cost.

### Impairment Charge

As a result of a write off of exploration expenditure by a controlled entity, the parent entity recognised an impairment loss against its investment in that controlled entity of \$1,737,000 in the income statement.

## NOTE 10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
At beginning of year	1,707	2,951	674	1,052
Revaluation in current year transferred to equity	73	(1,244)	662	(378)
Impairment	(570)	-	(570)	-
At end of year	1,210	1,707	766	674
Represented by:				
Equity securities – listed	1,210	1,707	766	674



### NOTE 10

#### AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

##### a) Impairment Loss

As a result of a prolonged decline in the fair value of an equity investment the consolidated entity recognised an impairment loss of \$570,000. The impairment loss was recognised in the income statement and was determined as the difference between the equity instrument's cost and recoverable amount. The recoverable amount of the equity instrument was determined based on its closing share price on the Australian Stock Exchange at 30 June 2009.

##### b) Listed investments

No analysis of the sensitivity of available-for-sale financial assets is provided in Note 2 as market risks are not material to post tax profits or total equity.

### NOTE 11

#### PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Mine Property \$'000	Plant & Equipment \$'000	Leased Plant & Equipment \$'000	Total \$'000
<b>At 1 July 2007</b>				
Cost	145,019	30,309	9,194	184,522
Accumulated depreciation/amortisation	(109,703)	(18,611)	(5,721)	(134,035)
Net book amount	35,316	11,698	3,473	50,487
<b>Year ended 30 June 2008</b>				
Opening net book amount	35,316	11,698	3,473	50,487
Acquisition of subsidiary	41,124	3,149	-	44,273
Additions	34,206	4,807	449	39,462
Disposals	-	(345)	-	(345)
Depreciation/amortisation charge	(47,144)	(7,172)	(1,322)	(55,638)
Closing net book amount	63,502	12,137	2,600	78,239
<b>At 30 June 2008</b>				
Cost	220,349	37,920	9,643	267,912
Accumulated depreciation/amortisation	(156,847)	(25,783)	(7,043)	(189,673)
Net book amount	63,502	12,137	2,600	78,239
<b>Year ended 30 June 2009</b>				
Opening net book amount	63,502	12,137	2,600	78,239
Additions	36,777	3,509	60	40,346
Disposals	-	(57)	-	(57)
Transfers	41,601	9,251	-	50,852
Depreciation/amortisation charge	(48,849)	(7,231)	(1,031)	(57,111)
Impairment loss	(14,245)	(2,195)	(847)	(17,287)
Closing net book amount	78,786	15,414	782	94,982
<b>At 30 June 2009</b>				
Cost	298,727	49,361	9,703	357,791
Accumulated depreciation	(219,941)	(33,947)	(8,921)	(262,809)
Net book amount	78,786	15,414	782	94,982



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

PARENT	Mine Property \$'000	Plant & Equipment \$'000	Leased Plant & Equipment \$'000	Total \$'000
<b>At 1 July 2007</b>				
Cost	145,019	30,309	9,194	184,522
Accumulated depreciation/amortisation	(109,703)	(18,611)	(5,721)	(134,035)
Net book amount	35,316	11,698	3,473	50,487
<b>Year ended 30 June 2008</b>				
Opening net book amount	35,316	11,698	3,473	50,487
Additions	29,338	4,576	449	34,363
Disposals	-	(345)	-	(345)
Transfers	-	(876)	-	(876)
Depreciation/amortisation charge	(29,980)	(5,745)	(1,322)	(37,047)
Closing net book amount	34,674	9,308	2,600	46,582
<b>At 30 June 2008</b>				
Cost	174,357	33,664	9,643	217,664
Accumulated depreciation/amortisation	(139,683)	(24,356)	(7,043)	(171,082)
Net book amount	34,674	9,308	2,600	46,582
<b>Year ended 30 June 2009</b>				
Opening net book amount	34,674	9,308	2,600	46,582
Additions	29,053	1,710	60	30,823
Disposals	-	(261)	-	(261)
Transfers	15,186	3,476	-	18,662
Depreciation/amortisation charge	(31,639)	(4,915)	(1,031)	(37,585)
Impairment loss	(8,377)	(997)	(847)	(10,221)
Closing net book amount	38,897	8,321	782	48,000
<b>At 30 June 2009</b>				
Cost	218,596	33,978	9,703	262,277
Accumulated depreciation/amortisation	(179,699)	(25,657)	(8,921)	(214,277)
Net book amount	38,897	8,321	782	48,000

Refer to Note 14 for information on non-current assets pledged as security by the parent entity or its controlled entities.

## Impairment Charge

As a result of the global economic downturn and the recent significant adverse movement in the nickel price, the consolidated entity undertook a review of the recoverable amount of each of its mining assets to determine if any asset was impaired. Each mine is considered to be a separate Cash Generating Unit (CGU).

The recoverable amount of each CGU was established by applying the 'fair value less costs to sell' approach with reference to discounted cash flow forecasts which applied valuation assumptions that a knowledgeable and willing buyer would be expected to use. This included the use of external market forecasts of key inputs to the valuation models, such as forecast nickel prices and exchange rates.

Following this assessment the consolidated entity has recognised the following pre-tax impairment charges.

	CONSOLIDATED	
	2009 \$'000	2008 \$'000
<b>Cash Generating Unit</b>		
Mittel Mine	9,330	-
Wannaway Mine	891	-
McMahon Mine	7,066	-
	17,287	-



### NOTE 12

### EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Exploration and Evaluation Expenditure</b>				
Opening balance	17,423	7,485	5,432	5,749
Current year expenditure	7,585	12,823	5,633	4,839
Cost of acquisition – new tenements	47	116	47	116
Cost of acquisition – subsidiary	-	32,562	-	-
Expenditure transferred to development expenditure	(1,906)	(22,462)	(1,056)	(155)
Expenditure transferred to investment	-	(278)	-	(278)
Expenditure written off in current year	(10,128)	(12,823)	(6,439)	(4,839)
Closing balance	13,021	17,423	3,617	5,432
<b>Development Expenditure</b>				
Opening balance	48,946	-	17,606	-
Acquisition of subsidiary	-	34	-	-
Expenditure transferred from exploration and evaluation expenditure	1,906	22,462	1,056	155
Expenditure transferred to property, plant and equipment	(50,852)	-	(18,662)	-
Current year expenditure	-	26,450	-	17,451
Closing balance	-	48,946	-	17,606
<b>Total Exploration, Evaluation and Development Expenditure</b>	<b>13,021</b>	<b>66,369</b>	<b>3,617</b>	<b>23,038</b>

### NOTE 13

### PAYABLES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Trade payables	5,743	14,781	5,808	14,419
Other creditors and accruals	16,956	34,492	11,404	28,974
Amounts owing to consolidated entities	-	-	39,921	41,840
	22,699	49,273	57,133	85,233

### Foreign currency risk

Note 2(a)(i) details the trade and other payables not denominated in Australian dollars. An analysis of the sensitivity of trade and other payables to foreign exchange and foreign currency risk is provided at Note 2.



## NOTE 14

### INTEREST BEARING LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Lease liabilities (secured)	1,463	792	1,463	792
<b>Non-current</b>				
Lease liabilities (secured)	25	1,555	25	1,555

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

### Financing Arrangements

Entities in the consolidated entity have access to the following financing arrangements at balance date:

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Bonding Facility – secured	2,000	2,000	2,000	2,000
Less: Draw down portion	(1,513)	(1,503)	(1,513)	(1,503)
	487	497	487	497

The Bonding Facility is denominated in Australian dollars and is secured by a first ranking charge over the assets and undertakings of the parent entity and consolidated entities. An annual performance bond fee is charged at market rates.

## NOTE 15

### TAX (ASSETS)/LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Income tax	(1,377)	1,954	(1,377)	1,954

The current tax asset for the Company and consolidated entity of \$1,377,000 (2008: liability of \$1,954,000) represents the amount of income taxes receivable in respect of current and prior financial periods.

The consolidated entity has entered into a tax funding agreement. Refer to Note 5.



### NOTE 16 PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Current</b>				
Employee benefits	1,379	1,264	495	655
<b>Non-current</b>				
Rehabilitation	4,630	3,951	2,926	2,386

As at 30 June 2009 the consolidated entity employed 204 people (2008: 267 people).

#### a) Mine Rehabilitation

In accordance with State government legislative requirements, a provision for mine rehabilitation has been recognised in relation to the consolidated entity's nickel mining operations. The basis for accounting is set out in Note 1(aa) of the significant accounting policies. Because of the long-term nature of the liability, the key uncertainty in estimating the provision is the costs that will be incurred and the life of the mine.

#### b) Movements in Provisions

Movements in the rehabilitation provision during the financial year are set out below.

	Consolidated \$'000	Parent \$'000
<b>Rehabilitation 2009</b>		
Carrying amount at start of year	3,951	2,386
Amounts capitalised	747	603
Charged to the income statement		
- additional provisions recognised	(50)	(45)
Amounts used during the period	(18)	(18)
Carrying amount at end of year	4,630	2,926

#### c) Amounts not expected to be settled within the next 12 months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Long service leave obligation expected to be settled after 12 months	358	955	198	542



### NOTE 17 DEFERRED TAX LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>The balance comprises temporary differences attributable to:</b>				
<i>Amounts recognised in profit or loss</i>				
Trade receivables	8,407	13,476	5,888	11,044
Inventory	(598)	(1,916)	(568)	(1,959)
Property, plant and equipment	3,919	2,369	(467)	1,290
Evaluation and acquired exploration expenditure	3,512	10,580	913	1,141
Employee benefits	(962)	(1,024)	(324)	(530)
Investments in subsidiary	-	-	93	614
Impairment of available-for-sale financial assets	(171)	-	(171)	-
Rehabilitation	(1,389)	(822)	(877)	(470)
Other items	863	900	(309)	391
	13,581	23,563	4,178	11,521
<i>Amounts recognised directly in equity</i>				
Available-for-sale financial assets	(23)	(45)	(64)	(262)
Cash flow hedges	4,894	8,166	4,894	8,166
	4,871	8,121	4,830	7,904
Net deferred tax liabilities	18,452	31,684	9,008	19,425
Deferred tax liabilities to be settled within 12 months	12,493	14,960	9,470	12,470
Deferred tax liabilities to be settled after more than 12 months	5,959	16,724	(462)	6,955
	18,452	31,684	9,008	19,425

### NOTE 18 CONTRIBUTED EQUITY

#### a) Issued and Paid-up Capital

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Fully paid ordinary shares 199,059,010 (2008: 198,882,342)	31,392	31,244	31,392	31,244

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.



### NOTE 18 CONTRIBUTED EQUITY (continued)

#### b) Movements in Ordinary Share Capital

2009	No. of Shares	Issue Price	\$'000
Opening balance	198,882,342		31,244
Shares issued pursuant to the exercise of options over fully paid shares	166,668	\$0.85	141
Shares issued pursuant to the exercise of options over fully paid shares	10,000	\$0.70	7
	199,059,010		31,392

2008	No. of Shares	Issue Price	\$'000
Opening balance	197,291,011		29,481
Shares issued pursuant to the exercise of options over fully paid shares	82,000	\$0.70	57
Shares issued pursuant to the exercise of options over fully paid shares	28,000	\$0.84	24
Shares issued pursuant to the exercise of options over fully paid shares	918,332	\$0.85	781
Shares issued pursuant to the exercise of options over fully paid shares	250,000	\$1.21	302
Shares issued pursuant to the exercise of options over fully paid shares	182,999	\$1.74	318
Shares issued pursuant to the exercise of options over fully paid shares	130,000	\$2.16	281
	198,882,342		31,244

#### c) Options

At 30 June 2009 options to take up shares in the parent entity are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
50,000 unlisted <sup>(1)</sup>	22 December 2005	25 October 2010	70 cents per share
1,465,794 unlisted <sup>(2)</sup>	8 May 2006	7 May 2011	85 cents per share
333,667 unlisted <sup>(2)</sup>	20 October 2006	19 October 2011	174 cents per share
250,000 unlisted <sup>(1)</sup>	6 December 2006	5 December 2011	216 cents per share
200,000 unlisted <sup>(2)</sup>	25 March 2008	5 March 2013	323 cents per share
535,000 unlisted <sup>(3)</sup>	1 April 2008	5 December 2012	440 cents per share

(1) Options have been granted under the Mincor Resources NL 2002 Employee Share Option Plan. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

(2) Options have been granted under the Executive Share Option Scheme to certain senior executives. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

(3) Options have been granted pursuant to a Prospectus dated 6 December 2007. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

#### d) Capital Risk Management

The consolidated entity manages its capital to ensure entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of its capital structure comprising equity, debt and cash.

The capital structure of the consolidated entity consists of debt, which includes borrowings disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 19 and 20 respectively.

The consolidated entity reviews the capital structure on an ongoing basis. As part of this review the consolidated entity considers the cost of capital and the risks associated with each class of capital. Based on recommendations from the Board of Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues, new debt or the refinancing or repayment of existing debt.

The consolidated entity and the parent entity review their gearing level. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'interest bearing debt' and 'trade and other payables' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

As the consolidated entity and parent entity had no net debt at 30 June 2009, its gearing level was Nil (30 June 2008: Nil).



### NOTE 19 RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Available-for-Sale Investments Revaluation Reserve	(53)	(104)	(149)	(612)
Hedging Reserve – Cash Flow Hedges	11,418	19,054	11,418	19,054
Share-based Payments Reserve	2,493	1,639	2,493	1,639
	13,858	20,589	13,762	20,081
<b>Movements:</b>				
<i>Available-for-Sale Investments Revaluation Reserve</i>				
Balance at 1 July	(104)	767	(612)	(348)
Revaluation – gross (Note 10)	(497)	(1,244)	92	(378)
Impairment loss transferred to income statement	570	-	570	-
Deferred tax (Note 17)	(22)	373	(199)	114
Balance at 30 June	(53)	(104)	(149)	(612)
<i>Hedging Reserve – Cash Flow Hedges</i>				
Balance at 1 July	19,054	(27,393)	19,054	(27,393)
Revaluation – net	(10,908)	66,353	(10,908)	66,353
Deferred tax (Note 17)	3,272	(19,906)	3,272	(19,906)
Balance at 30 June	11,418	19,054	11,418	19,054
<i>Share-based Payments Reserve</i>				
Balance at 1 July	1,639	1,079	1,639	1,079
Option expense (Note 32)	854	560	854	560
Balance at 30 June	2,493	1,639	2,493	1,639

### Nature and Purpose of Reserves

#### i) Available-for-Sale Investments Revaluation Reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in Note 1(u). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

#### ii) Hedging Reserve – Cash Flow Hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in Note 1(v). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

#### iii) Share-based Payments Reserve

The share-based payments reserve is used to recognise the fair value of options issued to employees but not exercised.



### NOTE 20 RETAINED PROFITS

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance 1 July	186,651	146,332	160,313	146,709
(Loss)profit for the year	(16,664)	64,041	(6,727)	37,326
Dividends paid (Note 21)	(15,911)	(23,722)	(15,911)	(23,722)
Balance 30 June	154,076	186,651	137,675	160,313

### NOTE 21 DIVIDENDS

#### a) Ordinary Shares

	PARENT ENTITY	
	2009 \$'000	2008 \$'000
Final fully franked dividend for the year ended 30 June 2008 of 6 cents (2008: 6 cents) per fully paid ordinary shares paid on 26 September 2008 (2008: 28 September 2007)	11,933	11,854
Interim fully franked dividend for the year ended 30 June 2009 of 2 cents (2008: 6 cents) per fully paid ordinary share paid on 27 March 2009 (2008: 29 March 2008)	3,978	11,868
	15,911	23,722

#### b) Dividends Not Recognised at Year End

The Directors have recommended the payment of a final dividend of 4 cents per fully paid ordinary share, (2008: 6 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 25 September 2009 out of retained profits at 30 June 2009, but not recognised as a liability at year end is \$7,978,000.

### NOTE 22 KEY MANAGEMENT PERSONNEL DISCLOSURES

#### a) Directors

The following persons were Directors of Mincor Resources NL during the financial year:

- DJ Humann – Non-executive Chairman
- DCA Moore – Managing Director
- JW Gardner – Non-executive Director
- IF Burston – Non-executive Director



### b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial year:

- ST Cowle – Chief Operating Officer
- B Lynn – Chief Financial Officer
- GL Fariss – General Manager, Corporate Development
- P Muccilli – Exploration Manager

All the above persons are employees of Mincor Resources NL and were also key management persons during the year ended 30 June 2008.

### c) Key Management Personnel Compensation

	CONSOLIDATED		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
Short-term employee benefits	1,875,041	2,039,111	1,875,041	2,039,111
Post-employment benefits	110,959	111,901	110,959	111,901
Long-term benefits	31,134	46,680	31,134	46,680
Share-based payments	42,014	116,303	42,014	116,303
	2,059,148	2,313,995	2,059,148	2,313,995

Detailed remuneration disclosures can be found in sections (a) to (d) of the Remuneration Report contained in the Directors' Report.

### d) Equity Instruments Disclosures Relating to Key Management Personnel

#### i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of options, together with terms and conditions of the options, can be found in section (d) of the Remuneration Report contained in the Directors' Report.

#### ii) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director of Mincor Resources NL and other key management personnel of the parent entity and consolidated entity, including their personally-related parties, are set out below.

2009 Name	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested and exercisable	Unvested
<b>Directors of Mincor Resources NL</b>							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
<b>Other Key Management Personnel of the consolidated entity</b>							
ST Cowle	-	-	-	-	-	-	-
B Lynn	250,000	-	-	-	250,000	250,000	-
GL Fariss	333,334	-	-	-	333,334	333,334	-
P Muccilli	714,118	-	-	-	714,118	714,118	-



## NOTE 22

### KEY MANAGEMENT PERSONNEL DISCLOSURES *(continued)*

#### d) Equity Instruments Disclosures Relating to Key Management Personnel *(continued)*

##### ii) Option holdings *(continued)*

2008	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested and exercisable	Unvested
Name							
<b>Directors of Mincor Resources NL</b>							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
JS Reeve	10,000	-	(10,000)	-	-	-	-
<b>Other Key Management Personnel of the consolidated entity</b>							
ST Cowle	5,000	-	(5,000)	-	-	-	-
B Lynn	500,000	-	(250,000)	-	250,000	-	250,000
GL Fariss	666,667	-	(333,333)	-	333,334	-	333,334
P Muccilli	714,118	-	-	-	714,118	380,784	333,334

All vested options are exercisable at the end of the year.

##### iii) Shareholdings

The number of shares in the Company held during the financial year by each director of Mincor Resources NL and other key management personnel of the parent entity and the consolidated entity, including their personally-related parties, are set below.

2009	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Name				
<b>Directors of Mincor Resources NL</b>				
<b>Ordinary shares</b>				
DJ Humann (Chairman)	245,000	-	50,000	295,000
DCA Moore	4,045,000	-	-	4,045,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
<b>Other Key Management Personnel of the consolidated entity</b>				
<b>Ordinary shares</b>				
ST Cowle	415,000	-	(230,000)	185,000
B Lynn	300,000	-	(240,000)	60,000
GL Fariss	556,666	-	(356,666)	200,000
P Muccilli	-	-	-	-



2008	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Name				
<b>Directors of Mincor Resources NL</b>				
<b>Ordinary shares</b>				
DJ Humann (Chairman)	200,000	-	45,000	245,000
DCA Moore	4,000,000	-	45,000	4,045,000
JW Gardner	1,618,176	-	(400,000)	1,218,176
IF Burston	50,000	-	-	50,000
JS Reeve	791,000	-	(791,000)	-
<b>Other Key Management Personnel of the consolidated entity</b>				
<b>Ordinary shares</b>				
ST Cowle	1,010,000	5,000	(600,000)	415,000
B Lynn	70,000	250,000	(20,000)	300,000
GL Fariss	223,333	333,333	-	556,666
P Muccilli	295,882	-	(295,882)	-

## NOTE 23

### EXPENDITURE COMMITMENTS AND CONTINGENCIES

#### a) Exploration Expenditure Commitments

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:				
- Within 1 year	6,950	6,356	4,085	4,797

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable within 1 year. All of the above obligations are subject to renegotiation upon expiry of the mineral tenements and are not provided for in the accounts.

#### b) Operating Lease Commitments

Operating lease commitments are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Office Rental</b>				
Within 1 year	697	674	697	674
Later than 1 year but not later than 5 years	2,064	2,742	2,064	2,742
	2,761	3,416	2,761	3,416



### NOTE 23

### EXPENDITURE COMMITMENTS AND CONTINGENCIES *(continued)*

#### c) Finance Lease Commitments

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Finance and hire purchase rentals for plant and equipment are payable as follows:				
- Within 1 year	1,530	959	1,530	959
- Later than 1 year but not later than 5 years	25	1,633	25	1,633
- Minimum lease payments	1,555	2,592	1,555	2,592
- Less: Future finance charges	(67)	(245)	(67)	(245)
- Recognised as a liability	1,488	2,347	1,488	2,347
Representing interest bearing liabilities:				
- Current (Note 14)	1,463	792	1,463	792
- Non-current (Note 14)	25	1,555	25	1,555
	1,488	2,347	1,488	2,347

#### d) Capital Commitments

There are no capital expenditure commitments as at 30 June 2009.

#### e) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2009.

### NOTE 24

### SEGMENT INFORMATION

The consolidated entity operates in the mining industry which is its primary business segment and operates within the geographical area of Australia.



## NOTE 25

### REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, and its related practices and non-related audit firms.

	CONSOLIDATED		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>a) Audit services</b>				
PricewaterhouseCoopers Australian firm				
- Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	182,800	150,600	182,800	150,600
Total remuneration for audit services	182,800	150,600	182,800	150,600
<b>b) Non-audit services</b>				
<i>Taxation services</i>				
PricewaterhouseCoopers Australian firm				
- Tax compliance services, including review of company income tax returns	38,000	115,887	38,000	115,887
- Tax advice on R&D concessions	65,000	-	65,000	-
Non-PricewaterhouseCoopers firm				
- Tax compliance services and advice on acquisitions	-	41,312	-	-
Total remuneration for taxation services	103,000	157,199	103,000	115,887
<i>Other Services</i>				
PricewaterhouseCoopers Australian firm				
- Due diligence and accounting advice for acquisitions	-	12,750	-	12,750
- Professional services related to Employee Share Trust	154,190	-	154,190	-
- Other	25,264	36,457	25,264	36,457
	179,454	49,207	179,454	49,207

## NOTE 26

### SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2009 (%)	2008 (%)
Oribi Resources Inc	British Virgin Islands	Ordinary	100	100
Mincor Operations Pty Limited	Australia	Ordinary	100	100
Mincor Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Gold Pty Ltd	Australia	Ordinary	100	100
Mincor Copper Pty Ltd	Australia	Ordinary	100	100
Mincor Tungsten Pty Ltd	Australia	Ordinary	100	100
Mincor Zinc Pty Ltd	Australia	Ordinary	100	100
Goldfields Mine Management Pty Ltd*	Australia	Ordinary	100	100

\*This subsidiary has been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by Australian Securities and Investments Commission. For further information refer to Note 27.



### NOTE 27

#### DEED OF CROSS GUARANTEE

Mincor Resources NL and Goldfields Mine Management Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare a financial report and director's report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

#### a) Consolidated income statement and a summary of movements in consolidated retained profits

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Mincor Resources NL, they also represent the 'Extended Closed Group'.

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2009 of the Closed Group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2009 \$'000	2008 \$'000
<b>Income Statement</b>		
Revenue	191,865	329,340
Mining contractor costs	(42,177)	(66,050)
Ore tolling costs	(21,124)	(25,955)
Utilities expense	(9,574)	(9,529)
Mining supplies and consumables	(7,779)	(6,598)
Royalty expense	(5,607)	(14,397)
Employee benefit expense	(32,467)	(33,141)
Finance costs	(157)	(547)
Foreign exchange loss	(1,541)	(2,010)
Exploration costs expensed	(7,775)	(10,999)
Depreciation and amortisation expense	(57,111)	(55,638)
Impairment of property, plant and equipment	(17,287)	-
Impairment of available-for-sale financial assets	(570)	-
Impairment of investment in subsidiary	(1,737)	-
Other expenses from ordinary activities	(12,653)	(10,707)
(Loss)/profit before income tax	(25,694)	93,769
Income tax benefit/(expense)	9,465	(28,504)
(Loss)/profit for the year	(16,229)	65,265
<b>Summary of movements in consolidated retained profits</b>		
Retained profits at the beginning of the financial year	188,252	146,709
(Loss)/profit for the year	(16,229)	65,265
Dividends provided for or paid	(15,911)	(23,722)
Retained profits at the end of the financial year	156,112	188,252



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

## b) Balance Sheet

Set out below is a consolidated balance sheet as at 30 June 2009 of the Closed Group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2009 \$'000	2008 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	75,801	112,499
Trade and other receivables	37,586	34,566
Inventory	3,122	2,352
Current tax asset	1,377	-
Derivative financial instruments	25,200	19,438
<b>Total Current Assets</b>	<b>143,086</b>	<b>168,855</b>
<b>Non-Current Assets</b>		
Available-for-sale financial assets	766	674
Property, plant and equipment	94,982	78,239
Exploration and evaluation expenditure	13,021	64,633
Derivative financial instruments	1,022	15,476
Other financial assets	310	2,047
<b>Total Non-Current Assets</b>	<b>110,101</b>	<b>161,069</b>
<b>TOTAL ASSETS</b>	<b>253,187</b>	<b>329,924</b>
<b>Current Liabilities</b>		
Payables	22,699	49,272
Interest bearing liabilities	1,463	792
Current tax liabilities	-	1,954
Provisions	1,379	1,264
Derivative financial instruments	2,566	-
<b>Total Current Liabilities</b>	<b>28,107</b>	<b>53,282</b>
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	25	1,555
Provisions	4,630	3,951
Deferred tax liabilities	18,503	31,559
Derivative financial instruments	656	-
<b>Total Non-Current Liabilities</b>	<b>23,814</b>	<b>37,065</b>
<b>TOTAL LIABILITIES</b>	<b>51,921</b>	<b>90,347</b>
<b>NET ASSETS</b>	<b>201,266</b>	<b>239,577</b>
<b>Equity</b>		
Contributed equity	31,392	31,244
Reserves	13,762	20,081
Retained profits	156,112	188,252
<b>TOTAL EQUITY</b>	<b>201,266</b>	<b>239,577</b>



### NOTE 28 INTERESTS IN JOINT VENTURES

The consolidated entity has the following joint ventures:

Name	Principal Activity	Percentage Interest	
		2009	2008
Webe Creek Farm-in and Joint Venture <sup>(1)</sup>	Gold exploration	18.75	18.75
Tafuse Farm-in and Joint Venture <sup>(1)</sup>	Gold exploration	25	25
Sabeto Farm-in and Joint Venture <sup>(1)</sup>	Gold exploration	25	25
Carnilya Hill Farm-in and Joint Venture*	Nickel exploration	70	70
Image Resources Farm-in and Joint Venture <sup>(2) *</sup>	Nickel exploration	51	(Earning)
Tectonic Resources NL Farm-in and Joint Venture <sup>(3) *</sup>	Nickel exploration	(Earning)	(Earning)
Georgina Basin Farm-in and Joint Venture <sup>(4) *</sup>	Zinc exploration	100	100
West Tipperary Farm-in and Joint Venture	Zinc exploration	51	51

\*The interest in the joint venture is controlled by Mincor Resources NL and is not jointly controlled.

- (1) Golden Rim Resources Ltd has met the earn-in expenditure commitments to acquire 75% of the Company's share in the Webe Creek, Tafuse and Sabeto Creek licenses.
- (2) During the year the Company acquired a 51% interest in the West Kambalda Joint Venture with Image Resources NL ("Image Resources") by meeting expenditure commitments of \$750,000 before 26 January 2010.
- (3) During 2007 the Company entered into an agreement with Tectonic Resources NL ("Tectonic") whereby it agreed to pay \$700,000 to Tectonic, subscribe for 10 million Tectonic shares at a price of 13 cents per share and sole funding \$5 million over 3 years to earn an 80% interest in the tenement holding RAV 8 nickel mine in Western Australia.
- (4) During 2008 the Company entered into an agreement with the Japan, Oil, Gas and Metals National Corporation ("JOGMEC") whereby JOGMEC have undertaken to spend \$2.5 million over 2 years to earn a 25% interest in the Georgina Basin Project which is currently 100% owned by the Company. JOGMEC may elect to earn a further 15% interest by spending an additional \$2 million on the project over a further 12 month period.

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue or profit.

### NOTE 29 RELATED PARTY TRANSACTIONS

#### a) Parent Entity

The ultimate parent entity within the consolidated entity is Mincor Resources NL.

#### b) Subsidiaries

The aggregate amounts receivable from controlled entities is disclosed in Note 6. The aggregate amount payable to controlled entities is disclosed in Note 13. These loans are on an interest free basis and are repayable on demand.



### c) Transactions with Related Parties

The following transactions occurred with related parties:

	CONSOLIDATED		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>Sale of goods and services</b>				
Sale of mobile equipment to subsidiary	-	-	245,082	876,684
<b>Purchases of goods and services</b>				
Services provided by subsidiary	-	-	3,249,842	-
<b>Tax consolidation legislation</b>				
Current tax receivable assumed from wholly-owned entities	-	-	18,409,114	16,735,477

### d) Outstanding Balances Arising from Sales/Purchases of Goods and Services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>Current receivable (sale of goods and services)</b>				
Subsidiary	-	-	245,082	876,784
<b>Current payable (sale of goods and services)</b>				
Services provided by subsidiary	-	-	436,270	-
<b>Current payable (tax funding agreement)</b>				
Wholly-owned tax consolidated entities	-	-	18,409,114	16,735,477

No provision for doubtful debts has been raised in relation to any outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

### e) Loans to Related Parties

	CONSOLIDATED		PARENT ENTITY	
	2009 \$	2008 \$	2009 \$	2008 \$
<b>Loans to subsidiaries</b>				
Beginning of the year	-	-	(40,147,204)	467,375
Loan advanced to controlled entities	-	-	4,329,052	1,773,155
Loan advanced by controlled entity	-	-	(301,510)	(25,652,257)
Amounts due under tax funding agreement	-	-	(1,673,637)	(16,735,477)
End of the year	-	-	(37,793,299)	(40,147,204)

No provision for doubtful debts has been raised in relation to any outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

### f) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 22.



### NOTE 30

### RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

#### a) Reconciliation of net cash inflow from operating activities to operating (loss)/profit after income tax

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
(Loss)/profit for the year	(16,664)	64,041	(6,727)	37,326
<b>Add/(Less): Non-Cash Items</b>				
Depreciation	8,262	8,494	5,946	7,067
Amortisation	48,849	47,144	31,639	29,980
Impairment	17,857	-	12,528	-
Net loss on sale of non-current assets	51	53	10	53
Exploration expenditure written off	10,128	12,823	6,439	4,839
Employee benefits expense – share-based payments	854	560	854	560
<b>Change in operating assets and liabilities</b>				
(Increase)/decrease in trade receivables	(1,814)	(3,375)	3,577	2,266
Increase in inventories	(770)	(709)	(226)	(260)
Decrease/(increase) in prepayments	40	(292)	88	(54)
Decrease in creditors and accruals	(13,652)	(9,091)	(13,521)	(13,732)
Decrease in income tax payable	(3,331)	(31,085)	(1,657)	(14,295)
(Decrease)/increase in deferred tax	(9,981)	5,177	(7,343)	(7,102)
Increase in employee entitlement provisions	24	98	24	98
<b>Net cash inflow from operating activities</b>	<b>39,853</b>	<b>93,838</b>	<b>31,631</b>	<b>46,746</b>

#### b) Cash and cash equivalents

Cash at bank and in hand	3	4	2	3
Deposits at call	75,798	112,495	38,800	75,997
	<b>75,801</b>	<b>112,499</b>	<b>38,802</b>	<b>76,000</b>

The consolidated entity and parent entity's exposure to interest rate risk is disclosed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.



## NOTE 31

### EARNINGS PER SHARE

		CONSOLIDATED	
		2009	2008
<b>a) Basic earnings per share (cents)</b>			
(Loss)profit attributable to the ordinary equity holders of the company		(8.4)	32.4
<b>b) Diluted earnings per share (cents)</b>			
(Loss)profit attributable to the ordinary equity holders of the company		(8.4)	32.1
<b>c) Earnings used in calculating earnings per share (\$'000)</b>			
<i>Basic and Diluted earnings per share</i>			
(Loss)profit for the year		(16,664)	64,041
(Loss)profit attributable to the ordinary equity holders of the company		(16,664)	64,041
<b>d) Weighted average number of shares used as the denominator</b>			
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>		198,901,520	197,839,506
Adjustments for calculation of diluted earnings per share:			
Options on issue		318,668	1,814,727
<i>Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share</i>		199,220,188	199,654,233

## NOTE 32

### SHARE-BASED PAYMENTS

#### 2002 Employee Share Option Plan

The 2002 Employee Share Option Plan ("Plan") was introduced on 21 August 2002. Persons eligible to participate in the Plan include Directors and all employees of the Company or companies or bodies corporate in which the Company holds at least 20% of all the voting shares.

Options are granted under the Plan for no consideration for a maximum period of 5 years and can be exercised at any time between the date the option is granted and the expiry date, subject to the imposition of any specified vesting date which is at the discretion of the Directors. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of the options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.



### NOTE 32

#### SHARE-BASED PAYMENTS (continued)

##### 2002 Employee Share Option Plan (continued)

Set out below are summaries of options granted under the Plan.

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted during the Year	Exercised during the Year	Forfeited during the Year	Closing Balance	Vested and Exercisable at end of the Year
			Number	Number	Number	Number	Number	Number
2009								
22 December 2005	25 October 2010	70 cents	60,000	-	10,000	-	50,000	50,000
6 December 2006	5 December 2011	216 cents	320,000	-	-	70,000	250,000	250,000
Total			380,000	-	10,000	70,000	300,000	300,000
Weighted average exercise price			\$1.93	-	\$0.70	\$2.16	\$1.92	\$1.92
2008								
17 December 2003	6 November 2008	84 cents	28,000	-	28,000	-	-	-
22 December 2005	25 October 2010	70 cents	142,000	-	82,000	-	60,000	60,000
6 December 2006	5 December 2011	216 cents	530,000	-	130,000	80,000	320,000	320,000
Total			700,000	-	240,000	80,000	380,000	380,000
Weighted average exercise price			\$1.81	-	\$1.51	\$2.16	\$1.93	\$1.93

#### Fair Value of Options Granted

No options were granted under the 2002 Employee Share Option Plan during the year ended 30 June 2009.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2009 was \$1.55 (2008:\$4.05).

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.25 years (2008: 3.26 years).

#### Options Issued Pursuant to Prospectus dated 6 December 2007

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted during the Year	Exercised during the Year	Forfeited during the Year	Closing Balance	Vested and Exercisable at end of the Year
			Number	Number	Number	Number	Number	Number
2009								
1 April 2008	5 December 2013	440 cents	695,000	-	-	160,000	535,000	535,000
Total			695,000	-	-	160,000	535,000	535,000
Weighted average exercise price			\$4.40	-	-	\$4.40	\$4.40	\$4.40
2008								
1 April 2008	5 December 2013	440 cents	-	695,000	-	-	695,000	-
Total			-	695,000	-	-	695,000	-
Weighted average exercise price			-	\$4.40	-	-	\$4.40	-

The weighted average remaining contracted life of share options outstanding at the end of the period was 3.44 years (2008: 4.44 years)



### Mincor Resources Executive Share Option Scheme

The Mincor Resources Executive Share Option Scheme ("Scheme") was introduced on 8 May 2006. Persons eligible to participate in the Scheme include key employees, who are determined at the discretion of the Directors. Options are granted under the Scheme for no consideration for a maximum period of 5 years and can be exercised at any time on or after the following dates.

Grant Date	Number of Options Exercisable	Vesting and Date Exercisable
8 May 2006	33 <sup>1</sup> / <sub>3</sub> % of options	8 May 2007
8 May 2006	66 <sup>2</sup> / <sub>3</sub> % of options	8 May 2008
8 May 2006	100% of options	8 May 2009
20 October 2006	33 <sup>1</sup> / <sub>3</sub> % of options	19 October 2007
20 October 2006	66 <sup>2</sup> / <sub>3</sub> % of options	19 October 2008
20 October 2006	100% of options	19 October 2009
24 July 2007	33 <sup>1</sup> / <sub>3</sub> % of options	22 July 2008
24 July 2007	66 <sup>2</sup> / <sub>3</sub> % of options	22 July 2009
24 July 2007	100% of options	22 July 2010
25 March 2008	25% of options	6 March 2009
25 March 2008	50% of options	6 March 2010
25 March 2008	75% of options	6 March 2011
25 March 2008	100% of options	6 March 2012

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

Set out below are summaries of options granted under the Scheme.

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted during the Year	Exercised during the Year	Lapsed during the Year	Closing Balance	Vested and Exercisable at end of the Year
			Number	Number	Number	Number	Number	Number
2009								
8 May 2006	7 May 2011	85 cents	1,632,462	-	166,668	-	1,465,794	1,465,794
20 October 2006	19 October 2011	174 cents	667,001	-	-	333,334	333,667	161,445
24 July 2007	22 July 2012	423 cents	100,000	-	-	100,000	-	-
25 March 2008	5 March 2013	323 cents	200,000	-	-	-	200,000	50,000
Total			2,599,463	-	166,668	433,334	1,999,461	1,677,239
Weighted average exercise price			\$1.39	-	\$0.85	\$2.31	\$1.24	\$1.01
2008								
8 May 2006	7 May 2011	85 cents	2,550,794	-	918,332	-	1,632,462	132,462
9 September 2006	8 September 2011	121 cents	250,000	-	250,000	-	-	-
20 October 2006	19 October 2011	174 cents	850,000	-	182,999	-	667,001	100,334
24 July 2007	22 July 2012	423 cents	-	100,000	-	-	100,000	-
25 March 2008	5 March 2013	323 cents	-	200,000	-	-	200,000	-
Total			3,650,794	300,000	1,351,331	-	2,599,463	232,796
Weighted average exercise price			\$1.08	\$3.56	\$1.04	-	\$1.39	\$1.23



### NOTE 32

#### SHARE-BASED PAYMENTS *(continued)*

##### Mincor Resources Executive Share Option Scheme *(continued)*

##### Fair Value of Options Granted

No options were granted under the Mincor Resources Executive Share Option Scheme during the year ended 30 June 2009.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2009 was \$1.31 (2008: \$3.62).

The weighted average remaining contractual life of options outstanding at the end of the period was 2.11 years (2008:3.00 years).

##### Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Options issued under employee option plans (refer Note 19)	854	560	854	560

### NOTE 33

#### EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 19 August 2009 the Directors declared a fully franked dividend of 4 cents per share in respect of the year ended 30 June 2009.

The financial effect of this post balance date event has not been recorded in the 30 June 2009 financial statements.



# DIRECTORS' DECLARATION >

In the Director's opinion:

- (a) the financial statements and notes set out on pages 54 to 102 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 Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 27.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Dated at Perth this 19th day of August 2009.



**DCA Moore**  
**Managing Director**



# INDEPENDENT > AUDITOR'S REPORT



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

PricewaterhouseCoopers  
ABN 52 780 433 757

QV1  
250 St Georges Terrace  
PERTH WA 6000  
GPO Box D198  
PERTH WA 6840  
DX 77 Perth  
Australia  
Telephone +61 8 9238 3000  
Facsimile +61 8 9238 3999

### Report on the financial report

We have audited the accompanying financial report of Mincor Resources NL (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Mincor Resources NL and the Mincor Resources NL Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Liability limited by a scheme approved under Professional Standards Legislation





**Independent auditor's report to the members of  
Mincor Resources NL  
(continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Independence*

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

*Auditor's opinion*

In our opinion:

- (a) the financial report of Mincor Resources NL is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*, and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 43 to 50 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's opinion*

In our opinion, the Remuneration Report of Mincor Resources NL for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'John O'Connor'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'John O'Connor'.

John O'Connor  
Partner

Perth  
19 August 2009



# ADDITIONAL SHAREHOLDER INFORMATION

AS AT 31 AUGUST 2009

## Substantial Holders (holding not less than 5%)

Name of Shareholder	Total Number of Voting Shares in Mincor Resources NL in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
Barclays Group	12,756,251	6.39%

## Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1 to 1,000	2,030	1,350,981
1,001 to 5,000	4,078	11,850,714
5,001 to 10,000	1,861	15,195,208
10,001 to 100,000	1,834	50,864,157
100,001 and over	136	120,902,626

## Number of Shareholders holding less than a Marketable Parcel

234 shareholders (minimum parcel size of 213 shares/\$500 parcel at \$2.35 per share).

## Voting Rights

Ordinary Shares – On a show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Options – The Company's options have no voting rights.

## Percentage held by 20 Largest Shareholders

46.06%

## Listing of 20 Largest Shareholders

Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held (%)
National Nominees Limited	21,223,721	10.60
JP Morgan Nominees Australia Limited	20,860,462	10.42
HSBC Custody Nominees (Australia) Limited	16,150,559	8.07
ANZ Nominees Limited	8,586,189	4.29
Citicorp Nominees Pty Limited	5,342,964	2.67
Mr David Charles Moore	4,000,000	2.00
Mr Anthony Hubert Shields	2,000,000	1.00
Citicorp Nominees Pty Limited	1,800,237	0.90
Queensland Investment Corporation	1,265,217	0.63
Mr John William Gardner and Mrs Janet Leigh Gardner	1,218,175	0.61
Cogent Nominees Pty Limited	1,133,395	0.57
Mr Robert Euan Macmillan and Mrs Ruth Durelle Macmillan	1,100,000	0.55
Citicorp Nominees Pty Ltd	1,078,531	0.54
AMP Life Limited	1,042,512	0.52
Mr Anthony Hubert Shields and Ms Amanda Carol Nayton	1,000,000	0.50
Australian Reward Investment Alliance	966,007	0.48
Mrs Daphne Georgina Balaam	925,820	0.46
Neweconomy Com Au Nominees Pty Limited	888,400	0.44
Equity Trustees Limited	803,478	0.40
Peterblue Pty Ltd	800,000	0.40



## Stock Exchange Listing

Mincor Resources NL shares are listed on the Australian Stock Exchange. The Company's ASX Code is MCR.

## Unlisted Share Options

Number of Options	Exercise Price	Expiry Date	Number of Holders
<b>2002 Employee Share Option Plan</b>			
30,000	\$0.70	25 Oct 2010	3
250,000	\$2.16	5 Dec 2011	38
<b>Mincor Resources Executive Share Option Scheme</b>			
414,118	\$0.85	8 May 2011	1
300,667	\$1.74	19 Oct 2011	4
<b>Options issued pursuant to Prospectus dated 6 December 2007</b>			
535,000	\$4.40	5 Dec 2007	107



# CORPORATE DIRECTORY

## DIRECTORS

DAVID HUMANN (CHAIRMAN)  
DAVID MOORE (MANAGING DIRECTOR)  
IAN BURSTON  
JACK GARDNER

## COMPANY SECRETARY

BRIAN LYNN

## REGISTERED OFFICE

LEVEL 1, 56 ORD STREET  
WEST PERTH 6005, WESTERN AUSTRALIA

## POSTAL ADDRESS

PO BOX 1810  
WEST PERTH 6872, WESTERN AUSTRALIA

## CONTACT DETAILS

TELEPHONE (+618) 9476 7200  
FACSIMILE (+618) 9321 8994  
WEBSITE WWW.MINCOR.COM.AU  
EMAIL MINCOR@MINCOR.COM.AU

## STOCK EXCHANGE LISTING

MINCOR RESOURCES NL SHARES ARE LISTED ON THE  
AUSTRALIAN STOCK EXCHANGE (HOME BRANCH – PERTH)  
ASX CODE: MCR

## ACN & ABN NUMBERS

ACN 072 745 692  
ABN 42 072 745 692

## AUDITORS

PRICEWATERHOUSECOOPERS  
QV1 BUILDING, 250 ST GEORGES TERRACE  
PERTH 6000, WESTERN AUSTRALIA

## BANKERS

COMMONWEALTH BANK OF AUSTRALIA  
SOCIÉTÉ GÉNÉRALE GROUP  
WESTPAC BANKING CORPORATION

## SOLICITORS

BLAKISTON & CRABB  
1202 HAY STREET  
WEST PERTH 6005, WESTERN AUSTRALIA

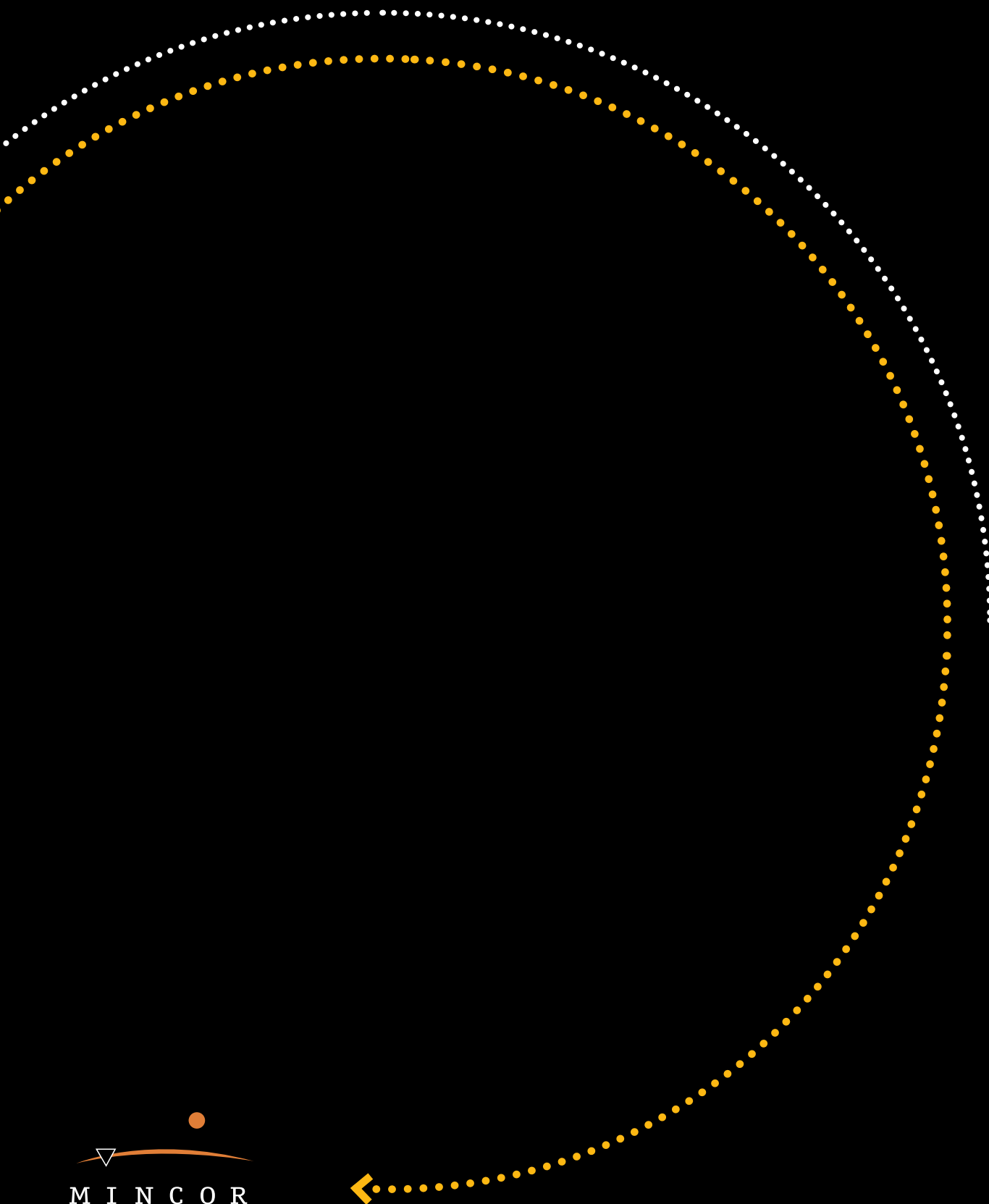
## SHARE REGISTRY

COMPUTERSHARE INVESTOR SERVICES PTY LTD  
LEVEL 2, RESERVE BANK BUILDING  
45 ST GEORGES TERRACE  
PERTH 6000, WESTERN AUSTRALIA

## DATE AND LOCATION OF ANNUAL GENERAL MEETING

THURSDAY, 12 NOVEMBER 2009 AT 1.30PM  
VENUE: CELTIC CLUB, 48 ORD STREET, WEST PERTH





LEVEL 1 56 ORD STREET  
WEST PERTH WA 6005

**TELEPHONE** • (+618) 9476 7200  
**FACSIMILE** • (+618) 9321 8994  
**WEBSITE** • [www.mincor.com.au](http://www.mincor.com.au)