



MINCOR RESOURCES NL

(ACN 072 745 692)

HALF-YEAR FINANCIAL REPORT 31 December 2019

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Mincor Resources NL (the "Company") and the entities it controlled (together "the Group") at the end of, or during, the half-year ended 31 December 2019.

DIRECTORS

The names of Directors who held office during the half-year period ended 31 December 2019 and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Brett Lambert	Non-Executive Chairman
David Southam	Managing Director
Michael Bohm	Non-Executive Director
Liza Carpine	Non-Executive Director
Peter Bewick	Non-Executive Director (appointed 2 December 2019)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year ended 31 December 2019 were exploration and mining for mineral resources.

REVIEW OF OPERATIONS

Kambalda Landholdings

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

Kambalda Nickel Operations

On 5 August 2019, the Company announced the execution of a binding Offtake Agreement with BHP Nickel West. This was an important milestone and laid one of the critical foundations towards the planned restart of the nickel operations. The Definitive Feasibility Study ("DFS") for an integrated nickel restart mine plan progressed well during the half-year ended 31 December 2019. Key milestones achieved during the half-year period include:

- Receipt of key State Government approvals for the Cassini Project ("Cassini");
- Receipt of mining contract tender pricing for the DFS;
- Completions of diamond drilling of the Spanner Resource at the Long Mine;
- Appointment of debt advisors;
- Commencement of discussions with potential Independent Technical Experts;
- Continued metallurgical testwork with encouraging results from Cassini;
- Commencement of the tender process for ore haulage contractors; and
- Commencement of a targeted recruitment process for senior operational positions.

Nickel Exploration

The Company significantly stepped up its exploration and resource extension drilling activities during the half-year ended 31 December 2019, with the dual purpose to increase its nickel inventory across the portfolio and support the DFS work for geotechnical drilling. Key results achieved include:

- Two Mineral Resource upgrades at Cassini, with current Mineral Resource totalling 1.254Mt @ 4.0% Ni for 50,400 nickel tonnes (refer to ASX announcement dated 26 August 2019 and 6 November 2019);
- Reverse circulation drill testing at Juno 4 and Republican Hill prospects; and
- Completion of the Spanner in-fill underground drilling program at the Long mine.

Widgiemooltha Gold Project (WGP)

Following the completion of a strategic review of the Company's gold assets in June 2019, Mincor progressed with the wind-down the operations at WGP during the half-year ended 31 December 2019. Mining activities ceased in October 2019. Ore was processed through the Lakewood treatment facility with the final parcel completed in December 2019.

A final regulatory site inspection was undertaken during October 2019 with no issues noted, and the operation was placed on care and maintenance.

The table below is a production summary for the WGP for the half-year ended 31 December 2019:

Production summary	Unit	Dec 2019 Quarter	Sep 2019 Quarter	Financial Year to date
Ore mined	tonnes	-	85,653	85,653
Mined grade	g/t Au	-	2.30	2.30
Ounces mined	ounces	-	6,347	6,347
Tonnes milled	tonnes	66,786	109,111	175,897
Milled grade	g/t Au	1.50	2.24	1.96
Mill recovery	%	88.9%	89.8%	89.6%
Gold recovered	ounces	2,861	7,055	9,916
Gold sold	ounces	4,610	5,306	9,916
Price received	A\$/oz	\$2,181	\$2,119	\$2,148
Gold sales revenue	A\$'000	\$10,056	\$11,243	\$21,299

A total of 9,916 ounces of gold was sold during the half-year period at an average price of A\$2,148/oz, generating gross revenue of \$21,299,000.

CORPORATE

Towards the end of the half-year ended 31 December 2019, the Company raised \$35,560,000 through a Share Placement and Share Purchase Plan (before costs). A total of 59,266,534 new fully-paid ordinary shares were issued at \$0.60 per share.

The funds raised will be used for early pre-production capital costs associated with the restart of the nickel operations and to maintain the current level of exploration activities.

FINANCIAL PERFORMANCE AND POSITION

The Group incurred an operating loss after income tax for the half-year ended 31 December 2019 of \$7,035,000 (half-year to 31 December 2018: \$4,466,000).

The loss for the half-year includes \$8,053,000 of exploration and evaluation expenditure expensed and administrative expenses of \$1,697,000.

At 31 December 2019, the Group had total assets of \$80,636,000 (30 June 2019: \$60,080,000) including \$56,084,000 of cash and cash equivalents (30 June 2019: \$29,013,000). The Group remains debt free at 31 December 2019.

EVENTS SUBSEQUENT TO 31 DECEMBER 2019

There has not been any other matter or circumstance occurring subsequent to the end of the half-year period that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

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

ROUNDING OF AMOUNTS

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

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



DAVID SOUTHAM
Managing Director
Perth
13 February 2020

The Board of Directors
Mincor Resources NL
Ground Floor
9 Havelock Street
West Perth, WA 6005

13 February 2020

Dear Directors

Auditor's Independence Declaration to Mincor Resources NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mincor Resources NL.

As lead audit partner for the review of the financial statements of Mincor Resources NL for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountant

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2019

	Note	CONSOLIDATED	
		31 Dec 2019 \$'000	31 Dec 2018 \$'000
Revenue from contracts with customers		21,356	15,541
Cost of sales		(19,246)	(15,457)
Gross profit		2,110	84
Administrative expenses		(1,697)	(1,451)
Exploration and evaluation expenditure		(8,053)	(3,402)
Depreciation and amortisation		(213)	(24)
Profit from sale of property, plant and equipment		5	145
Adjustments to rehabilitation provision		662	-
Share-based payments		(206)	(4)
Foreign exchange gain		-	59
Gain from financial instrument at fair value through profit or loss	4	230	-
Other income and expense		129	127
Operating loss		(7,033)	(4,466)
Finance costs		(2)	-
Loss before income tax		(7,035)	(4,466)
Income tax expense		-	-
Loss after income tax		(7,035)	(4,466)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the period attributable to the members of Mincor Resources NL		(7,035)	(4,466)
		Cents	Cents
Loss per share		(2.4)	(2.0)
Diluted loss per share		(2.4)	(2.0)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

		CONSOLIDATED	
	Note	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Current Assets			
Cash and cash equivalents	5	56,084	29,013
Restricted cash	5	231	176
Trade and other receivables		718	1,019
Inventories		11	4,484
Total Current Assets		57,044	34,692
Non-Current Assets			
Evaluation and acquired exploration expenditure		19,027	19,027
Property, plant and equipment	6	4,565	6,361
Total Non-Current Assets		23,592	25,388
TOTAL ASSETS		80,636	60,080
Current Liabilities			
Trade and other payables		1,923	8,048
Lease liability	7	20	-
Provisions	8	418	500
Total Current Liabilities		2,361	8,548
Non-Current Liabilities			
Lease liability	7	247	-
Provisions	8	10,801	11,661
Financial liability	9	2,331	2,331
Total Non-Current Liabilities		13,379	13,992
TOTAL LIABILITIES		15,740	22,540
NET ASSETS		64,896	37,540
Equity			
Contributed equity	10	93,326	59,141
Reserves		6,073	5,867
Accumulated losses		(34,503)	(27,468)
TOTAL EQUITY		64,896	37,540

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2019

	Note	Contributed equity \$'000	Accumulated losses \$'000	Reserves \$'000	Total \$'000
Balance at 1 July 2018		33,242	(13,719)	5,762	25,285
Loss for the half-year		-	(4,466)	-	(4,466)
Total comprehensive loss for the half-year		-	(4,466)	-	(4,466)
Transactions with owners in their capacity as owners:					
- Employee share options and performance rights		-	-	4	4
Balance at 31 December 2018		33,242	(18,185)	5,766	20,823
Balance at 1 July 2019		59,141	(27,468)	5,867	37,540
Loss for the half-year		-	(7,035)	-	(7,035)
Total comprehensive loss for the half-year		-	(7,035)	-	(7,035)
Transactions with owners in their capacity as owners:					
- Contributions of equity, net of transaction costs	10	28,698	-	-	28,698
- Share Purchase Plan, net of transaction costs	10	5,487	-	-	5,487
- Employee share options and performance rights		-	-	206	206
Balance at 31 December 2019		93,326	(34,503)	6,073	64,896

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2019

	CONSOLIDATED	
	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Cash flows from operating activities		
Receipts from customers	21,360	15,536
Payments for other operating activities	(18,170)	(13,841)
Payments for exploration expenditure	(10,297)	(3,158)
	(7,107)	(1,463)
Interest received	223	74
Interest paid	(2)	-
Other income	346	265
Net cash outflow from operating activities	(6,540)	(1,124)
Cash flows from investing activities		
Payments for property, plant and equipment	(261)	(13)
Payments for mine development	(374)	(2,607)
Proceeds from sale of property, plant and equipment	8	-
Net cash outflow from investing activities	(627)	(2,620)
Cash flows from financing activities		
Proceeds from issues of shares, net of capital raising costs	34,295	-
Lease payments	(2)	-
Payment to restricted cash account from cash and cash equivalent account	(55)	-
Net cash inflow from financing activities	34,238	-
Net increase/ (decrease) in cash and cash equivalents	27,071	(3,744)
Cash and cash equivalents at the beginning of the half-year	29,013	14,115
Cash and cash equivalents at the end of the half-year	56,084	10,371

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes. Refer to note 1 for information related to the reclassification of prior period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with the Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Mincor Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year-end and corresponding interim reporting period, except for the accounting policy on leases described below which has changed as a result of the adoption of AASB 16 Leases.

The financial report is presented in Australian dollars, except where otherwise stated.

Comparative figures

During the half year ended 31 December 2019, payments for exploration expenditure have been classified in operating activities within the condensed consolidated statement of cash flows, to reflect the Group's policy of expensing exploration and evaluation expenditure post acquisition, through to completion of a definitive feasibility study. As a result of this presentation, payments for exploration expenditure totalling \$3,158,000 in the condensed consolidated statement of cash flows for the half year ended 31 December 2018 have been reclassified from investing activities to operating activities. There has been no impact on the condensed consolidated statement of profit or loss and other comprehensive income or the condensed consolidated statement of financial position

NOTE 2 : NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

(a) AASB 16 Leases

The Group has adopted AASB 16: Leases from 1 July 2019.

AASB 16 introduced a single, on balance sheet accounting model for lessees. As a result, the Group as a lessee, will recognise right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The changes in the Group's accounting policies are set out below:

(i) Significant accounting policy

The Group, as a lessee will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If the contract is assessed to be, or contains, a lease, the Group will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

Depreciation is based on the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the

commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Recognition exemption - Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases lease term of 12 months or less and leases for low-value assets. The Group will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) **Impact on transition**

There was no impact on the financial statements from the application of this new standard as at 1 July 2019 as the Group's leasing arrangements at that time were either:

- low value assets, or
- short-term contracts.

NOTE 3: SEGMENT INFORMATION

(a) **Description of Segments**

For management purposes, the Group is organised into operating segments by the mineral being mined or explored. The two identifiable segments comprise:

- Nickel Operations – exploration and development of nickel assets; and
- Widgiemooltha Gold Operations – exploration, development and mining of gold assets. Following the completion of a strategic review of the Company's gold assets in June 2019, mining activities ceased in October 2019 and the operation was placed on care and maintenance in November 2019.

Executive management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

(b) **Segment Information**

	Gold \$'000	Nickel \$'000	Total \$'000
31 December 2019			
Segment sales to external customers	21,305	-	21,305
Mining costs	(2,051)	-	(2,051)
Mine administration costs	(304)	-	(304)
Processing costs	(8,991)	-	(8,991)
Royalties	(1,136)	-	(1,136)
Depreciation and amortisation	(2,279)	(197)	(2,476)
Change in inventories	(4,485)	-	(4,485)
Exploration	-	(8,053)	(8,053)
Other cost	-	(210)	(210)
Profit on sale of property, plant and equipment	-	5	5
Adjustments to rehabilitation provisions	662	-	662
Gain on financial asset at fair value through profit or loss	230	-	230
Total segment results	2,951	(8,455)	(5,504)

	Gold \$'000	Nickel \$'000	Total \$'000
Segment assets	128	23,598	23,726
Segment liabilities	1,248	13,320	14,568

31 December 2018

Segment sales to external customers	15,472	69	15,541
Mining costs	(4,343)	-	(4,343)
Mine administration costs	(573)	-	(573)
Processing costs	(9,333)	-	(9,333)
Royalties	(1,275)	-	(1,275)
Depreciation and amortisation	(3,605)	-	(3,605)
Change in inventories	3,672	-	3,672
Exploration	(313)	(3,089)	(3,402)
Profit on sale of property, plant and equipment	-	145	145

Total segment result	(298)	(2,875)	(3,173)
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30 June 2019

Segment assets	7,197	23,406	30,603
Segment liabilities	5,952	15,024	20,976

(c) Reconciliation of Loss

	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Segment result	(5,504)	(3,173)
Other sales to external customers	51	-
Sundry income	339	127
Foreign exchange gain/ (loss)	-	59
Corporate expenses	(1,921)	(1,479)
Loss before income tax	(7,035)	(4,466)

(d) Reconciliation of Assets and Liabilities

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Segment assets	23,726	30,603
Corporate assets	595	288
Cash, cash equivalents and restricted cash	56,315	29,189
Total assets as per the Statement of Financial Position	80,636	60,080
Segment liabilities	14,568	20,976
Corporate liabilities	1,172	1,564
Total liabilities as per the Statement of Financial Position	15,740	22,540

NOTE 4: GAIN FROM FINANCIAL INSTRUMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

Gain from gold put options

31 Dec 2019 \$'000	31 Dec 2018 \$'000
230	-

The gold put options were acquired for the WGP gold project and were settled during the period.

NOTE 5: CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents
Restricted cash

31 Dec 2019 \$'000	30 Jun 2019 \$'000
56,084	29,013
231	176
56,315	29,189

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

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

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of \$4,565,000 (30 June 2019: \$6,361,000) includes the following leased assets:

Cost

At 1 July 2019
Additions
At 31 December 2019

Buildings \$'000	Total \$'000
-	-
275	275
275	275

Accumulated depreciation

At 1 July 2019
Depreciation
At 31 December 2019

-	-
(24)	(24)
(24)	(24)

Net book value

At 30 June 2019
At 31 December 2019

-	-
251	251

In October 2019, the Group entered into a lease for its corporate office, which expires on 30 August 2022 and has no extension option. A right-of-use asset has been recognised as a result of this lease.

(a) Amounts recognised in profit and loss

Depreciation expense on right-of-use assets
Interest expense on lease liabilities

31 Dec 2019 \$'000	31 Dec 2018 \$'000
(24)	-
(2)	-

NOTE 7: LEASES

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Maturity analysis		
Within one year	27	-
Later than one year and not later than three years	251	-
	278	-
Less unearned finance cost	(11)	-
	267	-
Current	20	-
Non-current	247	-
	267	-

NOTE 8: PROVISIONS

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Current		
Employee Benefits	418	360
Rehabilitation (a)	-	140
	418	500
Non-current		
Employee Benefits	28	11
Rehabilitation (a)	10,773	11,650
	10,801	11,661

(a) Movements in rehabilitation provision

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Carrying amount at start of period/year	11,790	7,198
Long rehabilitation provision	-	4,497
Adjustments to provision estimates	(662)	164
Rehabilitation expenditure	(355)	(69)
Carrying amount at the end of the period/ year	10,773	11,790

NOTE 9: FINANCIAL LIABILITY

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Financial liability	2,331	2,331

The financial liability relates to the contingent consideration for the 100% acquisition of Mincor Long Pty Ltd (formally Independence Long Pty Ltd) in May 2019. The contingent consideration comprised of:

- \$2,000,000 payable on production of 2,500 tonnes of contained nickel in ore from the Long Nickel Operations, payable in either cash or Mincor shares, at the Company's discretion; and
- \$4,000,000 payable on production of 7,500 tonnes of contained nickel in ore from the Long Nickel Operations, payable in either cash or Mincor shares, at the Company's discretion.

The fair value of the contingent consideration on acquisition of \$2,331,000 was estimated by discounting the future expected cash flows, which were based on the probability and timing of achieving production of 2,500 tonnes and

7,500 tonnes of contained nickel. There were no material changes to these assumptions for the half-year ended 31 December 2019.

NOTE 10: CONTRIBUTED EQUITY

(a) Issued and Paid-up Capital

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
346,007,212 (2019: 286,740,678) fully paid ordinary shares	93,326	59,141

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.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Movements in Ordinary Share Capital

	No. of shares	Issue price	\$'000
30 Jun 2019			
Opening balance	220,168,200	-	33,242
Capital raising placement	45,000,000	\$0.40	18,000
Share purchase plan (SPP)	13,297,500	\$0.40	5,319
Share payments for asset acquisition	7,777,778	\$0.45	3,500
Share-based payments	375,000	\$0.40	150
Share issue costs	-	-	(1,070)
Shares issued pursuant to the vesting of Performance	122,200	-	-
Rights over fully paid ordinary shares			
Closing balance	286,740,678		59,141
31 Dec 2019			
Opening balance	286,740,678	-	59,141
Capital raising placement	50,000,000	\$0.60	30,000
Share purchase plan (SPP)	9,266,534	\$0.60	5,560
Share issue costs	-	-	(1,375)
Closing balance	346,007,212		93,326

NOTE 11: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2019 (2018: Nil).

NOTE 12: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date (2018: None).

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

There have not been any matters or circumstances that have arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future period.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Mincor Resources NL will be able to pay its debts as and when they become due and payable.

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



DAVID SOUTHAM
Managing Director
PERTH
13 February 2020

Independent Auditor's Review Report to the members of Mincor Resources NL

We have reviewed the accompanying half-year financial report of Mincor Resources NL, which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Mincor Resources NL and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mincor Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mincor Resources NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



David Newman

Partner

Chartered Accountants

13 February, 2020