

ANNUAL REPORT 2013



CONTENTS

Highlights of the Year	2	Papua New Guinea Exploration	26
Supporting Regional Communities.....	4	Bolobip Copper-Gold Prospect.....	27
Chairman's Report.....	5	May River Copper-Gold Prospect.....	28
Managing Director's Report	6	Edie Creek Gold Prospect.....	28
Mincor's Kambalda Nickel	7	Acronyms and Definitions.....	30
Overview and Outlook.....	7	Statement of Health, Safety and Environmental Policies...	32
Safety	7	Financial Report 2013.....	33
Ownership and Operation.....	7	Corporate Governance Statement	34
Sales.....	7	Directors' Report	44
Metal Prices and Hedging	8	Auditor's Independence Declaration	59
Operational Results.....	8	Consolidated Income Statement	60
Mining Operations	9	Consolidated Statement of Comprehensive Income	61
Ore Reserves and Mineral Resources.....	10	Consolidated Statement of Financial Position	62
Kambalda Exploration	12	Consolidated Statement of Changes in Equity	63
Nickel Exploration.....	12	Consolidated Statement of Cash Flows	64
Australian Exploration Highlights of 2012/13	13	Notes to the Financial Statements	65
Near-Mine Exploration.....	14	Directors' Declaration	105
Exploration for Ultra-Sized Nickel Ore Bodies	16	Independent Auditor's Report	106
Regional Kambalda Nickel Exploration.....	16	Additional Shareholder Information	108
Kambalda Gold Exploration.....	20	Corporate Directory	inside back cover
Australia-Wide Mineral Exploration	22		
Tottenham Copper-Gold Project	23		
Bohemia Zinc Project	24		
Bonaparte Zinc-Lead Project	24		
Gascoyne Uranium Project	25		
Early Stage Tenements.....	25		

“MINCOR IS A
RESPECTED AND
WELL-ESTABLISHED
JUNIOR MINING
COMPANY THAT HAS
BEEN OPERATING
IN THE **KAMBALDA
NICKEL DISTRICT** OF
WESTERN AUSTRALIA
SINCE EARLY 2001.”



MINCOR'S CORE FOCUS IS THE RESPONSIBLE CREATION OF WEALTH FROM AUSTRALIA'S NATURAL RESOURCES AND THE DELIVERY OF THIS WEALTH TO ITS SHAREHOLDERS – TO THE ULTIMATE BENEFIT OF ALL STAKEHOLDERS.

TO THIS END MINCOR **MINES NICKEL** IN KAMBALDA AND **EXPLORES FOR NEW ORE DEPOSITS** IN THE KAMBALDA DISTRICT AND MORE WIDELY.

TO DATE MINCOR HAS GENERATED CUMULATIVE AFTER TAX PROFITS OF **\$212 MILLION**, AND PAID OR DECLARED CUMULATIVE FULLY FRANKED DIVIDENDS OF **\$122 MILLION**.

THE COMPANY IS FINANCIALLY STRONG, WITH **\$60 MILLION CASH IN THE BANK** AT END JUNE 2013 AND **NO DEBT**.



HIGHLIGHTS OF THE YEAR

SAFETY IS THE PRIME CONSIDERATION
AT MINCOR'S MINING OPERATIONS.

We regret that a significant injury occurred at our Mariners Mine in February 2013 – the first serious injury in more than 12 years of mining. Nothing is more important to Mincor than the safety of its employees and contractors.

By the end of Financial Year Miitel had achieved two full years of operations without a Lost Time Incident, and McMahon and Otter Juan were approaching one year free of Lost Time Incidents.

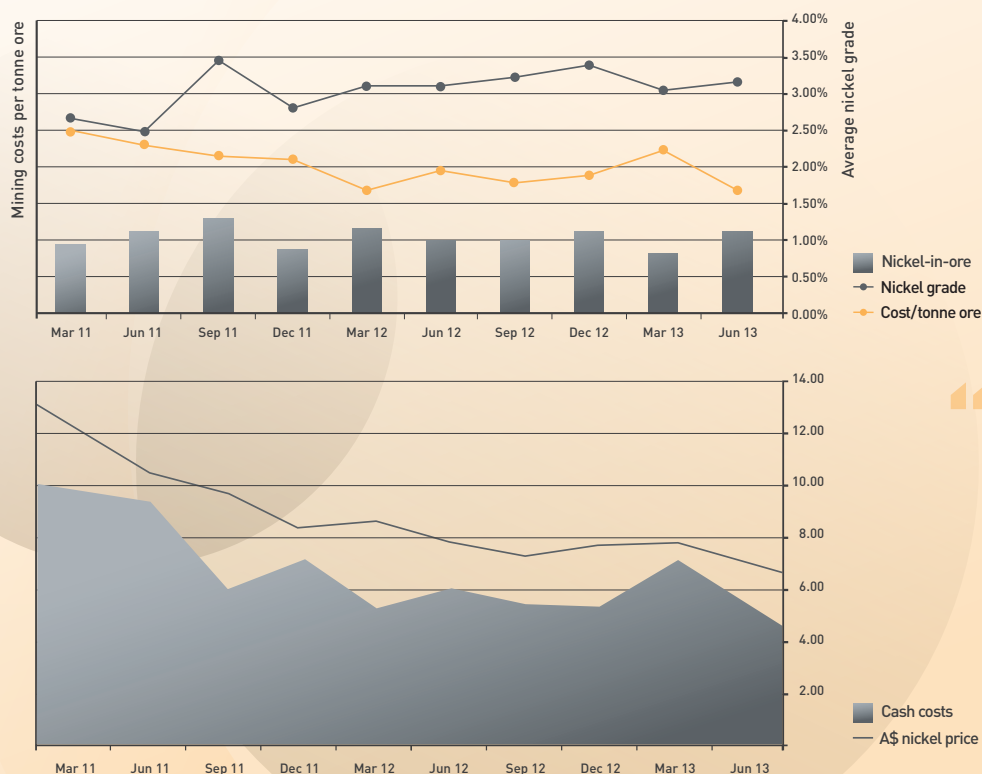
“NOTHING
IS MORE
IMPORTANT
TO MINCOR
THAN THE
SAFETY OF ITS
EMPLOYEES AND
CONTRACTORS.”



STRONG OPERATIONAL PERFORMANCE ACHIEVED FROM MINCOR'S NICKEL MINES, BEATING PRODUCTION AND COST TARGETS WITH 9,688 TONNES NICKEL-IN-ORE PRODUCED AT A CASH COST OF \$5.34/LB PAYABLE NICKEL.

Despite this excellent performance the Company reported a bottom-line loss of \$22.45 million for the financial year, after writing off \$15.5 million in exploration costs and incurring a small \$2.8 million impairment charge against the McMahon Mine.

Nevertheless healthy cash flows funded \$7.5 million in dividends to shareholders, \$18.2 million in capital development works and \$14.9 million in exploration expenditures.



“STRONG
OUTLOOK
FOR FY2014”

MINCOR MAINTAINED ITS UNBROKEN RECORD OF DIVIDEND PAYMENTS, PAYING OUT A FULLY FRANKED 4 CENTS PER SHARE DIVIDEND TO SHAREHOLDERS.

Good progress achieved in Papua New Guinea and outstanding new gold targets developed in the Kambalda District, close to Mincor's existing mines.

Strong outlook for FY2014:

- Robust operations with strong forecast production and costs.
- \$7 million budget for exploration drilling of outstanding gold and nickel targets in Western Australia.



Welcome
to
KAMBALDA

Local Kambalda signs, April 2013
(photo by Thanh Doan)



SUPPORTING AUSTRALIA'S REGIONAL COMMUNITIES

MINCOR IS A LONG-TERM AND CONSISTENT SUPPORTER OF LOCAL COMMUNITIES IN THE EASTERN GOLDFIELDS OF WESTERN AUSTRALIA AND OTHER PARTS OF RURAL AUSTRALIA.

DURING THE FINANCIAL YEAR JUST ENDED, MINCOR CONTRIBUTED OVER \$37,000 TO THE FOLLOWING CHARITIES AND REGIONAL AND RURAL ORGANISATIONS IN AUSTRALIA:

- Cancer Support – Wellness Magazine
- Chamber of Minerals & Energy
– Goldfields Esperance Mining Industry Alliance
- Give Me 5 for Kids
- Kambalda Christmas Tree
- Kambalda Club Inc
– Community Fair Sponsorship
- Kambalda Country Club
– Golf Day for Prostate Cancer Research
- Kambalda Cricket Club
- Kambalda Cultural & Arts Group
- Kambalda Football Club
- Nickeltown Flounderers Inc Auto Club
- Princess Margaret Hospital
- Radio West – Easter Treasure Hunt
- Relay for Life Donation
- Ride to Conquer Cancer
- Shire of Coolgardie
– Coolgardie Day Celebrations
- Shire of Coolgardie
– Goldfields Giants Basketball Game
- Telethon
- Tottenham Preschool
- Western Australian School of Mines
– WASM Wallabies Trip



CHAIRMAN'S REPORT

TO OUR SHAREHOLDERS

PROGRESS AND HIGHLIGHTS OF THE YEAR

Our particular focus during the 2012/13 year has been to contain costs, which we have succeeded in doing, and to further improve our physical mining efficiency. Our costs were reduced by 7% on top of a 27% reduction in 2011/12.

We have beaten our production targets, generating 9,688 tonnes of nickel-in-ore and we have achieved a very creditable cash cost of A\$5.34 per pound of payable nickel.

Our mining efficiency gains will be maintained and improved in the current financial year. The mine development investments made, in this and last year, will bring us in close proximity to, and give us the ability to access, new reserves of higher grade ore. This sets Mincor up well for further improvements in the production volumes of ore and nickel.

In recent days the market price of nickel has shown some signs of firming, however, we have no control over this element of our revenues. The fall in value of the Australian dollar compared to the US dollar in the last few months has assisted us in achieving a modest increase in our net sales proceeds per unit. Again, we cannot predict the USD/AUD value relationship into the future.

Your Board has approved the 2013/14 financial budget and the information the budget contains will guide us to achieving a successful operating and financial result in 2013/14.

We have no debt, a substantial free cash balance and improving mining prospects. Your directors declared a 2 cents per share, fully franked final dividend on 14 August 2013. This makes the total dividend payout to shareholders for the 2012/13 financial year 4 cents. We are very pleased to continue our unbroken series of dividend payments to shareholders.

ECONOMIC ENVIRONMENT IN AUSTRALIA

The mining industry is clearly a very significant contributor to the wealth of our nation and to the revenues of all levels of government. This is a continuous stream which may vary from time to time, but does not disappear when so called boom times end. The level of spending on construction of new mines and facilities may trend down as projects are completed. However, the construction effort and investment creates greater capacity to earn revenues from higher export volumes.

Each year the resources industry produces about 20% of Australia's GDP with value added to our wealth of approximately A\$250 billion. It supports a million direct and indirect jobs. The industry purchases a wide range of commodities, mostly from Australian sources and applies a wide range of professional and highly technical skills to its operations. The multiplier effect of mining industry productivity is felt across the nation and benefits every household.

Australia has never been more prosperous and this is reflected in higher and steadily increasing household incomes, earned in a relatively low inflation environment. (One can be forgiven however, for thinking our prosperity could have been even better if profligate government spending had been avoided and the waste instead had been invested in productive enterprises employing our citizens.)

Global demand for mineral commodities and metals continues to be strong and Mincor will deliver its share to the supply chain.

Our existing properties in Kambalda and Widgiemooltha contain important nickel and GOLD prospects. We will continue to invest in these properties and, as a new priority, we will drill the exciting MW gold target in the first quarter of 2013/14.

I should like to thank all our staff and my colleagues on the Board for their excellent contributions to the success of the Company in this, and in all the years since we began our adventure in mining.

DAVID HUMANN



MANAGING DIRECTOR'S REPORT

A number of key events stand out in my mind as I survey the past year. The first, and worst, was an accident that occurred at one of our mines, resulting in serious injuries to an employee. This was the realisation of the recurring nightmare that anyone who has been responsible for mining operations will recognise. I am grateful for the outstanding efforts of everyone on site at the time, who managed the rapid and successful evacuation to medical care in exemplary fashion. I am extremely thankful that the individual concerned is currently making a strong recovery.

The second event, and second worst, was the sharp drop in the nickel price that occurred in late February. Coming after two years of steadily dropping nickel prices, this further downward step put our operations under substantial pressure, and has required a substantial response. I am very pleased to be able to report that Mincor once again found a way to deal with this extreme volatility and our operations are well-placed for the coming year.

The above makes it sound like it was a very tough year. And in many ways it was, as ultimately reflected in our financial results. On the positive side of the mental balance sheet however some very good things did happen. One was the excellent operational performance of our mines, beating production and cost targets, generating additional ore reserves, and managing their way successfully through the nickel lows. Another was the outstanding suite of gold exploration targets generated by our exploration team in the Kambalda area – targets that we aim to test in the coming year, and that could become very big news for Mincor.

At a more neutral level our exploration work in Papua New Guinea progressed very well. We tested our targets at Edie Creek and came to the conclusion that the potential for a Mincor-sized gold deposit was limited. We did excellent work at Bolobip, and have defined a potential porphyry target. However in the light of the current nickel price we find it hard to justify the very high expenditures required to take this prospect further, at least for the moment. At the time of writing we are considering our position with regard to our remaining PNG interests.

Looking to the new year ahead of us, I see lots of reason for high optimism. We have solid production forecast from our mines, with costs well under control, and a nickel price that is probably near or at its lows for the cycle. As a miner of a commodity that has been falling for more than two years, we have already gone through the harsh cost-cutting and efficiency changes that are required, and quite possibly still lie ahead for other sectors of the mining industry. This means we are well-placed to see through the downturn, and exceptionally leveraged to the rebound in nickel prices, when that comes.

Ore reserves remain one of our key metrics, and while these appear to provide for only two or three years of production, we remain confident in our continuing ability to generate new resources and to convert existing resources into ore reserves. This is a feat we have performed for more than 12 years now, and while we can't do it forever, I do think there are a good few years of strong production still ahead for our nickel mines.

Regarding exploration, we are in the uniquely fortunate position of having tremendously exciting exploration targets for gold right in our own backyard. We will be putting a lot of focus into this area, especially around the Widgiemooltha Dome, over the coming year. Lying in the middle of one of the world's great gold fields, these targets are very real and exciting. Equally importantly, they are amenable to effective and low-cost exploration, work that we can do with our committed exploration team based in Kambalda.

In summary, Mincor is very well-placed to ride out the remainder of the downturn and to benefit hugely from any upturn in the nickel price, and we are able to offer our shareholders real solid exploration upside through our well-funded and active programs for gold and nickel in Western Australia.

As always my deepest thanks to all of Mincor's employees for their hard work and dedication through the year. My thanks to the people of Kambalda and indeed all the areas where we operate, for their support and assistance in our efforts. Many thanks to Mincor's other directors for their continued advice and support. Finally thanks to all my fellow shareholders, and my assurance that your board, management team and all your employees will continue to strive to keep Mincor a company you can be proud of.

DAVID MOORE



MINCOR'S KAMBALDA NICKEL

Gypsum deposit at Miitel mine decline, April 2013
(photo by Tanh Doan)

OVERVIEW AND OUTLOOK

Mincor substantially outperformed both its cost and production targets for the 2012/13 Financial Year. Production of 9,688 tonnes of nickel-in-ore exceeded the target of 9,000 tonnes, while cash costs averaged an excellent A\$5.34/lb payable nickel, against a target of A\$5.50/lb (both figures inclusive of royalties).

Total production was 312,075 tonnes of ore at an average grade of 3.10% nickel. Production was predominantly from Miitel and Mariners, with McMahon entering its wind-down phase and Otter Juan continuing to generate low but profitable tonnages (see Table 1).

This excellent operational performance was achieved despite a poor third quarter during which a number of events impacted production at the mines.

The strong full-year performance was largely the result of numerous cost reduction and mining improvement strategies successfully implemented by site personnel during the year.

Despite the excellent production performance, financial results were significantly impacted by the dramatic falls in the nickel price experienced during the year. Mincor's average realised nickel price fell by 15% over the previous year, with most of the downside weighted towards the second half. The average nickel price realised for the second half was fully 23% lower than the average nickel price realised in the preceding financial year.

Looking to the year ahead, Mincor will maintain production flexibility in order to be able to deal with any further reductions in the nickel price. Assuming such flexibility is not exercised however, the Company is targeting production of between 8,500 and 9,000 tonnes of nickel-in-ore for the coming financial year. Cash costs are targeted at A\$5.30/lb payable nickel (inclusive of royalty costs). Total capital expenditures are estimated at \$15 million. Exploration has been budgeted at \$7 million, of which \$4 million is allocated to near-mine nickel exploration.

On a mine-by-mine basis, production is forecast as follows:

- Mariners: 120,000 tonnes @ 4.0% nickel for 4,800 tonnes of nickel-in-ore
- Miitel: 130,000 tonnes @ 2.9% nickel for 3,770 tonnes of nickel-in-ore
- McMahon: 9,000 tonnes @ 3.1% nickel for 279 tonnes of nickel-in-ore

SAFETY

Health and safety is a core focus for Mincor and all its employees. We strive constantly to maintain and improve the safety of our mine sites and our exploration activities. It was thus deeply disappointing to suffer, as we did, a severe accident resulting in injury to an employee during the year.

Mincor will continue to drive the focus on safety, which is an unrelenting task and one that requires constant effort. We will continue to find new ways to motivate and promote a safe work ethic and innovative methods to engineer out potentially hazardous activities.

OWNERSHIP AND OPERATION

Mincor's mines and tenements in the Kambalda region are owned 100% by Mincor, with the sole exception of the Carnilya Hill tenements, which are held in a joint venture with View Resources Ltd. Mincor's interest is 70%.

All of Mincor's mines are owner-operated, with a skilled and experienced residential workforce based largely in Kambalda and Kalgoorlie. The mines operate under the management of a General Manager who reports directly to the Managing Director, and who is assisted by a strong team of mine managers and highly experienced foremen.

SALES

All of Mincor's nickel is marketed through long-standing off-take agreements with BHP Billiton (Nickel West). Mincor's ore is processed via a tolling arrangement with BHP Billiton at the central Kambalda Mill, and the resulting concentrate sold to that company. These off-take agreements have been in place since 2001, and expire at various dates between 2016 and 2019.

Mincor is paid for an agreed portion of the nickel contained in concentrate, based on a recovery factor linked to the grade of the ore. Payment is in US dollars based on the average LME nickel price during the third month after the month of delivery. Initial payment is received one month after the month of delivery, and the final payment is received, including any necessary adjustments for the final price, four months after the month of delivery.

METAL PRICES AND HEDGING

The LME spot nickel price for the financial year averaged US\$16,394 per tonne. In Australian Dollar terms this was A\$15,953 per tonne. The average price, net of hedging, realised by Mincor for the year was A\$16,726 per tonne. The Australian Dollar nickel price peaked at about A\$18,282 in October 2012 and thereafter declined steadily, reaching a low of around A\$14,380 in May 2013.

Mincor derived approximately 3.5% of its revenue from by-product credits for copper and cobalt.

Royalty costs for the year totalled \$3.2 million, or A\$0.27 per pound of payable nickel.

Mincor's hedging policy is to maintain a certain minimum level of protection against adverse price movements through a discretionary program of rolling two-year forward sales. These rarely exceed 20% of forecast production. As at the date of this report Mincor did not have any forward sales of payable nickel metal due to the sustained weakness in the nickel price.

Mincor geologist,
Jed Bridges, March 2013
(photo by Thanh Doan)

OPERATIONAL RESULTS

Table 1: Operational Results

	SOUTH KAMBALDA OPERATIONS ⁽¹⁾	NORTH KAMBALDA OPERATIONS ⁽²⁾	TOTAL FOR FINANCIAL YEAR 2012/13	PRECEDING FINANCIAL YEAR [2011/12] TOTAL
Ore Tonnes Treated (DMT)	221,312	90,763	312,075	332,877
Average Nickel Grade (%)	3.03	3.30	3.10	3.09
Nickel-in-Concentrate Sold (tonnes)	5,885.0	2,751.7	8,636.7	9,179.0
Copper-in-Concentrate Sold (tonnes)	606.6	243.5	850.1	790.9
Cobalt-in-Concentrate Sold (tonnes)	134.9	61.2	196.1	150.0
Sales Revenue* (A\$)	66.09m	31.38m	97.47m	120.52m
Direct Operating Costs** (A\$)	44.53m	21.72m	66.25m	74.28m
Royalty Costs (A\$)	2.62m	0.72m	3.34m	3.93m
Operating Surplus*** (A\$)	18.94m	8.94m	27.88m	42.31m
Capital Costs**** (A\$)	21.66m	1.06m	22.72m	18.79m
Payable Nickel Produced (lbs)	8,433,168	3,943,267	12,376,435	13,138,073
Mining Costs (A\$/lb)	2.88	3.15	2.97	3.41
Milling Costs (A\$/lb)	1.09	0.98	1.06	1.03
Ore Haulage Costs (A\$/lb)	0.32	0.06	0.24	0.20
Other Mining/Administration (A\$/lb)	0.99	1.33	1.10	1.13
Royalty Cost (A\$/lb)	0.31	0.18	0.26	0.30
By-product Credits (A\$/lb)	(0.30)	(0.26)	(0.29)	(0.29)
Cash Costs (A\$/lb nickel) – Full Year	5.29	5.44	5.34	5.78
Cash Costs (US\$/lb nickel) ⁽³⁾	5.25	5.40	5.30	5.83

(1) Production from Mariners and Miitel.

(2) Production from Otter Juan and McMahon.

(3) Average June 2013 quarter RBA settlement rate of US\$0.9921 (31 March 2013: US\$1.0387, 30 June 2012: US\$1.0096).

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

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

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

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

Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. For period-end reporting the Company determines provisional prices based on the three-month forward nickel price at the end of each month of delivery. This estimate is subject to an adjustment (up or down) when the final nickel price is known. During the September 2012 Quarter, Mincor established the final nickel prices for the production months of April 2012, May 2012 and June 2012. As a result Mincor recognised a negative sales revenue adjustment of \$0.79 million attributable to those production months. This adjustment has not been included in the sales revenue figures disclosed in Table 1 above.



Table 2: Production by Mine Site, 2012/13

MINE	ORE (TONNES)	GRADE	NICKEL-IN-ORE (TONNES)	NICKEL-IN-CONCENTRATE (TONNES)
Miitel	132,486	2.49%	3,292	2,883
Mariners	88,826	3.83%	3,403	3,002
Otter Juan	16,440	4.67%	767	706
McMahon	74,323	2.99%	2,226	2,046
Totals	312,075	3.10%	9,688	8,637

“MINCOR
CONTINUED TO
DRIVE COST AND
OPERATIONAL
EFFICIENCIES”

MINING OPERATIONS

While the low nickel prices experienced throughout the year ultimately resulted in Mincor reporting a bottom line loss, Mincor's mining operations actually performed very well. Cost and production targets were beaten, with costs driven down a further 7%, on top of a massive 27% drop in the previous year. The overall performance would have been even better but for a number of temporary constraints that emerged in the third quarter and that hampered production and increased costs in that quarter.

Mincor continued to drive cost and operational efficiencies throughout the year, and at the end of the financial year was in the process of implementing a major change to the roster structure of its mines, which is expected to underpin strong operations for the coming year.

At **Mariners Mine**, capital development continued towards the N10B ore body, with production from that ore body commencing in the second quarter. By the end of the year, three strike drives had been completed through the N10B and stoping operations had commenced from the uppermost of these. The ore encountered was largely in line with expectations, with areas of exceptionally wide and high-grade ore.

The Terrace ore body continued as the mainstay of the operation, performing the task it had achieved for the previous two years. Strong runs of very high grade ores continued from this excellent ore body, which will continue to produce for a period into the new financial year. Lesser production continues from stopes in areas of the N09 ore body.

Over the coming year, capital development will proceed to open further accesses to the N10B ore body, and to provide drill platforms for the drill-testing of the areas immediately below the N10B, most notably the N11 mineral resource. The development of this resource will be the key decision at Mariners during the year. A substantial program of underground drilling and assessment is required before this decision can be made, and this work is underway now.

At **Miitel**, production continued from the moderate-grade N18 ore body. This was supplemented by ore from the high-grade N29C ore body, though the production ramp-up of this ore body was limited by the pace of capital development required for escapeways and ventilation. The N30A was drilled out and placed into reserve during the year and production commenced from it. Production was also sourced from the N29A and from a number of areas in the northern part of the mine.

The key development decision at Miitel during the year will be the development of the N30 ore body. A substantial zone of mineralisation has been outlined there and is currently the subject of a feasibility study. A decision is expected before December 2013.

At North Kambalda, both **McMahon** and **Otter Juan** continued to produce valuable ore, with both mines meeting or exceeding their targets. McMahon is expected to close within the first quarter of the new financial year as its ore reserves become exhausted. A substantial resource of lower grade ore remains below the current level of the decline, but this will require better nickel prices to mine. Otter Juan is producing small amounts of high-grade ore and will remain in production for so long as it is profitable.

ORE RESERVES AND MINERAL RESOURCES

Mincor's updated Ore Reserves and Mineral Resources are shown in Tables 3 and 4.

Total Ore Reserves at 30 June 2013 are estimated to contain 21,300 tonnes of nickel metal. This is down from 25,900 tonnes of nickel metal at 30 June 2012, after production of 9,688 tonnes of nickel. This means that Mincor replaced 52% of all the nickel it mined during the 2012/13 financial year, continuing a strong record of ore reserve replacement dating back more than 12 years.

The bulk of the new Ore Reserves came from Miitel, where Ore Reserves doubled due to the conversion of a large portion of the N30 Mineral Resource into Ore Reserve. Mariners' Ore Reserves remained essentially static, merely reflecting depletion by mining. This was due to the lack of suitable drill positions during the 2012/13 financial year.

Extensions to Resources and Reserves are targeted at both Miitel and Mariners mines during the coming year. Four underground drill rigs are expected to be active through the year, as well as a deep-drilling surface diamond rig. Mincor's target is to sketch out, at least at the Inferred Resource level, a further five years of potential reserves, over and above its current notional two years of reserves.

Mincor has a strong record in the replacement of mined reserves. The Company commenced production in 2001 with an attributable Ore Reserve of 25,400 tonnes of contained nickel metal. Today, after producing some 152,800 tonnes of nickel, it still has a reserve containing 21,300 tonnes of nickel.

Table 3: Mineral Resources as at 30 June 2013

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL		
		TONNES	NI (%)	TONNES	NI (%)	TONNES	NI (%)	TONNES	NI (%)	NITONNES
Mariners	2013	114,000	4.8	218,000	4.3	79,000	3.4	411,000	4.2	17,400
	2012	112,000	4.8	332,000	4.5	78,000	3.6	521,000	4.5	23,300
Redross	2013	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
	2012	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
Burnett	2013	-	-	121,000	4.8	99,000	2.7	220,000	3.8	8,400
	2012	-	-	121,000	4.8	98,000	2.2	219,000	3.6	7,900
Miitel	2013	198,000	3.8	414,000	3.4	73,000	3.1	684,000	3.4	23,500
	2012	132,000	3.7	306,000	4.2	333,000	3.1	771,000	3.6	28,000
Wannaway	2013	-	-	110,000	2.6	16,000	6.6	126,000	3.1	3,900
	2012	-	-	110,000	2.6	16,000	6.6	126,000	3.1	3,900
Carnilya*	2013	40,000	3.8	40,000	2.2	-	-	80,000	3.0	2,400
	2012	40,000	3.8	40,000	2.2	-	-	80,000	3.0	2,400
Otter Juan	2013	11,000	3.8	92,000	4.3	10,000	3.4	113,000	4.2	4,700
	2012	18,000	4.0	114,000	4.7	79,000	2.3	211,000	3.8	8,000
McMahon/Ken**	2013	57,000	3.5	102,000	3.1	90,000	4.7	249,000	3.8	9,300
	2012	70,000	4.5	67,000	3.3	203,000	3.4	340,000	3.6	12,400
Durkin	2013	-	-	251,000	5.2	115,000	4.9	366,000	5.1	18,600
	2012	-	-	251,000	5.2	115,000	4.9	366,000	5.1	18,600
Gellatly	2013	-	-	29,000	3.4	-	-	29,000	3.4	1,000
	2012	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Cameron	2013	-	-	96,000	3.3	-	-	96,000	3.3	3,200
	2012	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	2013	-	-	554,000	3.0	-	-	554,000	3.0	16,700
	2012	-	-	554,000	3.0	-	-	554,000	3.0	16,700
GRAND TOTAL	2013	459,000	4.1	2,165,000	3.6	549,000	3.8	3,172,000	3.7	117,000
	2012	411,000	4.3	2,158,000	3.8	989,000	3.3	3,557,000	3.7	133,300

Figures have been rounded and hence may not add up exactly to the given totals.
Note that Resources are inclusive of Reserves.

* Resources shown for Carnilya Hill are those attributable to Mincor - that is, 70% of the total Carnilya Hill Resource.

** McMahon/Ken also includes Coronet.

The information in this report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Robert Hartley, who is a full-time employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hartley approves the Mineral Resource statement as a whole and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears, and is a Member of the AusIMM.

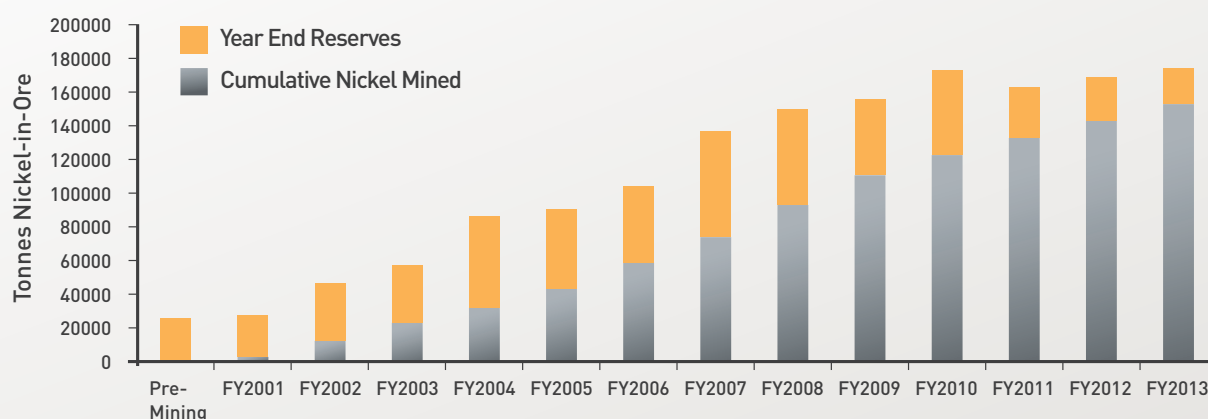


Table 4: Ore Reserves as at 30 June 2013

RESERVE		PROVED		PROBABLE		TOTAL		
		TONNES	NI (%)	TONNES	NI (%)	TONNES	NI (%)	NI TONNES
Mariners	2013	59,000	4.2	181,000	3.7	240,000	3.8	9,200
	2012	53,000	4.0	267,000	3.9	320,000	4.0	12,700
Redross	2013	49,000	3.3	-	-	49,000	3.3	1,600
	2012	49,000	3.3	-	-	49,000	3.3	1,600
Miitel	2013	88,000	2.9	274,000	2.6	362,000	2.7	9,800
	2012	91,000	2.3	161,000	3.5	251,000	3.1	7,800
Wannaway	2013	-	-	-	-	-	-	-
	2012	-	-	39,000	2.9	39,000	2.9	1,100
Otter Juan	2013	7,000	4.1	-	-	7,000	4.1	300
	2012	12,000	3.3	-	-	12,000	3.3	400
McMahon/Ken**	2013	13,000	2.8	2,000	2.6	15,000	2.7	400
	2012	72,000	3.2	4,000	1.6	76,000	3.1	2,300
GRAND TOTAL	2013	216,000	3.4	457,000	3.0	673,000	3.2	21,300
	2012	277,000	3.1	471,000	3.7	747,000	3.5	25,900

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

Note that Resources are inclusive of Reserves

* McMahon/Ken also includes Coronet.

The information in this report that relates to Ore Reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Brett Fowler, who is a full-time employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fowler approves the Ore Reserve statement as a whole and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears, and is a Member of the AusIMM.

The Resource and Reserve estimation details are available in a previously released Announcement dated 10 September 2013.

Note on Governance Arrangements and Internal Controls: All Mincor's Mineral Resource and Ore Reserve estimates undergo a three-stage process of internal review by both operational and head office staff.

KAMBALDA EXPLORATION



Mincor geologist Thomas Shelmerdine-Hare conducting XRF reading (photo by Tanh Doan)

NICKEL EXPLORATION

Mincor's landholdings in the Kambalda area comprise the large suite of tenements around the Widgiemooltha Dome, the Carniyla Hill tenements (70% Mincor), a substantial holding over the northern half of the Kambalda Dome, and the Bluebush Line.

All of these tenement areas are highly prospective for nickel, demonstrated by the presence of nickel sulphide mineralisation and the all-important 'basal contact'. The basal contact is the stratigraphic position (a contact between two rock types) along which all significant nickel ore bodies in the Kambalda District occur. On Mincor's current ground holdings there is estimated to be a cumulative total of over 135 kilometres of strike of this prospective basal contact.

“MINCOR'S INAUGURAL ORE RESERVE WAS 25,400 TONNES OF NICKEL METAL. BY JUNE 2013 THE COMPANY HAD MINED 152,700 TONNES OF NICKEL AND HAD A FURTHER 21,300 TONNES OF UNMINED ORE RESERVES.”

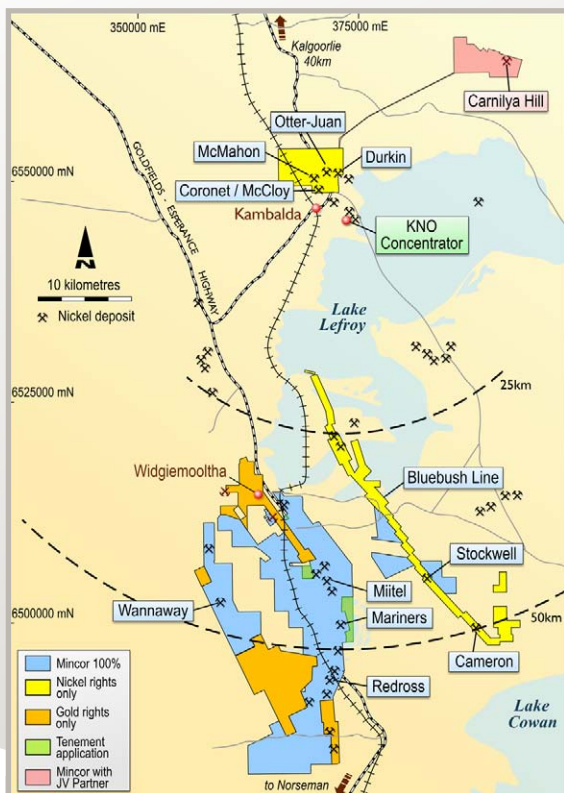


Figure 1: Mincor's mines and tenement holdings in the Kambalda District

AUSTRALIAN EXPLORATION HIGHLIGHTS OF 2012/13

SOUTH MIITEL

- The conversion of the N30 and N30A Inferred Resources into Ore Reserves following the completion of a major underground extensional drilling program.
- The discovery of the N34 surface – a new flanking position defined to date by sparse drilling but with potential to add reserves requiring little additional capital to develop.

BURNETT (NORTH MIITEL)

- Drilling has confirmed that the Burnett Contact extends further south than previously thought. Although mineralisation is patchy in the few holes drilled so far, the new strike extension remains highly prospective.

REGIONAL NICKEL TARGETS

- Good progress achieved on regional nickel prospects of Mons South, BC and Cassini. Significant regional intersections have been returned and further drilling is planned.

GOLD

- Five major gold targets identified around the Widgiemooltha Dome.
- The first of these – the MW Target – is a large gold-in-soils anomaly immediately south of the Widgiemooltha Dome, and an outstanding target scheduled for initial air-core drilling early in the new financial year.
- Active exploration is underway on the other gold targets.

REGIONAL GREENFIELD PROGRAMS

- At Tottenham a reconnaissance air-core drilling program at Burdenda tested the northern extension of a concealed quartz-magnetite unit some 8 kilometres north of the Carolina resource. This is the key stratigraphic horizon that hosts copper mineralisation in the district. Drilling returned a significant reconnaissance result in TMAC003: 10 metres @ 3,706ppm copper, 666ppm zinc, 0.2ppm silver and 5ppb gold. Follow up drilling is planned.
- Resubmission of all historic soils at Tottenham for low level gold has generated a new regional target at the Larkins Anomaly. Follow up drilling is planned.

KEY KAMBALDA EXPLORATION AREAS FOR THE COMING YEAR

- **Mariners** – Extensional drilling program to test the Mariners channel down-plunge of the N10B and Terrace ore bodies. Drilling will target repeats of these compact and high-grade ore bodies.
- **Miitel South** – Extensional drilling will target beyond the current limits of the N30 to the south, where mineralisation remains entirely open and the potential exists for substantial new resources.
- Drill-testing to find better developed mineralised zones at the newly discovered Cassini North and Mons nickel prospects.
- High priority drill-testing of all gold targets identified in the Widgiemooltha area, starting with the outstanding MW gold-in-soil anomaly.
- Continued target generation and testing of Ultra-Sized Nickel Ore Body targets along the eastern corridor of the Kambalda Dome.
- Mincor is participating in major research collaboration between the CSIRO, the University of Western Australia's Centre for Exploration Targeting (CET) and Minerals Exploration Research Institute of Western Australia (MERIWA). The project is in its second year and aimed at identifying possible hydrothermal footprints related to nickel sulphide mineralisation.

NEAR-MINE EXPLORATION

MARINERS ORE SYSTEM

The Mariners channel structure hosts all the mineralisation discovered to date at the mine. It is defined by an ancient ultramafic lava channel that sits directly on a basalt unit below it. This contact is referred to as the 'basal contact' and is commonly embayed in the middle of the channel. Ore zones are developed in pods at irregular intervals along this channel structure. The latest in a series of ore pods – the Terrace and the N10B – are also the highest grade pods discovered to date.

Due to a lack of drilling positions, it proved impossible during 2012/13 to carry out effective drill-testing of the Mariners channel structure below the N10B ore body.

However, as the decline advances, new drill positions will become available and drilling is likely to commence from the first of these positions early in the new financial year.

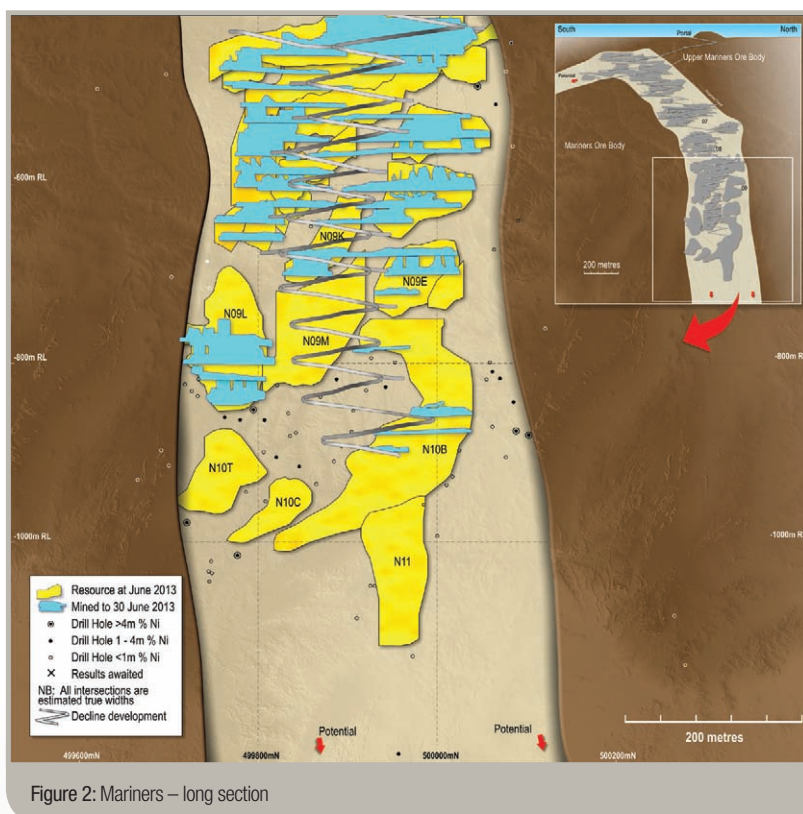


Figure 2: Mariners – long section

MIITEL ORE SYSTEM

South Miitel

Mincor discovered the N29C ore body at South Miitel in 2011, and commenced production from it in early 2012. The ore body is small but high grade and has proved an important stepping stone towards larger resources further to the south.

New drill platforms were established and used successfully in the financial year to infill and extend the existing resources.

At South Miitel the mineral resources are located in three separate mineralised sub-channels that are present within the overall Miitel channel. All three sub-channels host strong high-grade mineralisation. The lowermost sub-channel contains the N30 and N30A surfaces, the middle sub-channel contains the N31 surface, and the N32 resource lies in the uppermost sub-channel. All these sub-channels have significant plunge extents and are entirely open to the south.

Most of the drilling through the year was focused on the lowermost sub-channel which contains the N30 and N30A resources.

The N30A was initially identified as a small body of ore situated within a deeply embayed channel north of the N30 (i.e. back towards the current mine area) and along strike from it. Drilling completed in the year confirmed the resource was substantially bigger than first estimated and due to its location was quickly converted to a reserve.

Better intersections include (all estimated true width):

- UMI-12-026: 3.6 metres @ 2.93% nickel
- UMI-12-033: 9.3 metres @ 4.32% nickel
- UMI-12-041: 7.0 metres @ 1.89% nickel
- UMI-12-045: 5.8 metres @ 3.24% nickel
- UMI-12-047: 3.8 metres @ 2.34% nickel

By year's end, three development drives had been established in the ore body.

The N30 resource had been identified as a substantial Inferred Resource by the end of the previous financial year. It plunges gently to the south and in parts host well developed matrix-style mineralisation. An underground drilling program to infill this resource commenced during the December quarter and by year's end numerous intersections had been achieved.

Better intersections include (all estimated true width):

- UMI-12-015: 6.5 metres @ 6.80% nickel
- UMI-12-040: 1.3 metres @ 4.86% nickel
- UMI-12-042: 8.8 metres @ 2.88% nickel
- UMI-12-050: 2.4 metres @ 3.67% nickel
- UMI-12-052: 4.6 metres @ 3.74% nickel
- UMI-13-008: 8.1 metres @ 3.18% nickel
- UMI-13-012: 7.8 metres @ 4.33% nickel
- UMI-13-034: 3.9 metres @ 1.22% nickel
- UMI-13-041: 3.5 metres @ 2.29% nickel
- UMI-13-042: 13.3 metres @ 2.3% nickel
- UMI-13-046: 15.2 metres @ 2.37% nickel
- UMI-13-047: 11.8 metres @ 3.84% nickel
- UMI-13-048: 13.0 metres @ 3.82% nickel

These results have confirmed a thick core of dominantly matrix mineralisation. This core zone is interpreted to be up to 15 metres thick over a strike length of more than 180 metres, with a dip extent of between 25 and 30 metres.

The N30 is open to the south and its upper and lower extents are still being determined. Underground drilling will continue in the coming year in order to extend the mineralisation further to the south.

A number of holes were drilled into The Gap between the N30 and N30A resource. Drilling has now confirmed that The Gap hosts a number of embayed and overlapping surfaces, creating up to four small but potentially economic ore positions.

Better intersections include (all estimated true width):

- UMI-13-001: 0.74 metre @ 1.59% nickel
- UMI-13-007: 0.87 metre @ 4.76% nickel
- UMI-13-009: 1.36 metres @ 7.00% nickel
- UMI-13-031: 1.5 metres @ 6.12% nickel

The multiple intersections in UMI-13-009 are particularly promising, with the 7% nickel intersection on a new and previously unrecognised surface. If these new ore zones prove economically viable, the area will be easily accessed from the decline extension required for required for the N30 ore body.

N34 – A possible new discovery

Recent drilling has highlighted an emerging new ore position termed the 'N34 Surface'. The surface is located on a faulted basalt leading edge approximately 50 metres into the hanging wall of the N30 surface. So far, six widely spaced drill holes have intersected mineralisation; five of these holes returned greater than 1% nickel and further drilling is planned.

The new position is of considerable economic interest due to its position relative to the N30, as it would add significantly to the ore tonnes available to support the capital development of the N30.

Better intersections include (all estimated true width):

- UMI-13-008: 0.1 metre @ 1.86% nickel
- UMI-13-021: 1.1 metres @ 4.68% nickel
- UMI-13-035: 0.40 metre @ 4.87% nickel
- UMI-13-041: 2.4 metres @ 4.49% nickel
- UMI-13-042: 0.20 metre @ 2.1% nickel

Middle Sub-channel – N31

The N31 is a substantial Inferred Resource and remains only lightly drilled. The surface is located in the middle sub-channel south of the high-grade N29C ore body, which is currently in production. Two holes were completed during the year (estimated true width):

- UMI-12-031: 0.6 metre @ 3.83% nickel
- UMI-12-036: 0.5 metre @ 3.51% nickel

These results suggest the mineralisation is only weakly developed at this location. Drilling will continue further to the south where the potential is considered high.

Upper Sub-channel – N32

The N32 is an Inferred Resource in a small embayed surface that was discovered by a surface drilling program. No drilling was completed during the 2012/13 financial year but the area will be a prime target in the coming year.

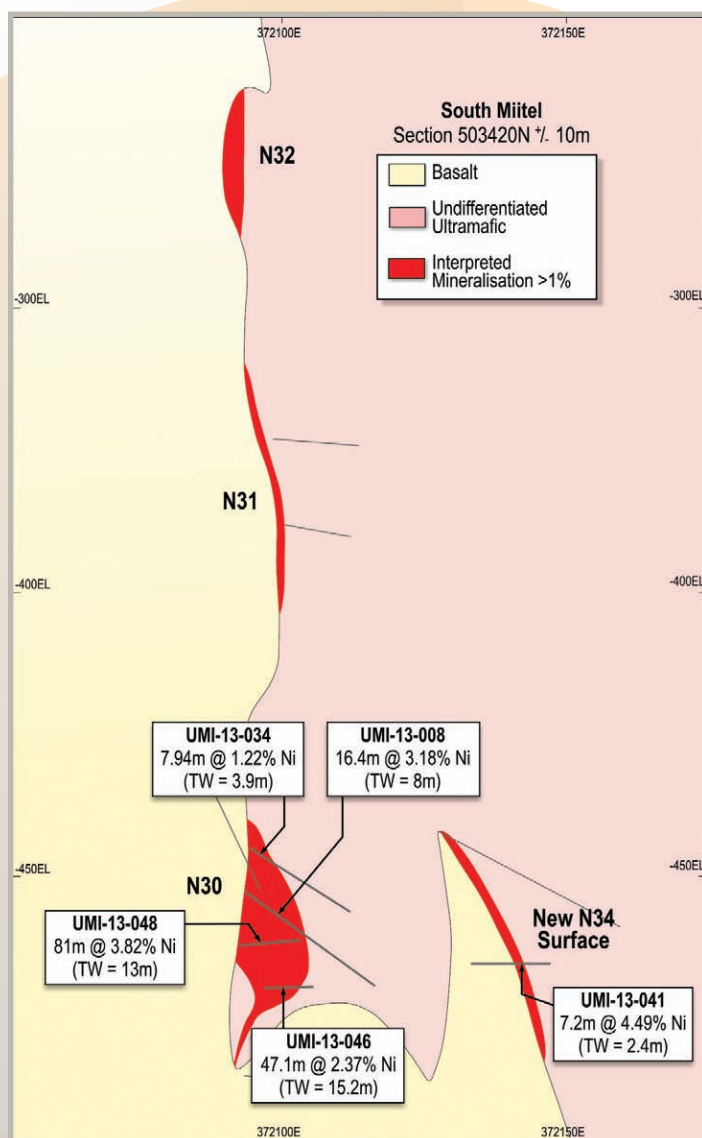


Figure 3: Miitel South – cross section

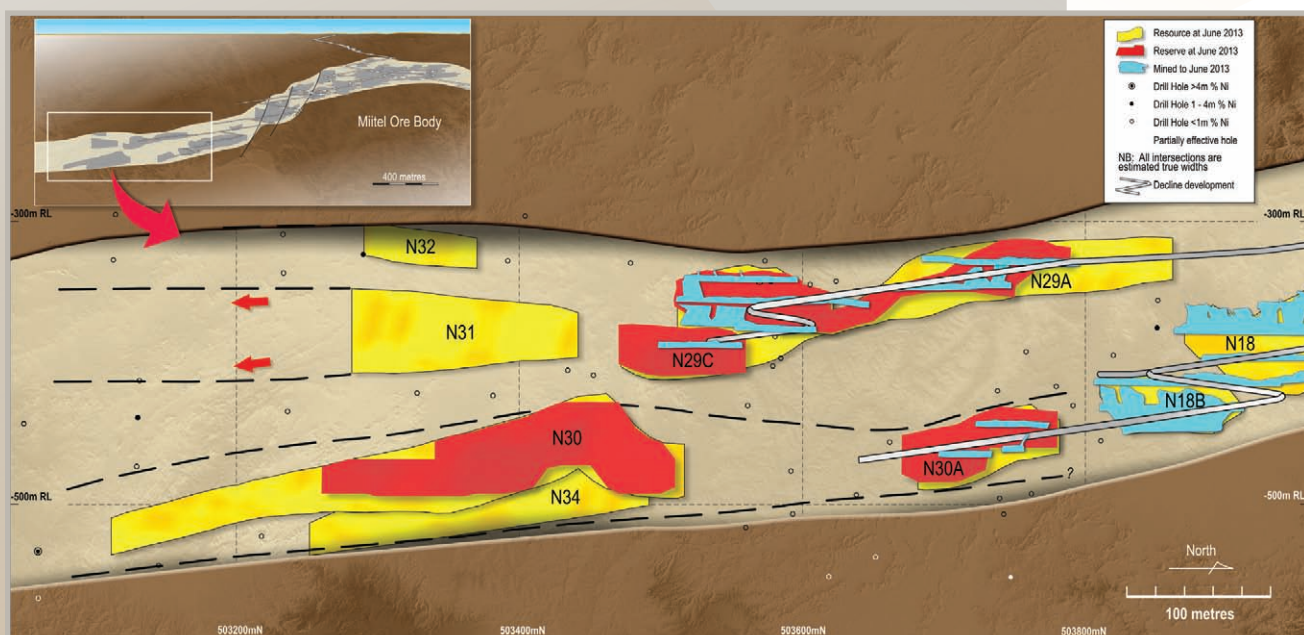


Figure 4: Miitel – long section



Single boom operator Ramond Hare charging a face in the 1120 North ore drive, Mariners, May 2013 (photo by Hugo Bravery)

NORTH MIITEL – BURNETT

Burnett lies on a faulted extension of the Miitel basal contact and is interpreted to be the northward extension of the Miitel ore system. It comprises two ore surfaces, of which the B02 is the largest and highest grade. The total cumulative metal resource in this area stands at 8,400 tonnes of nickel contained. None of this has been converted to Reserve.

Drilling during the year confirmed a strike extension of the Burnett Contact much further to the south than previously recognised. Although only patchy mineralisation was intersected, the strike extension remains highly prospective.

An underground drilling program is planned to infill the B01 resource which lies closer to existing development. Further drilling is also planned to test the gap area between the B01 and B02 surfaces which is lightly drilled and where a number of electromagnetic (EM) conductors remain untested.

MCMAHON MINE

In the face of McMahon's rapidly depleting ore reserves, a 30-metre drill drive was extended into the hanging wall of the MN03B ore body and a substantial drilling program undertaken. This resulted in the discovery of a sizeable zone of mineralisation, termed the MN05. However the average grade is too low to justify development at current nickel prices.

Good potential remains for mineralisation in the Ken-McMahon trend up-plunge and closer to the surface.

DURKIN NORTH

During the coming year Mincor will undertake a review of the Durkin North resource. This will include remodelling of the resource volumes and associated grade distributions, as well as a review of proposed mining and development methods.

EXPLORATION FOR ULTRA-SIZED NICKEL ORE BODIES

The greater Kambalda area is a world-class nickel district that has produced over 1.4 million tonnes of nickel metal to date. Most of this has come from Ultra-Sized Nickel Bodies (USNOBs) located around the Kambalda Dome. Mincor's North Kambalda tenements cover the northern third of this Dome and have produced nickel from seven known ore systems.

Around two-thirds of the prospective basal contact – the stratigraphic location of all Kambalda's nickel ore bodies – on Mincor's North Kambalda tenements has not been drill-tested. This prospectivity explains Mincor's sustained focus on the discovery of additional USNOBs in this area.

Mincor has embarked on a research project looking for vectors to large nickel sulphide bodies. The study focuses on the identification of a hydrothermal footprint larger than that which can be identified using conventional geochemical means. As part of this research project, sampling will be undertaken on all the deepest holes in the eastern corridor at the Kambalda Dome. The next step will be to incorporate the research results and then repeat the sectional drilling program.

REGIONAL KAMBALDA NICKEL EXPLORATION

CASSINI TENEMENT PACKAGE

Mincor acquired the Cassini tenement package in January 2012. The tenements lie at the southern end of the Widgiemooltha Dome and include at least two Widgiemooltha basal contacts as well as a likely basal contact along the northern edge of the Pioneer Dome. Most of the basement geology is concealed under transported cover. Beneath this cover are a number of discrete magnetic anomalies that are located on the basal contact. These anomalies are considered prospective for nickel sulphide mineralisation.

Cassini North prospect

The Cassini North prospect is a moderate magnetic anomaly located 250 metres north of the historic Cassini prospect and alongside the interpreted basal contact position. The working hypothesis is that this magnetic high could represent the main mineralised channel and the source of the known Cassini mineralisation to the south.

Previous air-core programs succeeded in pinning down the concealed basal contact location around the magnetic high. The drilling also confirmed that the contact is embayed and that disseminated nickel sulphides in ultramafic rocks are present. Four diamond holes (MDD193-195, MDD197) were completed to test the basal contact adjoining the magnetic anomaly.

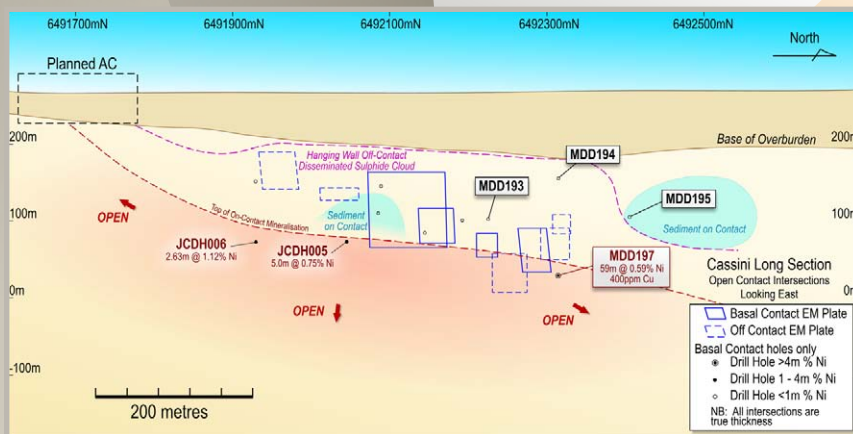


Figure 5: Cassini North – long section

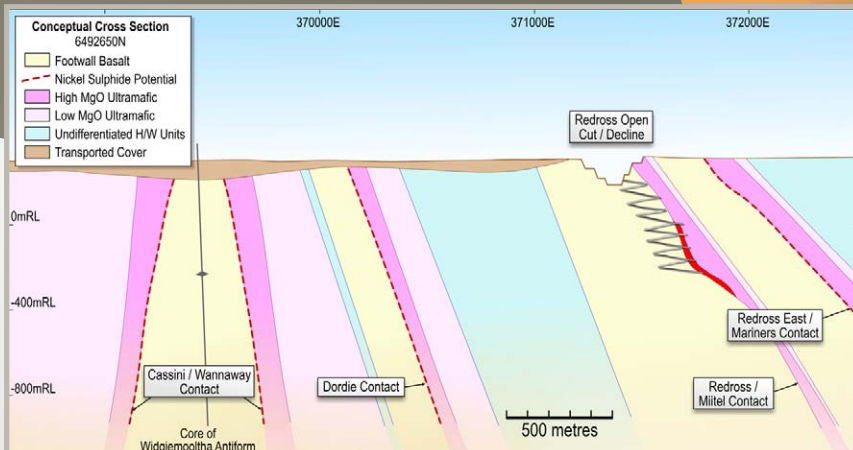


Figure 6: Cassini – conceptual cross section

A significant mineralised basal flow unit was intersected in MDD197, returning 59 metres @ 0.59% nickel from 262 metres (estimated true thickness 38.35 metres). The mineralisation at the basal contact comprises 20cm of stringer pyrrhotite sulphides with pentlandite on a hydrothermally altered and sheared contact. Litho-geochemistry indicates this thin zone may be a nickeliferous sediment just off the contact. The next 58.9 metres of down-hole mineralisation consists of a well-developed disseminated nickel sulphide cloud defining a mineralised basal flow hosted in high-MgO cumulate rocks.

Drill-holes MDD193 and MDD194 intersected disseminated nickel sulphides in the hanging wall ultramafic although the initial basal flow on the contact was not mineralised. The most northern hole, MDD195, intersected sediment on the basal contact and may represent the northern limit of the system. Significant down-hole electromagnetic (DHEM) anomalies were generated from separate surveys in MDD193 and MDD194, overlapping in long section view (see Figure 5).

In summary, Mincor's work has demonstrated the presence of an embayed mineralised channel north of the historic Cassini mineralisation. Drilling has yet to intersect ore-grade mineralisation in the channel but the presence of a substantial nickel sulphide cloud in MDD197 is highly significant. The mineralised channel is barely tested by drilling, open up-plunge and contains a strong DHEM anomaly. Further drilling is planned.

BC1 prospect

The BC1 prospect is a new nickel sulphide discovery and is the southernmost of three magnetic anomalies. It is located 750 metres northeast of the Cassini prospect.

After a number of phases of lake and land air-core drilling, a high-grade nickel intersection was returned in CAC010: 1 metre @ 7.14% nickel and 0.15% copper, from 119 metres, terminating in felsic porphyry. The air-core confirmed the location of the basal contact and has successfully extended the nickel sulphide occurrences some 275 metres north of CAC010.

A small RC program testing the immediate vicinity of CAC010 produced ambiguous results, including anomalous nickel geochemistry within moderately favourable host rocks, and basal contacts obscured by porphyry intrusions.

To aid targeting, a moving loop EM survey was completed but the survey proved ineffective due to the presence of strongly conductive overburden. The BC1 prospect remains a high quality regional nickel sulphide play.

Other Cassini targets

Further air-core drilling has been designed, aimed at testing an interpreted 10-kilometre southern strike extension to the Cassini basal contact focusing on magnetic highs on M15/1458 and M15/1457. A Program of Work was approved by the Department of Mines and Petroleum.



Grevillea in Kambalda, December 2012
(photo by Tanh Doan)

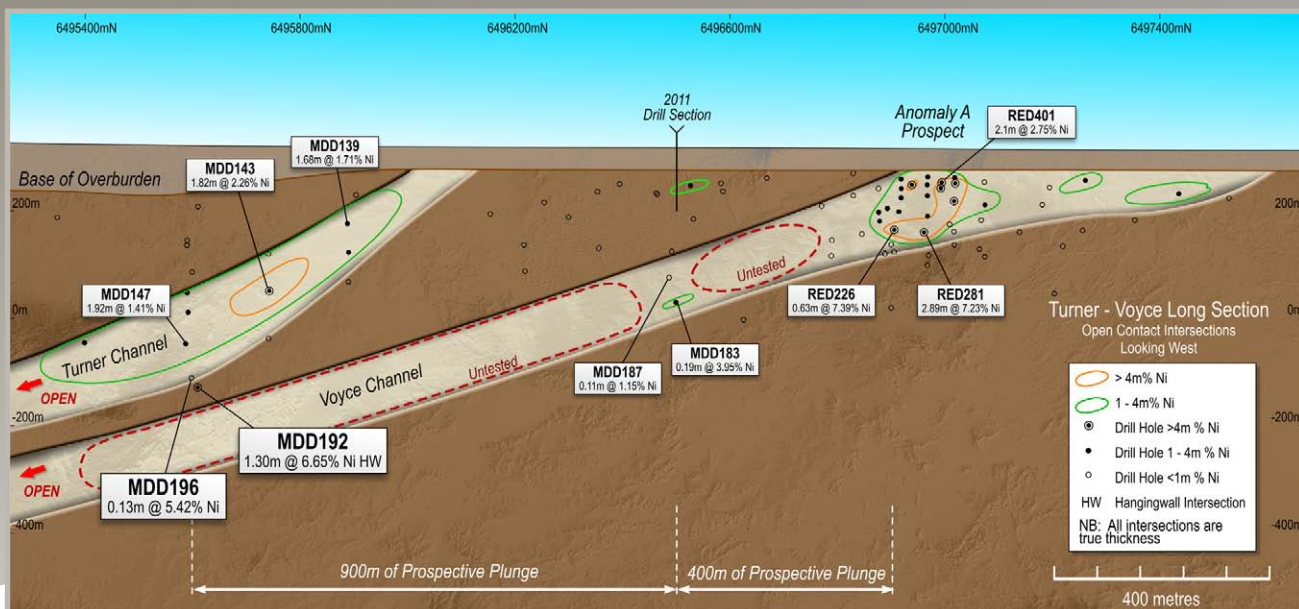


Figure 7: Voyce – anomaly long section

VOYCE PROSPECT

The Voyce prospect is the southern down-plunge continuation of the historic Anomaly A prospect. Anomaly A is situated on the same basal contact that hosts the Redross and Miitel nickel mines. It is a high tenor nickel sulphide system (massive sulphides grading up to 24.2% nickel). The best historic intersection was in diamond hole RED281: 4.13 metres @ 7.23% nickel. The southward plunge of the prospect was resolved in 2011 from a surface diamond drilling program confirming a 90-metre wide embayed channel on section 6496500N some 350 metres down-plunge of Anomaly A. Two holes testing the channel returned weakly developed nickel sulphide mineralisation.

Two surface holes were completed during the December quarter, testing the channel a further 900 metres down-plunge (MDD192 and MDD196). A significant result was returned in the first hole drilled 140 metres down-dip of the MDD147:

- MDD192: 1.5 metres @ 6.65% nickel from 436.7 metres (estimated true width of 1.3 metres)

The intersection comprises an intact hanging wall massive sulphide zone and isolated stringers within the ultramafic rocks. The second diamond hole (MDD196) was drilled 70 metres up-dip and intersected weak flanking mineralisation followed by a mineralised pinch position in basalt returning 0.18 metre @ 5.41% nickel from 436.1 metres.

Figure 7 illustrates the concept and demonstrates the potential of the barely tested mineralised channel that is present down-plunge of Anomaly A.

MONS – BLUEBUSH LINE

Mons is located at the northern end of the Bluebush Line and much of the prospect area is covered by the thin lake sediments of Lake Lefroy. Mincor's exploration is focused on two well-developed magnetic highs on what appear to be structurally repeated basal contacts defining the western (Mons) and eastern (Mons East) bodies.

During the year Mincor completed five diamond holes at Mons for 1,371 metres. The drilling tested a significant magnetic anomaly with a coincident nickel and copper defined in previous air-core programs. Nickel sulphides were confirmed in a mineralised basal flow unit over a 400-metre strike length. Significant results are as follows:

- BMD022: 3.13 metres @ 2.39% nickel, 0.13% copper (estimated true width 3.13 metres) from 193.38 metres, including 2.57 metres @ 3.33% nickel, 0.17% copper (estimated true width 1.67 metres)
- BMD019: 3 metres @ 1.39% nickel, 0.01% copper (estimated true width 1.95 metres), within transitional sulphides. Note this is a minimum estimated width as core loss was experienced in the ore interval in highly weathered rocks
- BMD018: 7.5 metres @ 0.53% nickel, 0.01% copper from 83 metres (estimated true width 4.7 metres)

The intersection in BMD022 consists of brecciated matrix nickel sulphides above a thin sheared basalt wedge with strong amphibole and carbonate alteration. Located 70 metres up-dip is the BMD019 intersection on an open contact.

The structural modification at Mons is still unclear but recent drilling has highlighted the faulting of the basal contact along strike.

An EM plate modelled from a survey in hole BMD020 (100 metres to the north) has identified a large (100 metres by 100 metres) and well-developed EM anomaly of moderate-high strength. The position is very promising and could represent the development of massive sulphides down plunge of BMD022. The significance of this can be seen in Figure 9.

Mons remains an important regional target. Further drilling is required beneath the weathered zone to extend current mineralisation.



“GOOD PROGRESS ACHIEVED ON REGIONAL NICKEL TARGETS...”

Drilling at Cassini (photo by Tann Doan)

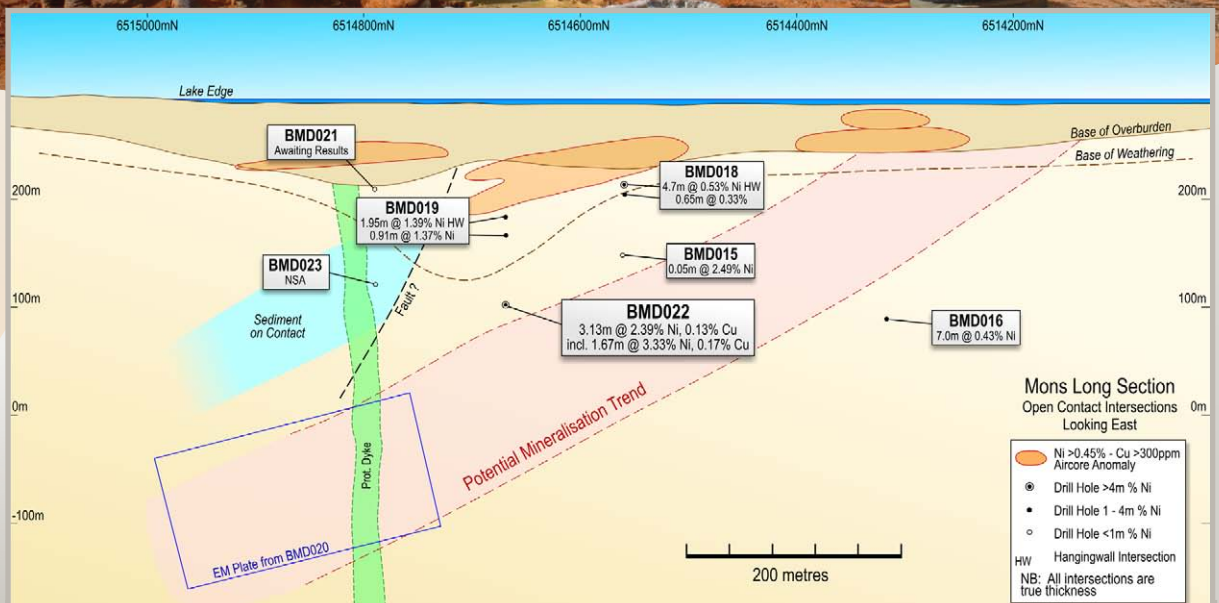


Figure 8: Mons – long section

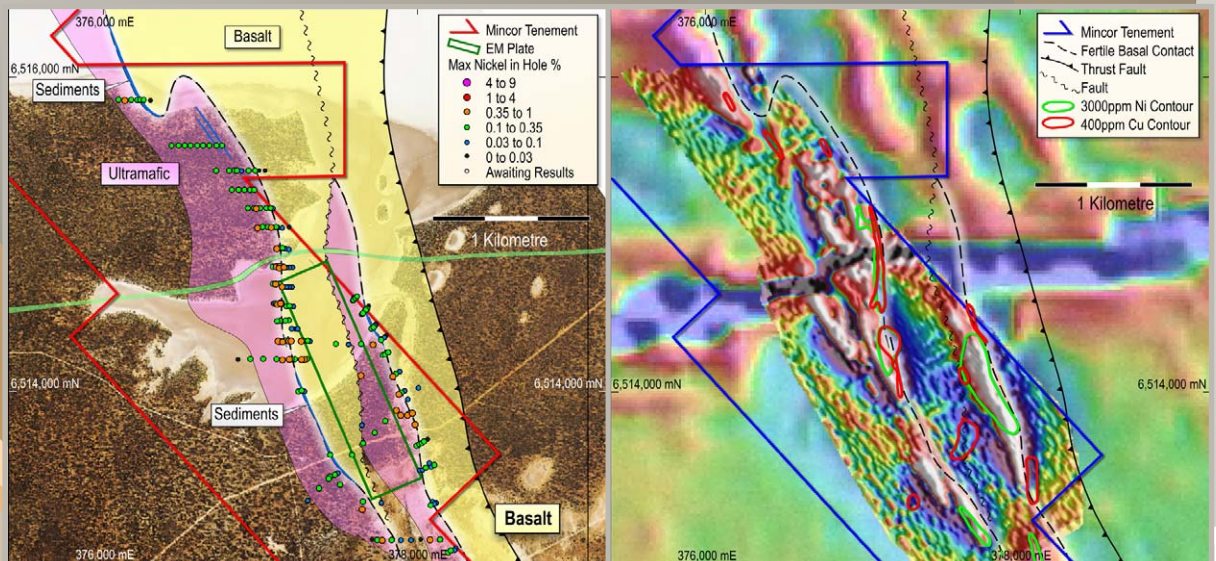


Figure 9: Mons – plan showing maximum nickel and ground magnetic image

KAMBALDA GOLD EXPLORATION

EARLIER THIS YEAR MINCOR RECOMMENCED EXPLORATION FOR GOLD IN THE WIDGIEMOOLTHA REGION. THE COMPANY'S TENEMENT HOLDINGS IN THE AREA HAVE DOUBLED SINCE ITS LAST ROUND OF GOLD EXPLORATION IN 2005.

The area is highly prospective for gold. Nearby gold deposits include Chalice, Wattle Dam, the Higginsville Gold Camp and the St Ives Gold Camp. The structures and rock units that control and host the Higginsville, Wattle Dam and Chalice deposits are interpreted to extend onto Mincor's tenements.

Five high-priority target areas were identified (refer Figure 10):

- **Target 1:** Tenement E15/625 contains an antiformal sequence of greenstones folded around the northern edge of the Pioneer Dome. The tenement is also interpreted to contain a number of structural corridors that are highly prospective for gold. At present there are only a few existing drill holes, which were targeted at nickel mineralisation.
- **Target 2:** North-East Widgiemooltha Dome. Shallow gold mineralisation located in the historic Widgiemooltha Gold Fields and potentially suitable for open pit mining.
- **Target 3:** Gold mineralisation has been identified in historic drill holes located on the mafic porphyry contact along the Dordie Intrusive. Gold intersections by previous explorers remain open. Follow up drilling is planned to test along strike.

- **Target 4:** The large Lake Zot dolerite (a rock-type known to form an ideal host for gold mineralisation) is surrounded by gold-bearing structures and concealed beneath a palaeochannel. Further regional drill traverses are planned.

- **Target 5:** Deep lead gold mineralisation has been identified in historic drill holes. These gold intersections remain open and follow up drilling is required.

TARGET AREA 1 – PIONEER NORTH (E15/625)

– An outstanding gold target

E15/625 is a large tenement located midway between the Chalice and Higginsville gold mining camps. The tenement contains an antiformal sequence of greenstones that are folded around the northern edge of the Pioneer Dome. The tenements also contain a number of structural corridors that are highly prospective for gold. This excellent structural setting and proximity to large gold mining centres supports the potential for a sizeable gold deposit. Most of the basement geology on the tenement is concealed beneath varying thicknesses of transported cover with only sporadic exposures of residual soil or sub/outcrop.

Earlier in the year a reconnaissance soil sample program was completed with the collection of 665 samples from Pioneer North. This identified the gold anomalies named MW1 and MW2. A further 891 infill soil samples were then collected and have now been assayed.

The results confirm a significant gold-in-soils anomaly at MW1, covering an area of 1.5 kilometres by 500 metres, with a peak gold value of 37ppb. The geochemical signature is consistent with the dispersion pattern from concealed gold mineralisation. Congruous elevation of pathfinder elements mercury, antimony and molybdenum reinforce the integrity of the anomaly. The MW1 anomaly is expressed in both residual and transported soil profiles.

The size, coherence and structural setting of the MW1 anomaly, as well as its location in a major gold producing district, make it an outstanding target, all the more so given that it has never been drilled. It is currently Mincor's highest exploration priority. Subject to heritage approvals and permitting, a first round of air-core drilling is planned in the first quarter of the new financial year.

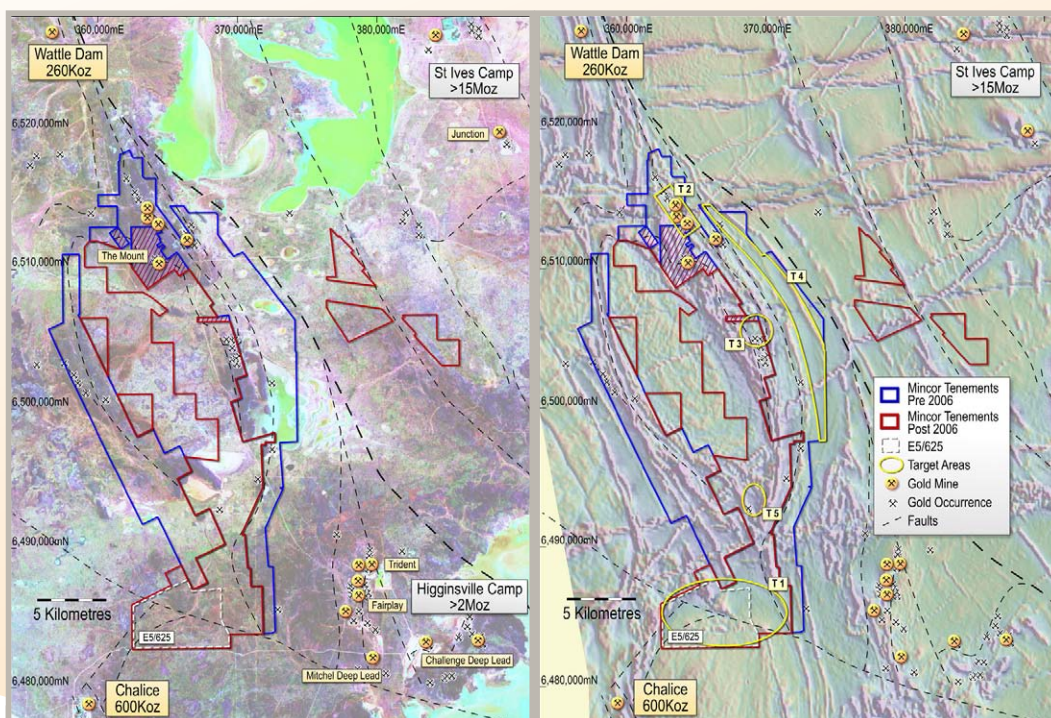


Figure 10: Mincor's Widgiemooltha tenements, indicating those acquired since 2005 LEFT: Satellite image showing locations of nearby gold mines and interpreted structural corridors RIGHT: Regional magnetic map with target locations

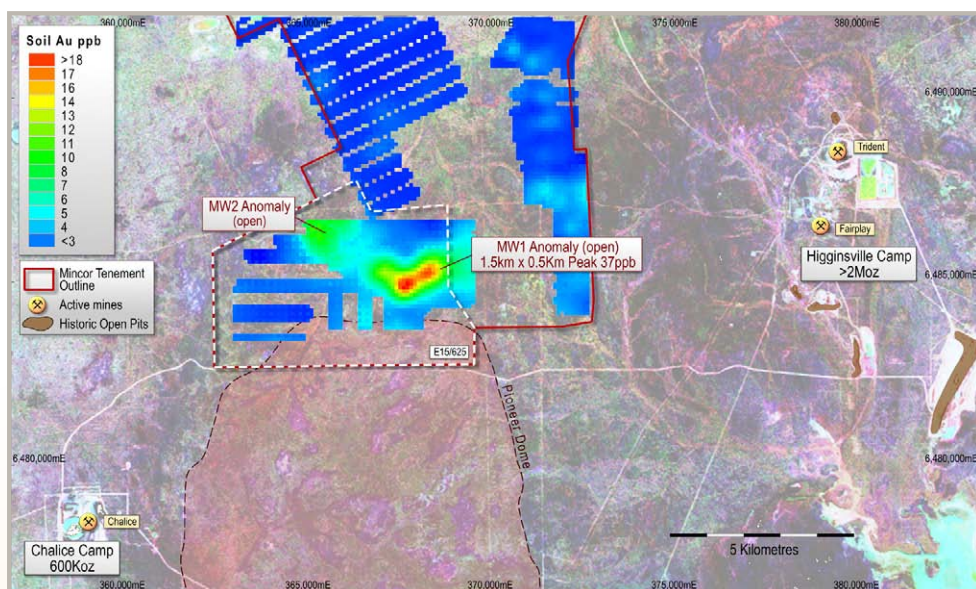


Figure 11: Pioneer North – gold anomalies MW1 and MW2

TARGET AREA 2 – North East Widgiemooltha Dome

Mincor carried out an extensive rock-chip sampling program for gold around the north-eastern quadrant of the Widgiemooltha Dome. The area contains a great many old workings dating from the early 1900s. In more recent times a number of small gold pits were mined on ground now held by Mincor, including Bass, Darlek and Cardiff Castle.

Mincor's study of the area has been aided by a detailed survey of all the historic workings completed by the Geological Survey of Western Australia as part of the Western Australian Inventory of Abandoned Mine Sites (2006).

A substantial field program has been underway since the third quarter. Focusing on gold lines revealed by the presence of old workings, and mainly on those lines with no previous drill-testing, the program has sought to characterise the gold lines through mapping, examination of the workings, collection of structural data, and selective rock chip sampling.

A total of 1,275 rock-chip samples were collected. This program proved highly effective in identifying a number of strongly anomalous gold trends while dismissing others. The most prospective new trends identified to date are the Bass Hanging Wall Shear Zone, a line of workings located northwest of West Oliver, Oliver and East Elgin (see Figure 12). None of these trends have been drill-tested.

Subject to permitting, reconnaissance drilling is planned to test the stronger mineralised trends.

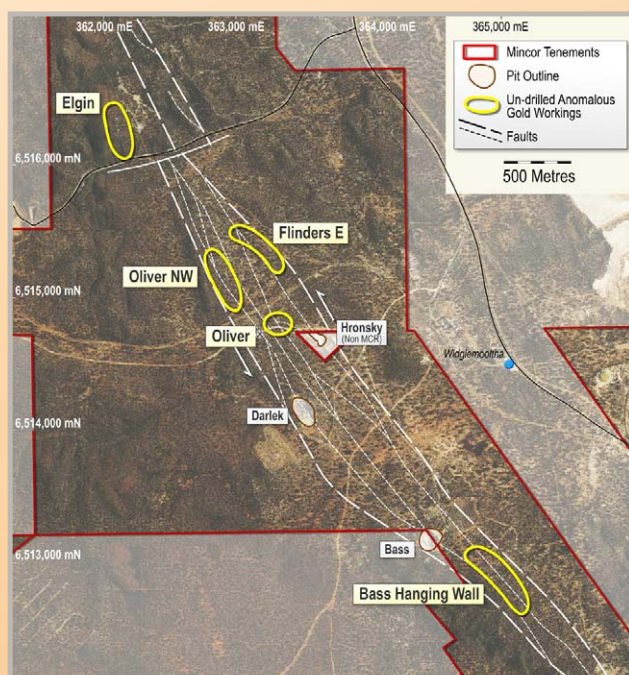


Figure 12: North Widgiemooltha gold prospects location map
– from south to north: Bass, South Oliver, Oliver, West Oliver and Elgin East

TARGET AREA 3 – Dordie Intrusive

A soil sampling program was conducted at the Dordie Intrusive prospect, spanning M15/93 and E15/812. The program consisted of 207 soil samples which were positioned across the south-eastern extent of the Dordie granite where it meets basalt and ultramafic lithologies.

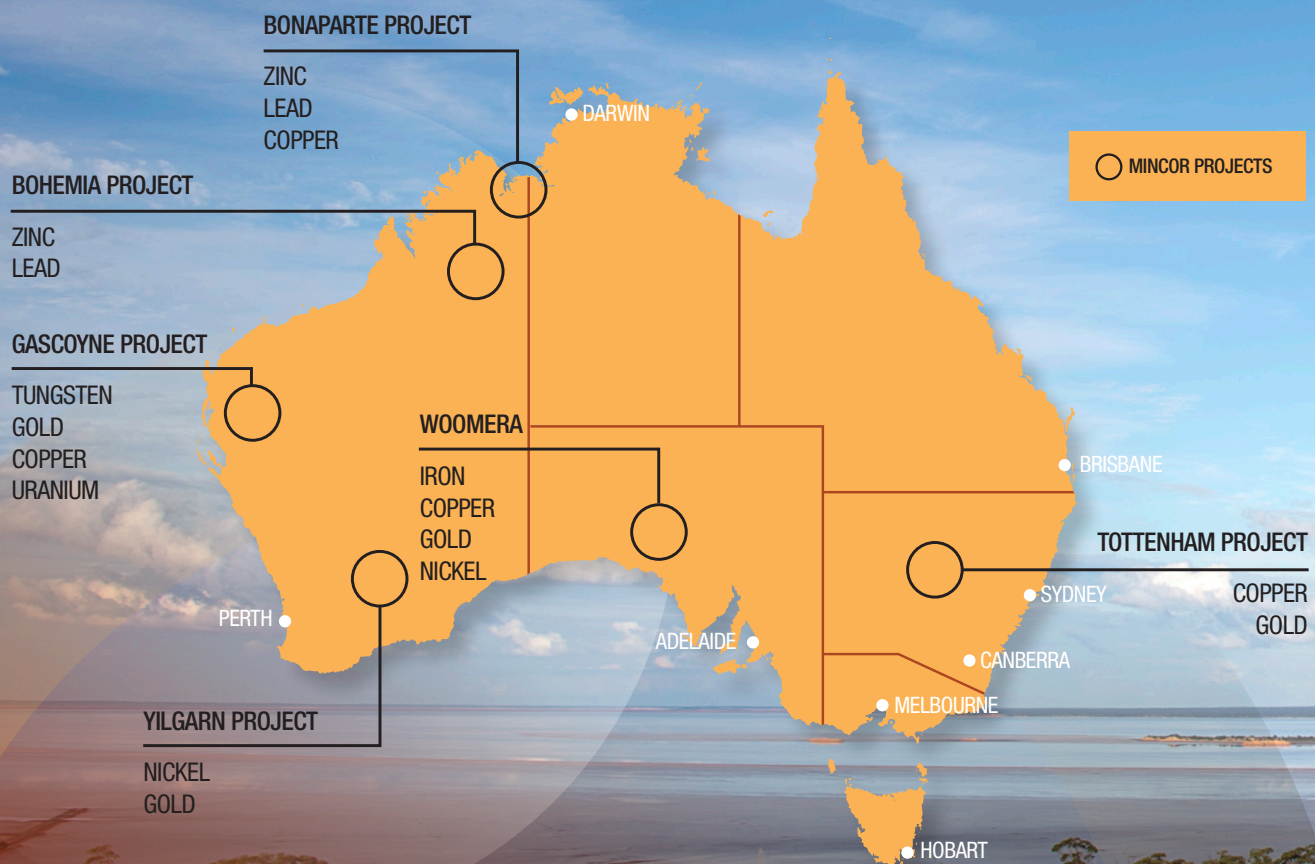
Assays returned elevated gold values with a peak of 600.8ppb gold in an area of significant outcrop/subcrop. However subsequent ground checks and results of rock-chip sampling provided no anomalous assays. The priority of the south-eastern extent of the Dordie granite has been lowered at this stage though further investigation to test the intrusive contact along strike is planned.

A PoW application has been submitted to the DMP to carry out a drill program to test the Dordie Intrusive contact concealed undercover where it strikes north from Dordie Hillside.

TARGET AREA 4 – Lake Zot dolerite and TARGET AREA 5 – Deep Leads

Program of Works (PoW) applications have been submitted to the Department of Mines and Petroleum (DMP) in the September quarter to drill-test the Deep Leads targets and Lake Zot dolerite. A Heritage survey is planned over the Deep Leads program located north of Cassini.

AUSTRALIA-WIDE MINERAL EXPLORATION



IN ADDITION TO ITS INTENSIVE EXPLORATION IN KAMBALDA, MINCOR MAINTAINS AN ACTIVE EXPLORATION PROGRAM ACROSS A HIGH-QUALITY SUITE OF AUSTRALIAN PROJECTS, SEARCHING FOR ECONOMIC DEPOSITS OF GOLD, COPPER, ZINC AND OTHER METALS. MINCOR HAS CURRENT PROJECTS IN NEW SOUTH WALES, SOUTH AUSTRALIA AND WESTERN AUSTRALIA.

TOTTENHAM COPPER-GOLD PROJECT

(Mincor 100%)

The Tottenham Copper Project is located in the Lachlan Fold Belt of New South Wales. The geological setting is similar to that of the Girilambone group of mines, including the Murrawombie (formerly Girilambone) and Tritton copper mines operated by Straits Resources. Tottenham is located 160 kilometres southeast of the CSA Copper-Silver Mine and Peak Gold Mine near Cobar.

Tottenham is an historic copper mining district with small-scale production dating back to the 1880s. Mineralisation occurs in volcano-sedimentary rocks of the Girilambone Group, which in the Tottenham area are folded into a broad antiform, with mineralisation located at or near a prominent quartz-magnetite marker horizon.

The geological setting is similar to copper deposits at Tritton and Murrawombie, which occur in the same rock suite about 120 kilometres northwest of Tottenham. The Tritton Copper Mine (13 million tonnes @ 2.4% copper) and its satellite deposits are typical of volcanogenic massive sulphide (VMS) deposits worldwide.

Mincor's initial work in the area focused on the near-surface potential, and during 2006/07 the Company carried out exploration and drilling programs that led to the delineation of a maiden JORC-compliant Inferred Resource in February 2008.

Mincor's second drilling campaign was carried out between January and July 2011, totalling 28 diamond holes over five target areas, including Mount Royal-Orange Plains, Carolina, Jimmy Woodser, Underlay and Effies Ace. The results are highly encouraging with district-scale copper sulphide mineralisation intersected at intervals along approximately 15 kilometres of the strike of the prospective horizons. All but two of Mincor's 28 holes intersected some level of copper and gold mineralisation.

Using the 2011 drilling information a new resource estimate was completed.

Table 5: Tottenham Mineral Resource (at a 0.4% copper cut-off)

LOCATION	INFERRED (TONNES)	GRADE (Cu %)	INDICATED (TONNES)	GRADE (Cu %)	TOTAL TONNES	GRADE (Cu %)	CONTAINED METAL (TONNES)
Mt Royal	418,600	0.9	3,183,700	0.9	3,602,300	0.9	33,860
Carolina	2,174,100	1.4	1,214,600	1.7	3,388,700	1.5	51,850
Total	2,592,700	1.3	4,398,300	1.2	6,991,000	1.2	85,700

Notes: Ore tonnage figures have been rounded to the nearest 100 tonnes. Grades have been rounded to the first decimal point. Estimation of contained copper may not equal ore tonnes x grade due to rounding.

The information in this 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 2012 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.

At Tottenham a reconnaissance air-core drilling program at Burdenda tested the northern extension of a concealed quartz-magnetite unit some 8 kilometres north of the Carolina resource. This key stratigraphic horizon hosts copper mineralisation in the district. Drilling returned a significant reconnaissance result in TMAC003: 10 metres @ 3,706ppm copper, 666ppm zinc, 0.2ppm silver and 5ppb gold. Follow up drilling is planned. The intersection is within weathered basalt

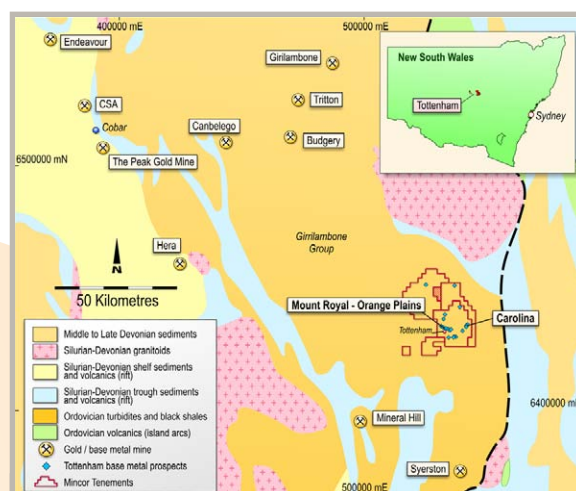


Figure 13: Regional location of the Tottenham Copper-Gold Project and Mincor's tenement holdings

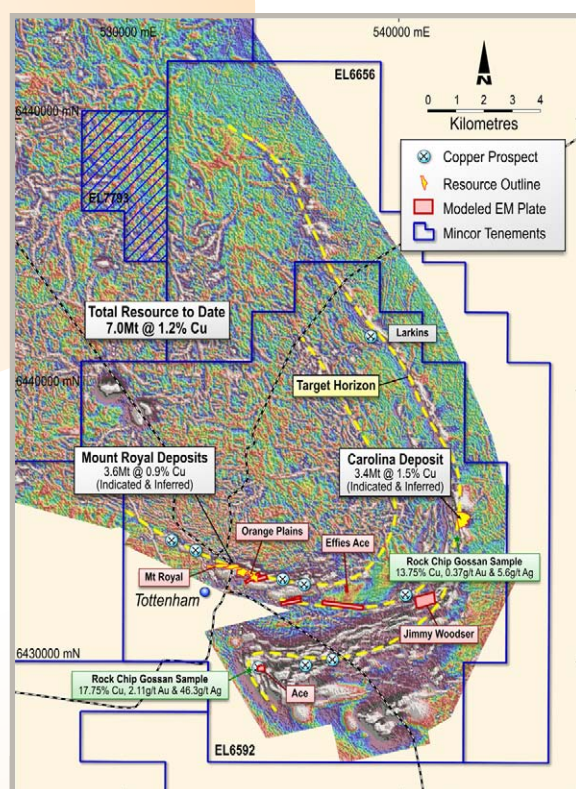


Figure 14: Magnetic intensity image and priority EM targets at Tottenham

A small six-hole air-core program was completed at the Hudson soil anomaly located northwest of Mount Royal. No significant results were returned and no further work is planned.

Mincor resubmitted all previous Tottenham soil samples for gold analysis and the results have generated a new regional target, with a coincident copper-gold soil anomaly identified at Larkins. Larkins is a historic shaft and has drilling immediately below it with no significant results. However the new soil anomaly extends in a line for about 1.2 kilometres, with peak values of 62ppm copper and 44ppb gold. The anomaly is coincident with an untested VTEM conductor. The historic workings and drill holes appear to be located in the footwall of these anomalies. Follow up drilling is planned.

A large reconnaissance soil sampling program was completed at Eumbalme and west of the Chris Watson prospect with no significant results returned.

BOHEMIA ZINC PROJECT

(Mincor 100%)

Mincor's Bohemia tenements lie along the Lennard Shelf, which is the northern edge of the Canning Basin in northern Western Australia. The Lennard Shelf is a well-known zinc-lead mining district, with past production of more than 40 million tonnes of ore at grades of around 11% combined zinc plus lead.

Empirical evidence based on gravity data suggests that the largest of the known Lennard Shelf deposits are associated with cross faults ('transfer structures') that cut across the 'frontal fault' that is the overriding 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 and 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.

Mincor carried out an initial detailed stream sediment survey that confirmed the Nullara Limestone as highly anomalous and re-confirmed historic stream anomalies. Detailed structural and geochemical work and the assistance of an expert consultant has enabled Mincor to identify two high-priority targets based on stratigraphic and seismic analysis as well as field mapping.

Future work is planned to test these priority targets, and this will include gravity and where applicable Induced Polarisation (IP) surveys and drill-testing.

BONAPARTE ZINC-LEAD PROJECT

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

Mincor, together with joint venture partner JOGMEC (Japan Oil, Gas and Metals National Corporation), continues to explore for sedimentary-hosted zinc, lead and copper deposits within the onshore Bonaparte Basin. The area is underlain by prospective Devonian and Carboniferous rocks with numerous zinc, lead and copper occurrences. Previous work focused on the Redbank Hills prospect, targeting surface gossans and sporadic copper and zinc mineralisation in Devonian sandstones and shales.

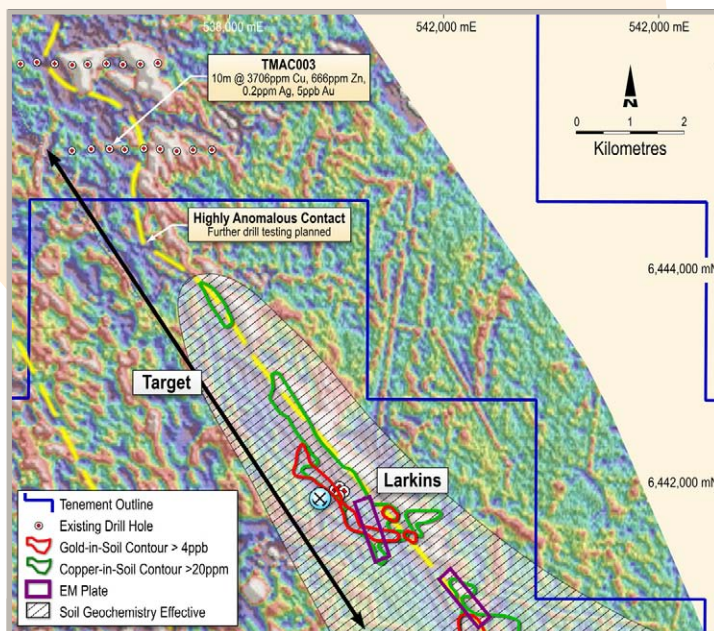


Figure 15: Larkins soil anomaly and VTEM image

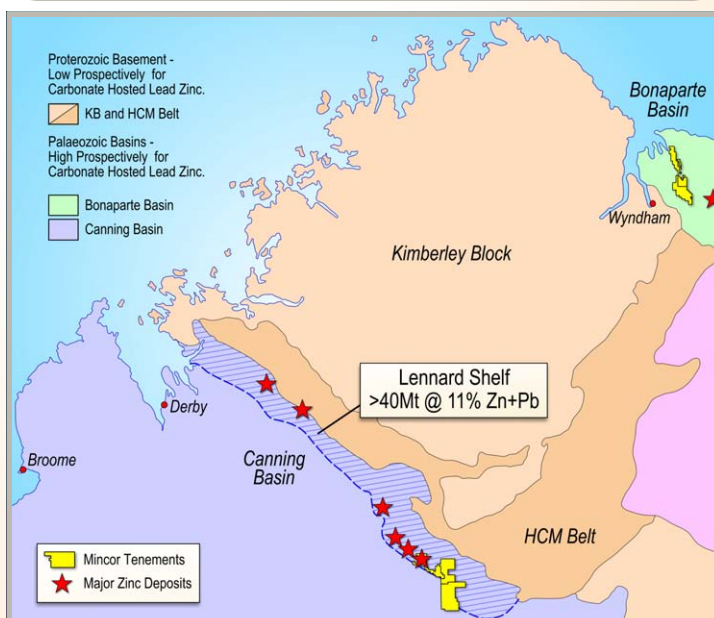


Figure 16: Location of Bohemia tenements

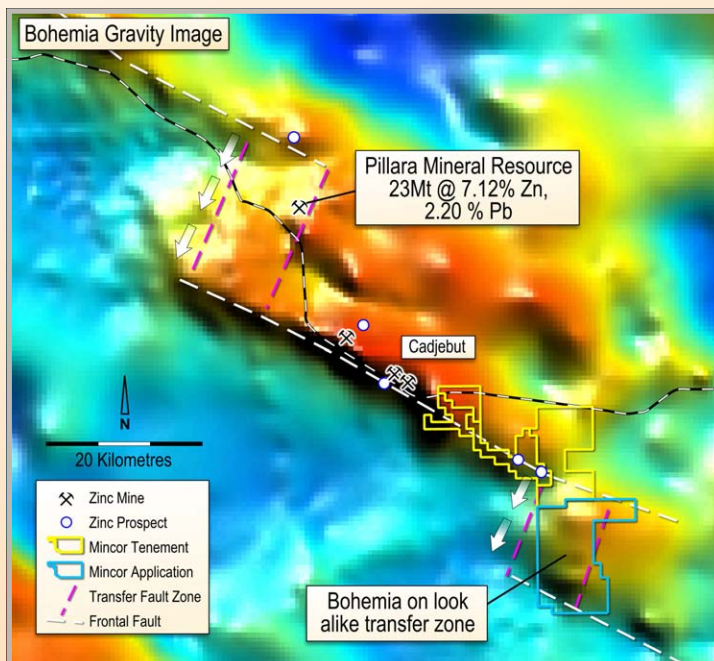


Figure 17: Regional gravity image showing the location of the Bohemia target

This year Mincor has consolidated its ground holdings by surrendering a substantial portion of its tenement package. The joint venture is now contemplating an IP survey over Martin's Gossan. Martin's Gossan is the most significant zinc and lead soil anomaly in the region.

Mincor is currently negotiating with the Department of Environment and Conservation, Department of Mines and Petroleum (DMP), and MG Corporation to obtain access to the highly prospective Ningbing Range tenement applications (100% Mincor, E80/4350-51) where historic drilling has intersected up to 21 metres @ 1.86% zinc (including 2 metres @ 4.5% zinc and 1 metre @ 4.85% zinc) in an area where just four of 12 known gossans have been tested. Negotiations have been difficult, and a tripartite agreement has yet to be reached. If the access issues are not resolved in the near future then Mincor will withdraw from the tenements.

GASCOYNE URANIUM PROJECT

(Mincor 100%)

The Gascoyne Uranium Project consists of two granted exploration licences east of Carnarvon in Western Australia's Gascoyne region. The tenements cover numerous newly discovered occurrences of surficial and basement hosted uranium mineralisation.

Mincor's current focus is on the basement hosted uranium potential of the area. Extensive surface uranium mineralisation has been discovered at Cattle Pool through several phases of exploration, including air-core drilling, costeaning, and a detailed RadonX emanometry survey. This work has outlined extensive secondary U_3O_8 mineralisation (U-K vanadates) present in a variety of settings.

A VTEM survey was undertaken in 2011 and the results highlighted a number of significant formational conductors, possibly associated with graphitic metasediments, within the older Pooranoo Metamorphic basement. A clear spatial association with known uranium occurrences and the proximity of the conductors to the younger Bangemall Group unconformity is highly encouraging, and provides a focus for future exploration. Integration of the VTEM data with soil radon and spectrometric (uranium-thorium) data collected in 2008 to 2010, has now been carried out and defines clear targets for drilling.

In accordance with new requirements for a Program of Works application for a uranium project in WA, Mincor has updated its Radiation Management Plan (RMP) for the Gascoyne Project and final DMP approval of the RMP has been obtained.

EARLY-STAGE TENEMENTS

WOOMERA

Mincor has two granted tenements, EL-4932 and EL-4931, at Woomera (northern Gawler Craton) in South Australia. In the northern Gawler Craton, the target is BIF hosted magnetite (Mt Christie-Sequoia Type) within the Archaean Mulgathing Suite metasediments.

Apollo Minerals Limited entered into a joint venture with Mincor covering tenement EL-4932, as announced to the Australian Stock Exchange on 11 February 2013. Under the terms of the Agreement, Apollo may earn a 75% joint venture interest through the expenditure of \$2 million on exploration over three years. Further details may be found in the Apollo announcement.

For EL-4931 (Mincor 100%) an Access Deed was lodged with the Woomera Prohibited Area Coordination Office, and Mincor is advised that the Deed has been processed. Mincor has also entered into an Indigenous Land Use Agreement (ILUA) with the Antakirinja Matu-Yankuntjatjara Aboriginal Corporation. Registration of the ILUA (by Department for Manufacturing, Innovation, Trade, Resources and Energy) is required before field work can commence.

KAMBALDA WEST JOINT VENTURE

(Mincor 70%)

After the completion of one final RC hole, the project tenements were surrendered and the joint venture wound up.

GEORGINA ZINC-LEAD JOINT VENTURE

All project tenements were surrendered in September 2012 and the JOGMEC joint venture wound up in October 2012. All statutory reporting was completed in November 2012.

OTHER

Mincor surrendered a number of its 100% owned early-stage tenements around Australia as they failed to meet hurdles needed to justify further work. These include Terrace Hill, Savage River, Acraman, Cunyarie, and Carr Boyd Range.

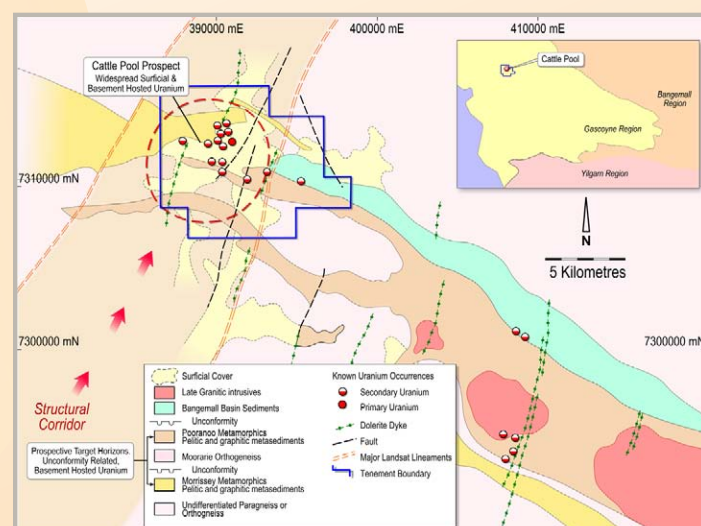


Figure 18: Gascoyne - project area showing regional geology and prospect locations

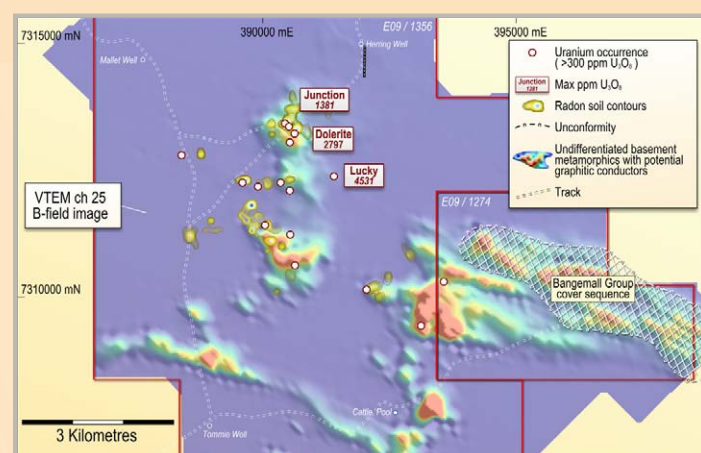


Figure 19: Gascoyne - coincident radon uranium occurrences possibly related to primary uranium in basement conductors



Villager wearing traditional dress at the Bolobip Custom Day, Bolobip camp site, May 2013
(photo by Rhys Lennings)

PAPUA NEW GUINEA EXPLORATION

“ MINCOR’S EXPLORATION IN PNG IS TARGETED AT VERY LARGE SCALE, WORLD CLASS PORPHYRY COPPER-GOLD DEPOSITS AND HIGH GRADE EPITHERMAL GOLD DEPOSITS. ”



Mincor’s exploration in PNG is targeted at very large scale, world class porphyry copper-gold deposits and high grade epithermal gold deposits.

Currently the main focus is at Bolobip, a porphyry copper-gold target located 60 kilometres east of Ok Tedi, and May River, which hosts multiple porphyry and epithermal targets adjacent to the giant Frieda River deposits within the Frieda River Intrusive Complex. Project locations in PNG are shown in Figure 20.



Figure 20: Mincor’s project locations in Papua New Guinea

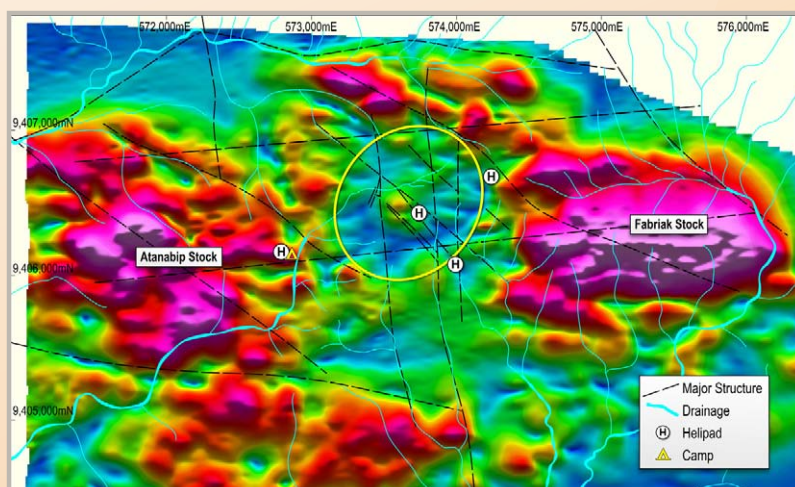


Figure 21: Image of processed aeromagnetic data showing subtle detail within the magnetic low that defines the Kourou area (circled) and adjacent magnetic highs

Taking off from Bolobip camp prior to commencing survey work for the day, April 2013 (photo by Rhys Lennings)

BOLOBIP COPPER-GOLD PROSPECT

(Mincor earning up to 72%)

The Bolobip prospect comprises a diorite-monzonite multiphase intrusive complex similar in age and geological setting to the Ok Tedi mine, which is located approximately 60 kilometres to the west.

Attention has focused on the Koum Stock where in the late 1980s CRA Exploration reported encouraging results from bench, ridge and spur, and grid-based soil and rock chip sampling.

Mincor's compilation of this data revealed the presence of a (roughly one kilometre diameter) copper and gold anomaly rimmed with elevated zinc, lead and manganese; a geochemical signature consistent with the presence of a leached cap above a mineralised copper-gold porphyry deposit.

Mincor's fieldwork, carried out in 2013, focused on this area.

Work included:

1. Prospect-scale geological mapping along ridges, spurs, benches and creeks, including alteration mapping and litho-type sampling (the latter totalling 32 rock-chip samples from outcrop and three rock float samples).
2. Submission of 23 litho-type samples for petrographic study and interpretation.
3. Excavation of 10 new benches (Bench 4-12) over the Koum Stock totalling 2,010 metres, bench mapping and selective 2-metre channel sampling along Benches 4 and 5, totalling 18 samples over 32.5 metres.
4. Line clearing and pegging out of planned hand-auger ridge/spur soil sampling over Atanabip Stock at 25-metre centres (actual sample collection has not yet commenced).
5. Completion of a helimagnetic/radiometric survey comprising 441.48 line kilometres (50-metre spacing).

This work shows that the host rock over the main prospect area is dominated by dacite (felspar porphyry) with roof pendants of siltstone, mudstone and minor shale. These units have been intruded by intermediate acid rocks of monzonite composition. At least two phases of intermediate acid intrusion are recognised:

- Intrusion and related hydrothermal alteration associated with the mineralised, but mostly buried, Koum Stock.
- Strongly magnetic stocks at Atanabip and Fabriak. These intrusions are post-mineral stocks of monzonite composition that are distinguishable from the Koum Stock by their strongly magnetic character and apparent lack of hydrothermal alteration (see Figures 21 and 22).

The helimagnetic/radiometric survey was successfully completed and is the first geophysical survey ever carried out in the area. Initial imaging highlights a weakly magnetic core and demagnetised annulus to the Koum Stock with a coincident potassium high. This anomalous potassium response could be related to potassic alteration.

The Atanabip and Fabriak monzonite intrusions form distinct magnetic highs flanking the Koum system. Processed magnetic data highlights near-surface hematite-magnetite alteration in the carapace of the Koum Stock. Images of the magnetic and radiometric data are shown in Figures 21 and 22.

Overall, the survey indicates clear magnetic disturbance within the Koum area together with an anomalous potassium radiometric response, both of which, together with anomalous gold and copper geochemistry, are consistent with but not conclusive of the presence of a mineralised porphyry system at depth.

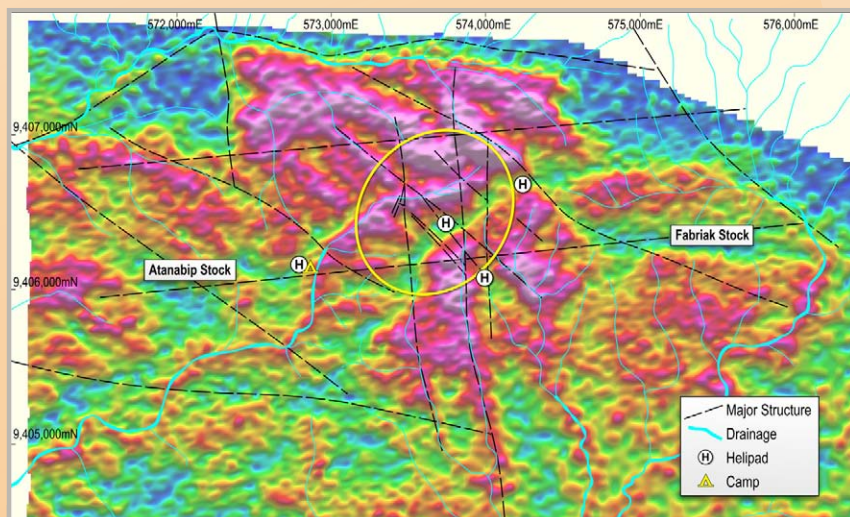


Figure 22: Image of potassium radiometric data showing a distinct high in and around the Koum area

MAY RIVER COPPER-GOLD PROSPECT

(Mincor earning up to 72%)

General maintenance and community affairs work continued at May River whilst the focus of fieldwork shifted to Bolobip. Following completion of the airborne VTEM survey over North May River and coincident VTEM and ZTEM surveys over South May River (Figure 23), there remains a suite of untested anomalies to follow up in the next stage of work.

In the south, these targets comprise anomalies in association with known prospects such as at Skirasia, where old reports describe previous drilling as having yielded 109 metres at 1.53g/t gold from surface (06SK98) and 54 metres at 1.83g/t gold from 106 to 160 metres depth (11SK98) as well as new targets such as coincident anomalies clustered around the Iku Hill intrusive (Figure 24). The results of the VTEM and ZTEM surveys were discussed in some detail in Mincor's 2012 annual report.

In the north, where the principal target is VMS-style massive sulphide copper-gold associated with the Dimaie Volcanics, it appears that the VTEM survey has effectively screened the main area of interest, clearly identifying known mineralisation at the Ofou 1, 2 and 4 prospects whilst downgrading the potential of Ofou 3 and 5. A strong new anomaly was also identified which has been named Ofou 6. Old reports describe drill results that include 11 metres at 10.6% copper, 1.9g/t gold (9UF97) and 19 metres at 11.4% copper, 2.1g/t gold (10UF97) at Ofou 4.

EDIE CREEK GOLD PROSPECT

(Mincor 17%)

Mincor completed its work at Edie Creek at the end of March 2013. Exploration included blanket soil sampling and ground magnetics, detailed mapping, trenching and sampling, and a 12-hole diamond drilling program. This work clearly demonstrated the presence of an epithermal and mesothermal gold system. However, the Company believes that this system is widely dispersed and likely to have generated numerous small gold deposits rather than a single viable ore deposit. Therefore, while potential remains, the rewards no longer justify the costs and Mincor elected to cease expenditure on the project.

By the end of March 2013 Mincor had spent just over \$5 million on the project and was therefore entitled to a 17% fully-vested interest in the Edie Creek Joint Venture. Mincor now holds this interest but has elected to dilute rather than contribute to further exploration costs.

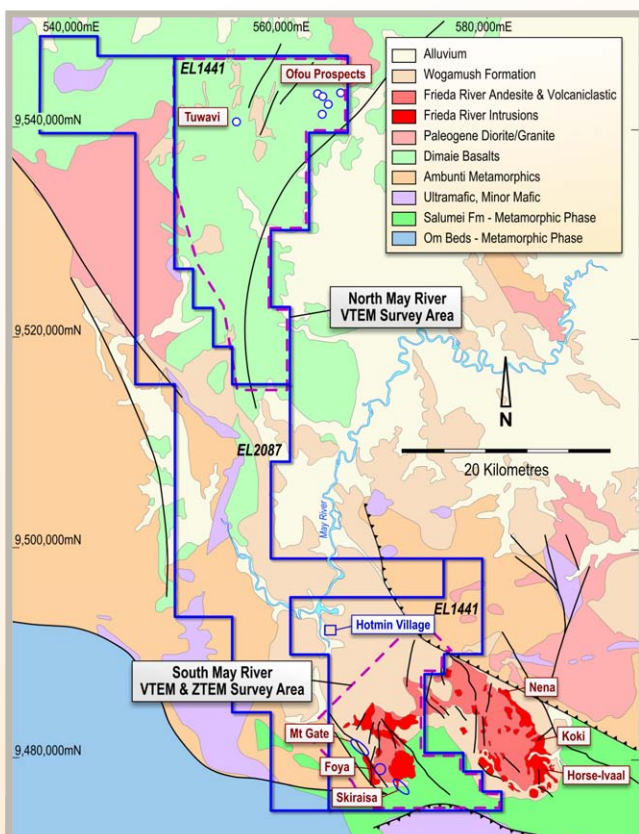


Figure 23A: North and South May River geology with prospect and deposit locations (South May River is underlain by the eastern part of the same geological complex that hosts the Frieda deposits)

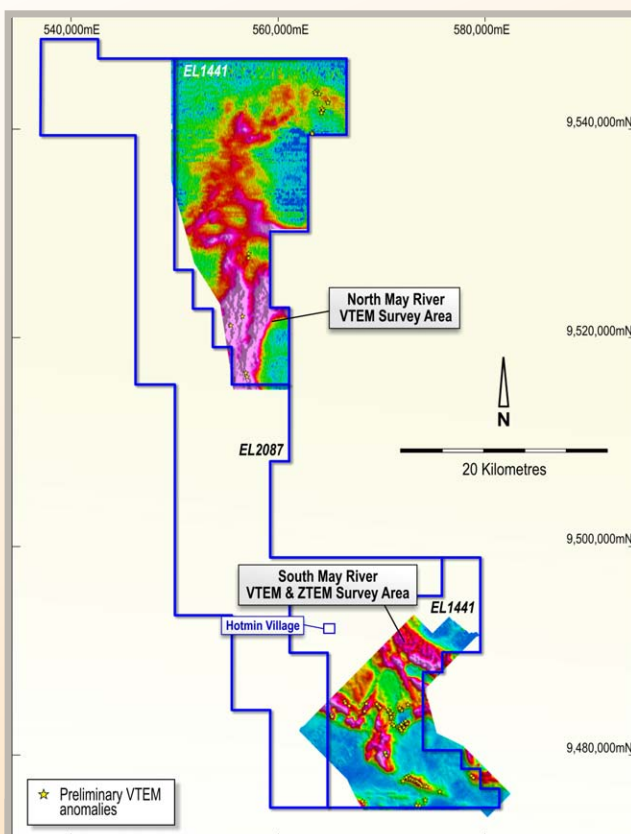


Figure 23B: May River EL1441 showing targets and VTEM image



Bolobip local workforce with the Mincor team, Bolobip helipad, May 2013 (photo by Rhys Lennings)

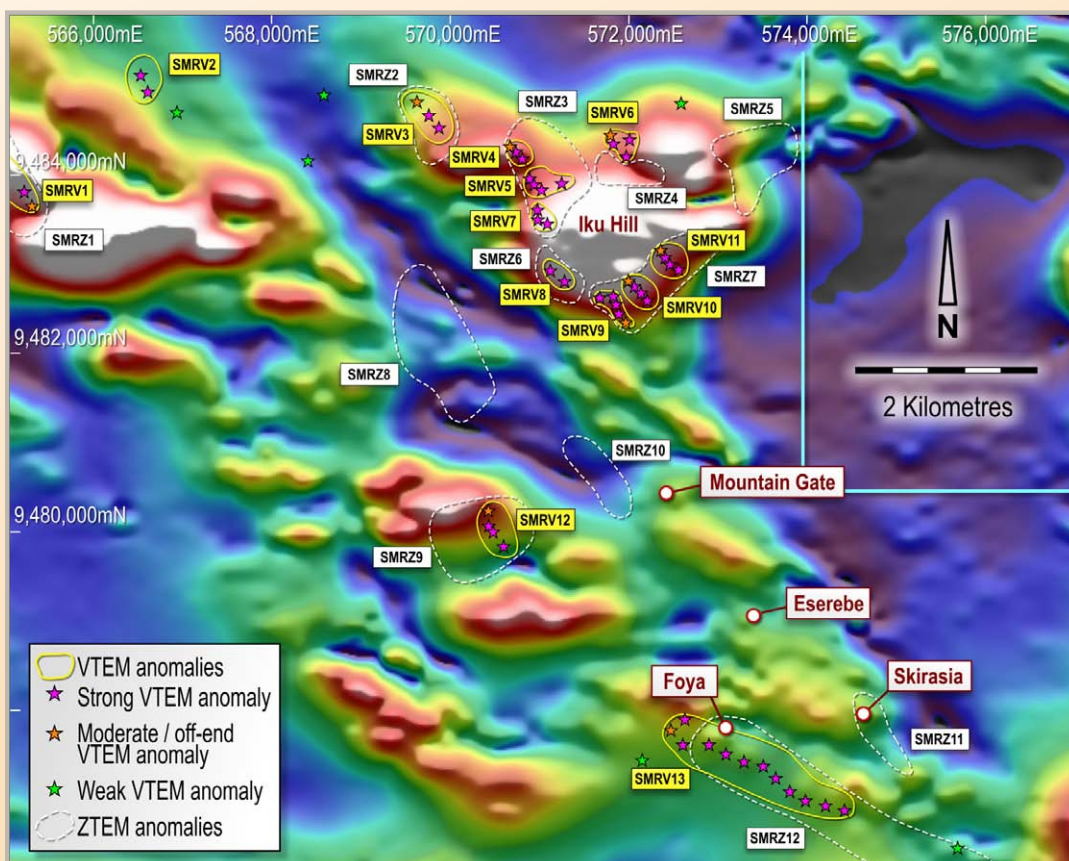


Figure 24: Known prospects together with ZTEM and VTEM (airborne electromagnetic) anomalies in the South May River area. Note the cluster of anomalies identified by Mincor/Niuminco around Iku Hill as well as other coincident anomalies. This is supported by magnetics (not shown here) with a northwesterly structural trend that appears to control mineralisation, similar to Frieda River a short distance to the east.



ACRONYMS AND DEFINITIONS



ACRONYMS

CET	(University of Western Australia's) Centre for Exploration Targeting
DHEM	down-hole electromagnetics (use of this technique via a probe inserted in a drill-hole)
DMP	Department of Mines and Petroleum
EM	electromagnetic (a geophysical prospecting technique that uses the electrically conductive nature of massive sulphides to aid in their discovery)
ILUA	Indigenous Land Use Agreement
IP	Induced Polarisation – another geophysical technique that relies on the electromagnetic properties of certain ore bodies to aid in their detection
JOGMEC	Japan Oil, Gas and Metals National Corporation
MERIWA	Minerals Exploration Research Institute of Western Australia
MgO	magnesium oxide
Ni	nickel
PNG	Papua New Guinea
PoW	Program of Works
RC	reverse circulation (percussion drilling with improved recovery and lower contamination due to the configuration of the drill stem. Generates chips of rock, not core)
RMP	Radiation Management Plan
USNOB	Ultra-Sized Nickel Ore Body (defined by Mincor to be a nickel ore body containing more than 100,000 tonnes of nickel metal at mineable grades better than 3.5% nickel)
TEM	transient electromagnetic (a form of EM geophysical survey)
U₃O₈	the most commonly occurring natural form of uranium
VMS	volcanogenic massive sulphides
VTEM	Versatile Time Domain Electromagnetic survey (a helicopter-borne airborne EM survey)
ZTEM	Z Axis Tipper Electromagnetic System (an advanced airborne electromagnetic technique designed to map the conductivity and resistivity of the earth)

DEFINITIONS

BASAL CONTACT	In the Kambalda District, this term refers to the contact between two rock types – the overlying ultramafic rocks (representing ancient lava flows) and the underlying basalt (being the surface upon which the lava flowed). Every significant Kambalda nickel ore body discovered to date occurs at or close to this contact.
CONTAINED NICKEL METAL	Nickel contained in the ore, before any metallurgical recoveries are applied.
DISSEMINATED SULPHIDES	A form of mineralisation where the economic sulphide mineral is finely disseminated through the rock.
EPITHERMAL DEPOSITS	These deposits are formed within about one kilometre of the Earth's surface in the range of 50 to 200°C. These deposits are typically found in volcanic rocks; the chief metals are gold, silver and mercury.
FOOTWALL BASALT	The basalt rock that occurs in the footwall of nickel ore bodies – the same rock unit whose contact with the ultramafic rock forms the basal contact.
GIRILAMBONE GROUP	The formal name of a sequence of rock formations in New South Wales, dated to Ordovician times.
GOSSANS	Oxidised (weathered) forms of naturally occurring sulphides, often forming the weathered (outcropping) portion of a sulphide ore body.
HANGING WALL	A mining term that refers to the rock unit lying stratigraphically and/or physically directly above an ore body. In most Kambalda mines the hanging wall is the ultramafic lava that lies directly above the nickel ore body on the basal contact.
MASSIVE SULPHIDES	A rock type comprised wholly of sulphide minerals.
MINERAL RESOURCES	Is a concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such a form, quantity and quality that there are reasonable prospects for eventual economic extraction. The location, quality, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
NICKEL-IN-CONCENTRATE	Nickel contained in a concentrate of sulphide minerals formed after processing the ore through a concentrator plant. Typically a Kambalda nickel concentrate will contain about 12-13% nickel (upgraded from ore containing about 3% nickel). Some nickel is lost in this process, and so nickel-in-concentrate will typically be approximately 88-93% of the nickel-in-ore. Nickel-in-concentrate is the material that Mincor actually sells.
NICKEL-IN-ORE	This refers to nickel contained in the ore that Mincor mines, before metallurgical recoveries are applied. Nickel-in-ore is the nickel Mincor refers to when quoting mineral resources and ore reserves. After taking into account metallurgical recoveries of 88-93%, nickel-in-ore converts to nickel-in-concentrate, which is the material Mincor actually sells.
ORE RESERVES	Is the economically mineable part of a Measured and/or Indicated Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out that demonstrate at the time of reporting that extraction could be reasonably justified.
PORPHYRY INTRUSION	A form of igneous rock that has, in a molten state, intruded (cut through) pre-existing rock units. In Kambalda such intrusions can adversely affect both the exploration for and the mining of nickel ore bodies.
QUARTZ MAGNETITE UNIT	A distinctive rock unit comprising quartz and magnetite, often formed in association with submarine volcanism.
RADONX EMANOMETRY	Indirect prospecting method for uranium, relying on the measurement of the concentration of naturally occurring radon gas.
STRATIGRAPHY	The study of stratified rocks (sedimentary and volcanic rocks), their sequence in time, their characteristics, and their correlation in different localities.
ULTRAMAFIC ROCKS	Igneous rocks consisting mostly of ferromagnesium minerals to the virtual exclusion of quartz and feldspar. They are comparatively rare in the earth's crust. Ultramafic lavas, such as occur at Kambalda, are particularly rare and are hardly known to have formed at all since the end of Archean times.



STATEMENT OF HEALTH, SAFETY AND ENVIRONMENTAL POLICIES

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 11 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.
- 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 2013

Corporate Governance Statement	34
Directors' Report	44
Auditor's Independence Declaration	59
Consolidated Income Statement	60
Consolidated Statement of Comprehensive Income	61
Consolidated Statement of Financial Position	62
Consolidated Statement of Changes in Equity	63
Consolidated Statement of Cash Flows	64
Notes to the Financial Statements	65
Directors' Declaration	105
Independent Auditor's Report	106
Additional Shareholder Information	108

These financial statements are the consolidated financial statements of the consolidated entity consisting of Mincor Resources NL and its subsidiaries. The financial statements are presented in the Australian currency.

Mincor Resources NL is a company incorporated and domiciled in Australia.

Its registered office is:
Level 1, 56 Ord Street
West Perth, Western Australia, 6005
AUSTRALIA

The financial statements were authorised for issue by the Directors on 14 August 2013.
The Directors have the power to amend and reissue the financial statements.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mincor Resources NL ("the Company") is responsible for corporate governance of the Company. The Company 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. Some of these policies and procedures are summarised in this statement.

The Company has followed each of the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition ("ASX Principles and Recommendations"), as it considers each of the recommendations to be an appropriate benchmark for its corporate governance practices.

The following table sets out the Company's position with regard to adoption of the ASX Principles and Recommendations.

	ASX P & R	If not, why not		ASX P & R	If not, why not
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 4.4	✓	
Recommendation 2.1	✓		Recommendation 5.1	✓	
Recommendation 2.2	✓		Recommendation 5.2	✓	
Recommendation 2.3	✓		Recommendation 6.1	✓	
Recommendation 2.4	✓		Recommendation 6.2	✓	
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2	✓	
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2	✓		Recommendation 7.4	✓	
Recommendation 3.3	✓		Recommendation 8.1	✓	
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5	✓		Recommendation 8.3	✓	
Recommendation 4.1	✓		Recommendation 8.4	✓	

Further information about the Company's corporate governance practices including charters, policies and procedures may be found at the Company's website at www.mincor.com.au, under the section marked Corporate Governance. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the recommendations to which they relate, are set out below.

	Recommendation(s)
Charters	
Board	1.1, 1.3
Audit Committee	4.3, 4.4
Nomination Committee	2.6
Remuneration Committee	8.4
Policies and Procedures	
Policy and Procedure for Selection and (Re)Appointment of Directors	2.6
Process for Performance Evaluation	1.2, 2.5
Policy on Assessing the Independence of Directors	2.6
Diversity Policy	3.2, 3.5
Code of Conduct	3.1, 3.5
Policy on ASX Continuous Disclosure and Compliance Procedures (summary)	5.1, 5.2
Procedure for Selection, Appointment and Rotation of External Auditor	4.4
Shareholder Communication Policy	6.1, 6.2
Risk Management Policy (summary)	7.1, 7.4

DISCLOSURE – PRINCIPLES AND RECOMMENDATIONS

The Company reports below on how it has followed each of the Principles and Recommendations during the 2012/2013 financial year ("Reporting Period"). The information in this statement is current at 14 August 2013.

PRINCIPLE 1 – Lay Solid Foundations for Management and Oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Board's objectives are to:

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

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. 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, 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 Board delegates responsibility for running the Company's affairs and implementing the policies and strategy set by the Board to the Managing Director, who is accountable to the Board. The Company has established the functions delegated to senior executives which are set out in its Board Charter.

Senior executives are responsible for supporting and assisting the Managing Director to conduct the general operations and financial business of the Company in accordance with the delegated authority of the Board and to progress the strategic direction provided by the Board.

The Board holds at least four 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 Managing Director, although during the Reporting Period no such meetings occurred. At each meeting of the Board time is allocated for consideration of strategic planning issues.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The Managing Director is responsible for evaluating the performance of senior executives by conducting formal interviews with each of the senior executives. The Managing Director documents the evaluations and reports the outcome of those evaluations to the Board when required.

Recommendation 1.3:

Companies should provide the information indicated in the Guide to reporting on Principle 1.

Disclosure:

During the Reporting Period an evaluation of senior executives took place in accordance with the process disclosed at Recommendation 1.2.

PRINCIPLE 2 – Structure the Board to Add Value**Recommendation 2.1:**

A majority of the Board should be independent directors.

Disclosure:

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 recognises the corporate benefits arising from Board diversity. The Board seeks to have a mix of skills and diversity amongst its members, with a majority of independent members in accordance with Recommendation 2.1. The skills, knowledge and experience which the Board considers to be particularly relevant to the Company are financial qualifications and experience; mining industry knowledge and experience; and engineering and geology expertise. Currently there are no female members on the Board however, should a vacancy exist in the future, the Board will consider a diverse range of candidates in accordance with its Diversity Policy.

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 three years between ceasing such employment and serving on the Board;

CORPORATE GOVERNANCE STATEMENT

- has within the last three 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.

The Board also considers the Company's materiality thresholds when assessing the independence of directors. The materiality thresholds are set out in the disclosures under Recommendation 2.6 below.

Messrs DJ Humann, IF Burston and JW Gardner are 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 judgement.

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

Recommendation 2.2:

The Chair should be an independent director.

Disclosure:

The independent Chair of the Board is Mr DJ Humann.

Recommendation 2.3:

The roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

Disclosure:

The Managing Director is Mr DCA Moore who is not Chair of the Board.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Disclosure:

The Board has established a Nomination Committee.

The Nomination Committee has a separate charter which describes its role, composition, functions and responsibilities. A copy of the charter is set out on the Company's website.

Details of the number of meetings held and attendance at each Nomination Committee meeting during the Reporting Period are detailed below.

Name	No. of meetings held	No. of meetings attended
DJ Humann (Independent, non-executive)	1	1
DCA Moore (Not independent, executive)	1	1
IF Burston (Independent, non-executive)	1	1

Mr IF Burston is the Chair of the Nomination Committee so that the Chair of the committee is not also Chair of the Board.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

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. These evaluations occur annually, or as required, on an informal basis.

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 followed the disclosed process.

During the year, the Chairman (in conjunction with the Board) 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 committees functioned and how effectively they operated. No significant adverse issues were identified. The process applied during the year followed 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 followed the disclosed process.

Recommendation 2.6:

Companies should provide the information indicated in the Guide to reporting on Principle 2.

Disclosure:

The following additional information is provided with respect to reporting on *Principle 2*.

Company's materiality thresholds

When assessing Company matters, the Board considers the following quantitative and qualitative materiality thresholds, which are set out in the Company's Board Charter:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net assets;
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more;
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%; and
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of independent professional advice

If a Director considers it necessary to obtain independent professional advice to properly discharge their responsibilities 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.

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 three years following their appointment without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders. Re-appointment of directors is not automatic.

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. The Nomination Committee evaluates the range of skills, experience, expertise and diversity of the existing Board. In particular, the Nomination Committee identifies the particular skills and diversity that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board. A potential candidate is considered with reference to their skills and expertise in relation to other Board members. 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. Any appointment made by the Board is subject to ratification by shareholders at the next annual general meeting. The Policy for Selection and (Re)Appointment of Directors is available on the Company's website.

PRINCIPLE 3 – Promote Ethical and Responsible Decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

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 standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders and the broader community.

CORPORATE GOVERNANCE STATEMENT

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 fulfilment of the wider obligations of the Company and its staff to people affected by its operations, and for responsible management of the environment.

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.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and the progress in achieving them.

Disclosure:

The Board has established a policy concerning diversity. The Diversity Policy describes the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Company performance. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the process by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. A copy of the Company's Diversity Policy is set out on the Company's website.

Recommendation 3.3:

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

The measurable objectives set by the Board for the Reporting Period, and a report as to the Company's progress towards achieving the objectives is set out in the following table:

Measurable objective	Progress towards achieving objective
Equality in remuneration/pay scales.	Remuneration/pay scales across the organisation are reviewed annually as part of the annual remuneration review process. During this process any inequalities are identified and addressed. This took place during the Reporting Period.
Approach all recruitment and selection with equality that ensures no bias towards either male or female candidates (through job ads, briefings to recruitment agents, selection criteria based on experience, applicants considered on merit).	All recruitment and selection that took place during the Reporting Period was approached in accordance with the objective.
Approach all promotions with equality that ensures no bias towards male or female candidates (i.e. best person for the role).	All promotions that took place during the Reporting Period were approached in accordance with the objective.
Approach all training and career development opportunities with equality to ensure no bias towards any staff member(s).	All training and career development that took place during the Reporting Period was approached in accordance with the objective.
Offer flexible working arrangements for mothers of young children, provided the arrangement is acceptable to both the employee and the Company.	Flexible working arrangements continued to be offered in accordance with the objective during the Reporting Period. The arrangements are also reviewed as part of the annual performance and remuneration review process.
Establish new policies and/or review and amend existing policies and procedures designed to promote affirmative action in the workplace.	Policies were reviewed during the Reporting Period and amended (where necessary) to promote affirmative action in the workplace.
Consider, and if appropriate, implement a Paid Parental Leave Policy. Undertake an annual review of maternity and paternity leave policies as well as flexible working arrangements.	During the Reporting Period a Paid Parental Leave Policy was implemented and maternity and paternity leave policies were reviewed.
Review the Company's governance charter, policies and procedures to address diversity.	During the Reporting Period the Company's governance charter, policies and procedures were updated to address diversity.

Recommendation 3.4:

Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

Disclosure:

The Company does not have any women directors on its Board. A table showing the proportion of women across the organisation is set out below. The information in the table is current as at 30 June 2013.

	Male	Female	Total	Male (%)	Female (%)	Total (%)
Senior management positions	8	0	8	100	0	100
Other positions	176	32	208	85	15	100
Total	184	32	216	85	15	100

The Company has three Non-executive Directors, all of whom are male.

The Company is required to report to the Workplace Gender Equality Agency ("WGEA") each year, the number of female employees that are employed for the reporting period 1 April to 31 March.

A copy of the public report submitted to the WGEA can be found on Mincor's website www.mincor.com.au.

Recommendation 3.5:

Companies should provide the information indicated in the Guide to reporting on Principle 3.

Disclosure:

A copy of the Company's Code of Conduct and Diversity Policy are set out on the Company's website.

PRINCIPLE 4 – Safeguard Integrity in Financial Reporting**Recommendation 4.1:**

The Board should establish an Audit Committee.

Disclosure:

The Company has established an Audit Committee. The main responsibilities of the Audit Committee are to:

- monitor and review the integrity of the financial reporting of the Company, including reviewing significant financial reporting judgements;
- review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- monitor and review compliance with the Company's Code of Conduct; and
- perform such other functions as assigned by law, the Company's Constitution or the Board.

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.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- consists only of Non-executive Directors;
- consists of a majority of independent directors;
- is chaired by an independent Chair, who is not Chair of the Board; and
- has at least three members.

Disclosure:

The Audit Committee is structured in accordance with Recommendation 4.2 and ASX Listing Rule 12.7. The members of the Audit Committee, their status and the number of times they met during the Reporting Period are outlined in the following table.

CORPORATE GOVERNANCE STATEMENT

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

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Audit Committee operates under an established Audit Committee Charter which is available on the Company's website. The charter describes the Audit Committee's role, composition, functions and responsibilities.

Recommendation 4.4:

Companies should provide the information indicated in the Guide to reporting on Principle 4.

Disclosure:

The following additional information is provided with respect to reporting on Principle 4.

Selection, appointment and rotation of external auditor

The Company has established procedures for the selection, appointment and rotation of its external auditor which are available on the Company's website. 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. 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.

PRINCIPLE 5 – Make Timely and Balanced Disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance.

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 in place a Policy on Continuous Disclosure. The policy raises awareness of the Company's obligations under the continuous disclosure regime; establishes a process to ensure that information about the Company which may be market sensitive and which may require disclosure is brought to the attention of the person primarily responsible for ensuring that the Company complies with its continuous disclosure obligations in a timely manner and is kept confidential; and sets out the obligations of directors, officers, employees and contractors of the Company to ensure that the Company complies with its continuous disclosure obligations.

The Company has also established detailed compliance procedures for ASX Listing Rule disclosure requirements which cover the following areas:

- procedures to ensure that information which may be market sensitive and which may require disclosure under Listing Rule 3.1 is promptly assessed to determine whether it requires disclosure and if it does, is given to ASX promptly and without delay;
- procedures to correct or prevent a false market in the Company's securities;
- measures for safeguarding confidentiality of corporate information;
- procedures for media contact and comment and external communications such as analyst briefings and responses to shareholder questions;
- guidance on drafting announcements; and
- updating of procedures.

To ensure accountability at a senior executive level the Company has appointed an officer responsible for ensuring compliance with its Policy on Continuous Disclosure and Compliance Procedures, copies of which are available on the Company's website.

Recommendation 5.2:

Companies should provide the information indicated in the Guide to reporting on Principle 5.

Disclosure:

A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are available on the Company's website.

PRINCIPLE 6 – Respect the Rights of Shareholders**Recommendation 6.1:**

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Company values its relationship with shareholders and understands the importance of communication with them in accordance with the requirements of the ASX. As disclosed above, the Company has a Policy on Continuous Disclosure to ensure it is in compliance with the continuous disclosure obligations of the ASX. The Company also has a Shareholder Communication Policy for keeping shareholders up to date with Company information.

To keep shareholders informed the Company maintains a website at www.mincor.com.au, on which the Company makes the following information available:

- Company announcements for the last three years;
- Information briefings to media and analysts for the last three years;
- Notices of meetings and explanatory materials;
- Financial information for the last three years; and
- Annual reports for the last three 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.

Recommendation 6.2:

Companies should provide the information indicated in the Guide to reporting on Principle 6.

Disclosure:

A copy of the Company's Shareholder Communication Strategy is available on the Company's website.

PRINCIPLE 7 – Recognise and Manage Risk**Recommendation 7.1:**

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

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.

CORPORATE GOVERNANCE STATEMENT

The Company has 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.

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.

Major categories of risks reported on within the Risk Register include operational risk, environmental risk, sustainability, statutory reporting and compliance, financial risks (including financial reporting, treasury, information technology and taxation), occupational health and safety risks, and market related risks.

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.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

At the request of the Board, management have designed, implemented and maintained risk management and internal control systems to manage the Company's material business risks. Management are required to report to the Board confirming that risks are being managed effectively. During the Reporting Period the Board received reports from management regarding the effectiveness of the Company's management of its material business risks.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

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 risks.

Recommendation 7.4:

Companies should provide the information indicated in the Guide to reporting on Principle 7.

Disclosure:

A summary of the Company's Risk Management Policy is available on the Company's website.

PRINCIPLE 8 – Remunerate Fairly and Responsibly

Recommendation 8.1:

The Board should establish a Remuneration Committee.

Disclosure:

The Company has established a Remuneration Committee. The Remuneration Committee has a separate charter which describes its role, composition, functions and responsibilities. A copy of the charter is set out on the Company's website.

Details of the number of meetings held and attendance at each Remuneration Committee meeting during the Reporting Period are detailed below.

Name	No. of meetings held	No. of meetings attended
DJ Humann (Independent, non-executive)	1	1
JW Gardner (Independent, non-executive)	1	1
IF Burston (Independent, non-executive)	1	1

Recommendation 8.2:

The Remuneration Committee should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent chair; and
- has at least three members.

Disclosure:

The Remuneration Committee is, and was at all times during the Reporting Period, structured in accordance with Recommendation 8.2 and ASX Listing Rule 12.8.

Mr IF Burston is the Chair of the Remuneration Committee so that the Chair of the committee is not also Chair of the Board.

Recommendation 8.3:

Companies should clearly distinguish the structure of Non-executive Directors' remuneration from that of executive directors and senior executives.

Disclosure:

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. Remuneration for Non-executive Directors is not linked to the performance of the Company. 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. The Company does not issue options to Non-executive Directors.

The pay and reward framework for executive directors and senior executives consists of a combination of base salary and benefits, short term performance incentives, long term incentives through participation in employee share schemes and other remuneration. This remuneration framework aligns the remuneration of executives and senior management with the achievement of strategic objectives and the creation of value for shareholders.

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

Recommendation 8.4:

Companies should provide the information indicated in the Guide to reporting on Principle 8.

Disclosure:

There are no termination or retirement benefits for Non-executive Directors (other than for statutory superannuation).

A copy of the Company's Remuneration Committee Charter is set out on the Company's website. The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

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

DIRECTORS' REPORT

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 2013.

DIRECTORS

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

Name	Particulars	Shareholding Interest
DJ Humann FCA, FCPA, FAICD (Chairman)	<p>Experience and expertise</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 1995. 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>Other current directorships</p> <p>Non-executive chairman of Advanced Braking Technologies Ltd and Atomaer Holdings Pty Ltd. Non-executive director of India Resources Ltd and Future Directions International Pty Ltd. Director of James Anne Holdings Pty Ltd.</p> <p>Former directorships in last three years</p> <p>Non-executive director of Braemore Resources PLC from 2006 to 2010. Non-executive director of Matrix Metals from 2000 to 2010. Non-executive director of Durack Estates Ltd (Bahamas) from 1997 to 2011. Non-executive chairman of Logicamms Ltd from 2009 to 2012. Non-executive chairman of Exxaro Australia Sands Pty Ltd from 1998 to 2012.</p>	500,000 shares
DCA Moore (Managing Director)	<p>Experience and expertise</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 led 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>Other current directorships</p> <p>None.</p> <p>Former directorships in last three years</p> <p>None.</p>	4,245,000 shares

Name	Particulars	Shareholding Interest
IF Burston	<p>Experience and expertise</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>Other current directorships</p> <p>Non-executive chairman of NRW Holdings Ltd and Kori Iron Limited. Non-executive director of TGP Limited.</p> <p>Former directorships in last three years</p> <p>Non-executive chairman of Carrick Gold Ltd from 2009 to 2010. Non-executive chairman of Condor Nickel Ltd from 2009 to 2010. Non-executive chairman of Broome Port Authority from 2004 to 2010. Non-executive chairman of African Iron Ltd from 2011 to 2012. Non-executive director of Fortescue Metals Group Ltd from 2008 to 2011.</p>	50,000 shares
JW Gardner	<p>Experience and expertise</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 (Mechanical) degree and is a Fellow of the Institution of Engineers Australia. He has completed the Australian Administrative Staff College residential program. 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>Other current directorships</p> <p>Chairman of Viking Ashanti Limited. Non-executive director of Vortex Minerals Pty Ltd, Mineraus Resources Pty Ltd, Greenline Investments Pty Ltd, Bayfield Enterprises Pty Ltd and Aerial Holdings Pty Ltd.</p> <p>Former directorships in last three years</p> <p>Non-executive director of Viking Metals Pty Ltd from 2007 to 2010.</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 25 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 8,637 tonnes of nickel-in-concentrate during the year ended 30 June 2013 (2012: 9,179 tonnes of nickel-in-concentrate).

During the year, the Company's South Kambalda Operations (Miitel and Mariners) produced 221,312 dry metric tonnes at an average grade of 3.03%, to produce 5,885 tonnes of nickel-in-concentrate.

The Company's North Kambalda Operations (including Otter Juan, Coronet and McMahon) produced 90,763 dry metric tonnes at an average grade of 3.30%, to produce 2,752 tonnes of nickel-in-concentrate.

Exploration and Development Projects

During the year, the Company spent \$14,871,000 on exploration activities, comprising \$4,128,000 on regional exploration activities, \$4,678,000 on extensional exploration activities and \$6,065,000 on exploration activities in Papua New Guinea ("PNG").

Exploration and development drilling continued throughout the period, with considerable success at Mariners Nickel Mine and Miitel Nickel Mine. Exciting gold exploration targets were identified near the Company's Kambalda nickel mines.

Drilling was completed at the Edie Creek Project and a major helimagnetic/radiometric survey was successfully completed at the Bolobip Project in PNG. In May 2013 the Company suspended exploration operations in PNG for an unspecified period of time and consequently has chosen to write off costs totalling \$11,400,000 incurred on its PNG projects.

The Company has committed to an aggressive exploration drilling program targeting gold, nickel and other base metals on its tenements throughout Australia.

Corporate

As a result of the weak nickel price environment during the year, the Company has no nickel sold forward at 30 June 2013.

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 12 months to 30 June 2013, 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 \$22,449,000 (2012 profit: \$242,000).

DIVIDENDS

On 26 September 2012 the Company paid a fully franked annual dividend of 2 cents per share to shareholders in respect of the year ended 30 June 2012.

On 22 March 2013 the Company paid a fully franked interim dividend of 2 cents per share in respect of the year ending 30 June 2013.

On 14 August 2013 the Directors declared a fully franked final dividend of 2 cents per share in respect of the year ended 30 June 2013.

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 2013, and the number of meetings attended by each Director were:

	Total Directors Meetings Available	Directors Meetings Attended	Total Audit Committee Meetings Available	Audit Committee Meetings Attended
DJ Humann	6	6	4	4
DCA Moore	6	6	-	-
JW Gardner	6	6	4	4
IF Burston	6	6	4	4

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

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (Cth) and its Regulations. For the purposes of this report, Key Management Personnel of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term 'Executive' encompasses the Managing Director, senior executives, and operations managers of the Company and the consolidated entity.

The Key Management Personnel of Mincor Resources NL and the consolidated entity during the year included:

a) Directors

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

b) Named Executives

B Lynn	Chief Financial Officer/Company Secretary
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 2012.

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

Key Elements of Key Management Personnel/Executive Remuneration Strategy

Mincor Resources NL's remuneration strategy is designed to provide rewards that:

- attract, retain, motivate and reward executives;
- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- link rewards with the strategic goals and performance of the Company;
- provide remuneration arrangements that are competitive by market standards;
- align executive interests with those of the Company's shareholders;
- comply with applicable legal requirements and appropriate standards of governance;
- preserve the independence of non-executive directors by remunerating them with fixed fees only.

REMUNERATION REPORT (continued)

Key Developments on Remuneration Strategy for Executives

As noted in last year's Remuneration Report, the Company undertook a comprehensive review of its remuneration strategy during the previous financial year ended 30 June 2012 to ensure its remuneration framework reflected current business needs, shareholder views and contemporary market practice and were appropriate to attract, motivate, retain and reward employees.

Following this review, a new incentive scheme with the following key elements was implemented from 1 July 2012:

Remuneration Component	Vehicle	Purpose	Link to Performance
Fixed Remuneration	Base salary. Superannuation contributions. Other benefits.	Provide competitive remuneration with reference to role and responsibilities, market and experience, to attract high calibre people.	Executive performance and remuneration packages are reviewed at least annually by the Board and the Remuneration Committee. The review process includes consideration of individual performance in addition to the overall performance of the consolidated entity.
Performance based; Short-term incentive ("STI")	Cash bonus.	Provide reward to executives for the achievement of individual and group performance targets linked to the Company's strategic objectives.	Award of STI linked directly to achievement of key performance indicators ("KPIs") and performance targets, where possible.
Performance based; Long-term incentive ("LTI")	Performance Rights Plan.	Provide reward to executives for their continued service and their contribution to achieving corporate objectives set by the Board to ensure the long-term growth of the Company.	Award of LTI linked directly to achievement of strategic Company objectives.

The new arrangements place greater emphasis on the link between each senior executive's variable 'at risk' remuneration and their performance and that of the Company.

The Remuneration Report is set out under the following main headings:

- Decision-making Authority for Remuneration
- Principles used to determine the Nature and Amount of Remuneration
- Details of Remuneration
- Service Agreements
- Share-based Compensation
- Additional Information

a) Decision-making Authority for Remuneration

The Company's remuneration policy and strategies are overseen by the Remuneration Committee on behalf of the Board. The Remuneration Committee is responsible for making recommendations to the Board on all aspects of remuneration arrangements for key management personnel including the:

- Company's remuneration policy and framework;
- remuneration arrangements for the Managing Director and other senior executives;
- terms and conditions of long-term incentives and short-term incentives for the Managing Director and other senior executives (including performance targets);
- terms and conditions of employee incentive schemes; and
- appropriate remuneration to be paid to Non-executive Directors.

The Remuneration Committee Charter is approved by the Board and is published on the Company's website.

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 and overseas.

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.

b) Principles used to determine the Nature and Amount of Remuneration

The Company's remuneration practices are designed to attract, retain, motivate and reward high calibre individuals capable of delivering the strategic objectives of the business.

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 Remuneration Committee ensures that the remuneration of key management personnel is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance. The structure and level of remuneration for key management personnel is conducted annually by the Remuneration Committee relative to the Company's circumstances, size, nature of business and 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. No advice was received during the year ended 30 June 2013. 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.

In order to maintain their independence and impartiality, the fees paid to Non-executive Directors are not linked to the performance of the Company.

i) Directors' 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. The Chairman's and Non-executive Directors' remuneration is inclusive of committee fees.

ii) Retirement allowances for Non-executive Directors

No retirement allowances exist for Non-executive Directors.

Remuneration of Key Management Personnel

The intention of the Company's pay and reward framework is to ensure reward structures are aligned with shareholders' interests by:

- being market competitive to attract and retain high calibre individuals;
- rewarding high individual performance;
- recognising the contribution of each key management personnel to the continued growth and success of the Company; and
- ensuring that long-term incentives are linked to shareholder value.

To achieve these objectives, the remuneration of key management personnel comprises a fixed salary component and an 'at risk' variable component linked to the performance of the individual and the Company as a whole.

Fixed remuneration comprises base salary, superannuation contributions and other defined benefits. 'At risk' variable remuneration comprises both short-term and long-term incentives.

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

- fixed remuneration – base salary;
- variable short-term performance incentives;
- variable long-term incentives through participation in employee share schemes, including the Performance Rights Plan, the Mincor Employee Share Option Plan (terminated effective 1 December 2011), and the Mincor Resources Executive Share Option Scheme (terminated effective 1 December 2011); and
- other remuneration.

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

i) Fixed remuneration – base salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and the knowledge, skills and experience required for each position.

Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It 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.

REMUNERATION REPORT (continued)

b) Principles used to determine the Nature and Amount of Remuneration (continued)

Remuneration of Key Management Personnel (continued)

i) Fixed remuneration – base salary (continued)

Key management personnel are offered a competitive base salary 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 salary for key management personnel is reviewed annually to ensure the executives' 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) Variable remuneration – short-term incentives ("STIs")

As indicated above, and following a comprehensive review, the Company has introduced a new cash based 'Mincor Short Term Incentive Scheme' which applies to executives and was effective from 1 July 2012. Where considered appropriate by the Board, the new Scheme provides an annual 'at risk' component for executive remuneration and is designed to link any STI payment with the achievement by each key management personnel of objective and measurable key performance indicators ("KPIs") which are in turn linked to the Company's strategic objectives and targets. The KPIs are established at the start of each financial year. Any STI is paid at the end of the financial year and will be determined by the extent to which KPIs have been achieved.

The Board has determined for certain executives that it is neither possible nor appropriate to establish objective and measurable KPIs linked to the Company's strategic objectives and targets, due to the breadth of their role in an ever changing business environment and the fact that their strategic decision-making should not be influenced by short-term considerations. For these executives, the Board retains the capacity to recognise outstanding performance by awarding an annual bonus of up to 15% of salary, provided the following process is followed:

- the Managing Director makes a recommendation to the Remuneration Committee at the end of each calendar year which includes a specific justification for the bonus, and the level of bonus proposed;
- the Remuneration Committee considers the recommendation and if it agrees, recommends it to the Board; and
- the Board approves the bonus provided they believe Company circumstances make it appropriate for any bonuses to be paid in that year. The Board has absolute discretion in this regard.

The maximum total gross benefit payable to any executive under the Mincor Short Term Incentive Scheme is limited to 15% of their fixed remuneration. The Board has discretion to reduce or suspend any bonus payments where Company circumstances render it inappropriate.

iii) Variable remuneration – long-term incentives ("LTIs")

Historically, LTIs have been provided to certain employees via the Executive Share Option Scheme. Information on the Executive Share Option Scheme is set out in Note 31 to the financial statements.

As previously noted, following the review of the Company's incentive policies, the Company replaced the Executive Share Option Plan with the Performance Rights Plan, effective 1 July 2012.

The Performance Rights Plan provides a variable long term 'at risk' component for executive remuneration. The objective of the Performance Rights Plan is to provide incentives for senior executives which promote both the long-term performance and growth of the Company and the retention of the Company's senior executives.

Under the Performance Rights Plan senior executives are granted performance rights over ordinary shares in the Company for no consideration. The performance rights will be granted subject to the following vesting conditions:

- continuous service condition, usually three years from the date of grant; and
- the achievement of Strategic Objectives Conditions measured over the three-year period, and set by the Board at the time of granting the performance rights.

The Strategic Objectives Conditions include:

- a **safety and sustainability component**;
- an **operational performance component**, including production, cost control and growth in ore reserves; and
- a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

Each component of the Strategic Objectives Conditions will be earned on a sliding scale basis depending on the degree of success achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will carry no dividend or voting rights. When exercised, each performance right will be converted into one ordinary share.

c) Details of Remuneration

Details of the remuneration of the Directors and the key management personnel of the consolidated entity are set out in the following tables.

i) Key Management Personnel of Mincor Resources NL and its controlled entities

Name	Short-term Employee Benefits					Post-employment Benefits	Long-term Benefits	Share-based Payments		Total \$
	Directors fees \$	Salary \$	Bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Long service leave \$	Performance rights \$	Options \$	
2013										
Non-executive Directors										
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	-	110,000
JW Gardner	35,738	-	-	-	-	19,262	-	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	-	55,000
Sub-total	190,838	-	-	-	-	29,162	-	-	-	220,000
Executive Directors										
DCA Moore	-	574,412	-	-	588	25,000	9,585	-	-	609,585
Other Key Management Personnel										
B Lynn	-	366,231	1,500	-	588	17,181	8,148	10,200	8,617	412,465
GL Fariss	-	281,362	1,500	-	588	20,050	6,080	10,200	8,617	328,397
P Muccilli	-	264,942	1,500	-	588	16,470	5,807	10,200	8,617	308,124
Total	190,838	1,486,947	4,500	-	2,352	107,863	29,620	30,600	25,851	1,878,571
2012										
Non-executive Directors										
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	-	110,000
JW Gardner	55,000	-	-	-	-	-	-	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	-	55,000
Sub-total	210,100	-	-	-	-	9,900	-	-	-	220,000
Executive Directors										
DCA Moore	-	583,638	-	-	588	15,775	9,630	-	-	609,631
Other Key Management Personnel										
B Lynn	-	355,637	-	-	588	15,775	9,882	-	233,541	615,423
GL Fariss	-	267,449	-	-	588	15,775	6,094	-	233,541	523,447
P Muccilli	-	253,637	-	-	588	15,775	6,692	-	233,541	510,233
Total	210,100	1,460,361	-	-	2,352	73,000	32,298	-	700,623	2,478,734

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

c) Details of Remuneration (continued)

i) Key Management Personnel of Mincor Resources NL and its controlled entities (continued)

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

Name	Fixed Remuneration 2013	At Risk – LTI 2013	At Risk – STI 2013
Directors of Mincor Resources NL			
DJ Humann (Chairman)	100%	-	-
DCA Moore	100%	-	-
JW Gardner	100%	-	-
IF Burston	100%	-	-
Other Key Management Personnel of the consolidated entity			
B Lynn	95%	5%	-
GL Fariss	94%	6%	-
P Muccilli	94%	6%	-

ii) Cash bonuses and share-based compensation benefits

For each cash bonus and grant of performance rights 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		Share-based Compensation (options)			
	Paid %	Forfeited %	Year granted	Vested %	Forfeited %	Financial year in which options may vest
DCA Moore	-	-	-	-	-	-
B Lynn	-	-	2012	100	-	2013
GL Fariss	-	-	2012	100	-	2013
P Muccilli	-	-	2012	100	-	2013

Name	Share-based Compensation (performance rights)			
	Year granted	Vested %	Forfeited %	Financial year in which performance rights may vest
DCA Moore	-	-	-	-
B Lynn	2013	-	-	2016
GL Fariss	2013	-	-	2016
P Muccilli	2013	-	-	2016

d) Service Agreements

Remuneration and other terms of employment for the Managing Director and other key management personnel are formalised in employment contracts. 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 one to three 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 2013 of \$600,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to three months 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 2013 of \$384,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one 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 2013 of \$302,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one 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 2013 of \$282,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

e) Share-based Compensation

i) Options

Mincor Resources Executive Share Option Scheme

The Mincor Resources Executive Share Option Scheme ("**Scheme**") was introduced on 8 May 2006 and was terminated during the 2012 financial year. Persons eligible to participate in the Scheme included key employees, who were determined at the discretion of the Directors.

Options were granted under the Scheme for no consideration for a maximum period of five years and can be exercised at any time between the date the option vests 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 determined at the discretion of the Directors and is set to incentivise the executives to increase shareholder value.

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.

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
18 July 2011	100% after 18 July 2013	17 July 2015	\$1.32	\$0.1767
5 October 2011	100% after 6 October 2012	4 October 2015	\$1.03	\$0.0862

All of the above options were granted to certain senior executives under the Executive Share Option Scheme, pursuant to specified terms and conditions.

All options granted carry no dividend or voting rights.

Mincor Resources Senior Manager Share Options

As noted in the Company's announcement to the Australian Stock Exchange on 14 September 2012, the Company was required to issue 600,000 unlisted options to a senior manager as part of a negotiation to secure the employment of that individual, and are considered to be a "one off" issue of options made outside of previously existing options plans which have all been terminated.

The options were granted to an employee on 13 September 2012 for no consideration, with an exercise price of \$1.16 and can be exercised any time between the date the options vest (12 September 2015) and the expiry date (12 September 2016), 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.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

e) Share-based Compensation (continued)

i) Options (continued)

Mincor Resources Senior Manager Share Options (continued)

The exercise price of the options was determined at the discretion of the Directors and was set to incentivise the employee to increase shareholder value.

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

The terms and conditions of these options affecting remuneration in the current or a future reporting period are as follows:

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
13 September 2012	100% after 12 September 2015	12 September 2016	\$1.16	\$0.1382

These options were granted to a senior manager, pursuant to specified terms and conditions.

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 31 to the financial statements.

Name	Number of Options Granted during the Year 2013	Number of Options Vested during the Year 2013
Directors of Mincor Resources NL		
DJ Humann (Chairman)	-	-
DCA Moore	-	-
JW Gardner	-	-
IF Burston	-	-
Other Key Management Personnel of the consolidated entity		
B Lynn	-	400,000
GL Fariss	-	400,000
P Muccilli	-	400,000

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 June 2013 was 13.82 cents for options granted on 13 September 2012. The fair value at grant date is independently determined using the Binomial option valuation methodology that takes into account the exercise price, the term of the option, the impact of dilution, 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 model inputs for the options granted during the year ended 30 June 2013 included:

2013	Options are granted for no consideration and will vest over 36 months
Exercise price	\$1.16
Grant date	13 September 2012
Expiry date	12 September 2016
Share price at grant date	\$0.80
Expected price volatility of the Company's shares	46%
Expected dividend yield	5%
Risk-free interest rate	2.66%

Further information on the options is set out in Note 31 to the financial statements.

ii) Performance rights

Mincor Resources Performance Rights Plan

The Mincor Resources Performance Rights Plan ("Plan") was introduced following approval by the Board of Directors on 15 August 2012. Persons eligible to participate in the Plan include executive directors and all employees of the Company or a Related Body Corporate of the Company.

Performance rights are granted under the Plan over ordinary shares for no consideration. Performance rights are granted subject to one or all of the following vesting conditions:

- **Service Condition**, usually a three-year period commencing from the time of grant;
- **Strategic Objectives Conditions** measured over the Service Condition period, including:
 - a **safety and sustainability component**;
 - an **operation performance component**, including production, cost control and growth in ore reserves; and
 - a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

Each component of the Strategic Objectives Conditions is earned on a sliding scale basis depending on the degree of success achieved in meeting performance metrics. Certain components of the performance rights may be earned annually but will only be paid when the Service Condition is achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will carry no dividend or voting rights. When exercised, each performance right will be converted into one ordinary share.

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting periods are set out below:

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2013/1	31 Jan 2013	31 Dec 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2015.</p> <p>Performance Conditions measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.53
2013/2	31 Jan 2013	31 Dec 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2015.</p> <p>Performance Conditions measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.53
2013/3	30 Jan 2013	31 Jan 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous period of 30 months ending 31 January 2015.</p> <p>Performance Conditions: None.</p>	\$0.93
2013/4	30 Jan 2013	31 Dec 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2015.</p> <p>Performance Conditions: None.</p>	\$0.70

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

e) Share-based Compensation (continued)

ii) Performance rights (continued)

Mincor Resources Performance Rights Plan (continued)

The 2013/1 and 2013/2 Performance Rights were issued to certain senior executives/managers pursuant to the Company's remuneration strategy.

The 2013/3 Performance Rights were issued to secure the employment of a senior manager.

All eligible employees were granted 1,000 performance rights each under the 2013/4 issue of Performance Rights.

Performance rights provided as remuneration

Details of performance rights 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 performance rights is set out in Note 31 to the financial statements.

Name	Number of Performance Rights Granted during the Year 2013	Number of Performance Rights Vested during the Year 2013
Directors of Mincor Resources NL		
DJ Humann (Chairman)	-	-
DCA Moore	-	-
JW Gardner	-	-
IF Burston	-	-
Other Key Management Personnel of the consolidated entity		
B Lynn	134,000	-
GL Fariss	134,000	-
P Muccilli	134,000	-

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Mincor Resources Performance Rights Plan during the year ended 30 June 2013 are set out in the table above. The fair value of the performance rights at grant date were calculated based on the market price of the Company's shares on the grant date, and adjusted to take into account the likelihood that all vesting conditions will be met during the Performance Period.

Further information on the performance rights is set out in Note 31 to the financial statements.

f) 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. Average key management personnel compensation has increased by approximately 3.5% per annum. The following table outlines the Company's performance over the last five years.

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 five financial years.

	2013	2012	2011	2010	2009
Net (loss)/profit attributable to shareholders of Mincor Resources NL (\$000)	(22,449)	242	(23,391)	28,100	(16,664)
(Loss)/earnings per share (cents)	(11.9)	0.0	(11.7)	14.1	(8.4)
Dividends paid (\$000)	7,528	7,854	16,049	14,012	15,911
Dividends paid per share (cents)	4.0	4.0	8.0	7.0	8.0
30 June share price (\$)	0.48	0.65	0.91	1.82	1.55

Details of remuneration

No ordinary shares in the Company were issued as a result of the exercise of remuneration options or the vesting of performance rights to each Director of Mincor Resources NL and other key management personnel of the consolidated entity during the year ended 30 June 2013.

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
31 January 2011	30 January 2015	\$2.60	3,000,000
1 April 2011	31 March 2015	\$1.95	2,000,000
19 May 2011	18 May 2015	\$1.60	2,000,000
18 July 2011	17 July 2015	\$1.32	2,000,000
5 October 2011	4 October 2015	\$1.03	2,000,000
13 September 2012	12 September 2016	\$1.16	600,000
			11,600,000

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

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares in the Company pursuant to the performance rights plan at the date of this report are as follows:

Date Performance Rights Granted	Expiry Date	Number of Performance Rights
30 January 2013	30 January 2017	195,000
31 January 2013	30 January 2017	450,000
30 January 2013	30 January 2017	30,000
31 January 2013	30 January 2017	870,000
		1,545,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during and/or since the year ended 30 June 2013 and up to the date of this report on the exercise of options granted by the Company.

SHARES ISSUED ON THE VESTING OF PERFORMANCE RIGHTS

No ordinary shares of the Company were issued during and since the year ended 30 June 2013 and up to the date of this report on the vesting of performance rights issue pursuant to the Mincor Resources Performance Rights Plan.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 14 August 2013 the Directors declared a fully franked dividend of 2 cents per share in respect of the year ended 30 June 2013.

CORPORATE GOVERNANCE

The Company's corporate governance policies and practices are set out separately in the Annual Report.

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 \$4,993,000 (2012: \$4,943,000). 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.

DIRECTORS' REPORT

ENVIRONMENTAL MATTERS (continued)

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 consolidated entity has implemented systems and processes for the collection and calculation of the data required and submitted its 2012/13 report to the Greenhouse and Energy Data Officer on 12 October 2012.

INSURANCE OF OFFICERS

During the year the Company has paid a premium in respect of Directors' and Executive Officers' insurance. The contract contains a prohibition on disclosure of the amount of the premium and the nature of the liabilities under the policy.

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 wilful 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 24 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 24, 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 (page 59).

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 14th day of August 2013 in accordance with a resolution of the Directors.



DCA Moore
Managing Director



Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2013, 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 year.

A handwritten signature in black ink, appearing to read 'David J. Smith'.

David J Smith
Partner
PricewaterhouseCoopers

Perth
14 August 2013

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
Revenue	3	98,578	121,556
Mining contractor costs		(7,926)	(13,320)
Ore tolling costs		(13,078)	(13,548)
Utilities expense		(6,628)	(8,177)
Mining supplies and consumables		(7,811)	(8,950)
Royalty expense		(3,224)	(3,822)
Employee benefit expense		(26,904)	(26,970)
Finance costs	4	(259)	(19)
Foreign exchange gain/(loss)		2,430	2,683
Exploration costs expensed	4	(15,510)	(4,006)
Depreciation and amortisation expense	4	(34,249)	(33,624)
Impairment of property, plant and equipment	4	(2,821)	-
Other expenses from ordinary activities		(9,315)	(10,689)
(Loss)/profit before income tax		(26,717)	1,114
Income tax benefit/(expense)	5	4,268	(872)
(Loss)/profit attributable to the members of Mincor Resources NL		(22,449)	242
		Cents	Cents
(Loss)/earnings per share	30	(11.9)	0.0
Diluted (loss)/earnings per share	30	(11.9)	0.0

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
(Loss)/profit for the year		(22,449)	242
Other comprehensive (loss)/income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges	18	(5,116)	(3,536)
Income tax relating to these items	5(c)	1,535	1,061
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of other financial assets at fair value through other comprehensive income	18	(1,235)	(4,690)
Income tax relating to these items	5(c)	370	1,407
Other comprehensive (loss) for the year, net of tax		(4,446)	(5,758)
Total comprehensive (loss) for the period attributable to the members of Mincor Resources NL		(26,895)	(5,516)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
Current Assets			
Cash and cash equivalents	29	34,269	75,898
Term deposits	29	25,392	-
Trade and other receivables	6	17,345	16,397
Inventory	7	3,437	3,926
Derivative financial instruments	8	-	8,509
Total Current Assets		80,443	104,730
Non-Current Assets			
Other financial assets at fair value through other comprehensive income	9	1,224	1,954
Property, plant and equipment	10	38,890	53,515
Evaluation and acquired exploration expenditure	11	13,248	18,415
Deferred tax asset	14	915	-
Total Non-Current Assets		54,277	73,884
TOTAL ASSETS		134,720	178,614
Current Liabilities			
Payables	12	9,477	14,387
Provisions	15	3,785	3,605
Total Current Liabilities		13,262	17,992
Non-Current Liabilities			
Provisions	15	5,813	5,658
Deferred tax liabilities	16	-	5,256
Total Non-Current Liabilities		5,813	10,914
TOTAL LIABILITIES		19,075	28,906
NET ASSETS		115,645	149,708
Equity			
Contributed equity	17	23,663	23,663
Reserves	18	847	4,933
Retained earnings	19	91,135	121,112
TOTAL EQUITY		115,645	149,708

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Contributed Equity \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 July 2011		32,753	128,724	9,370	170,847
Profit for the year		-	242	-	242
Other comprehensive loss for the year		-	-	(5,578)	(5,758)
Total comprehensive loss for the year		-	242	(5,758)	(5,516)
Transactions with owners in their capacity as owners:					
- Buy-back of ordinary shares, net of tax		(9,090)	-	-	(9,090)
- Dividends provided for or paid	20	-	(7,854)	-	(7,854)
- Employee share options	18	-	-	1,321	1,321
		(9,090)	(7,854)	1,321	(15,623)
Balance at 30 June 2012		23,663	121,112	4,933	149,708
Loss for the year		-	(22,449)	-	(22,449)
Other comprehensive loss for the year		-	-	(4,446)	(4,446)
Total comprehensive loss for the year		-	(22,449)	(4,446)	(26,895)
Transactions with owners in their capacity as owners:					
- Dividends provided for or paid	20	-	(7,528)	-	(7,528)
- Employee share options and performance rights	18	-	-	360	360
		-	(7,528)	360	(7,168)
Balance at 30 June 2013		23,663	91,135	847	115,645

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		111,284	135,429
Payments to suppliers and employees (inclusive of GST)		(88,189)	(99,233)
		23,095	36,196
Interest received		1,390	2,310
Other revenue		276	746
Income tax received/(paid)		-	1,357
Net Cash Inflow from Operating Activities	29(a)	24,761	40,609
Cash Flows from Investing Activities			
Payments for other financial assets at fair value through other comprehensive income		(504)	(5,000)
Payments for acquisition of exploration properties		-	(247)
Payments for property, plant and equipment		(22,870)	(21,209)
Payments for exploration, evaluation and development expenditure		(10,192)	(9,110)
Repayment of loans		81	-
Proceeds from sale of property, plant and equipment		15	457
Net Cash Outflow from Investing Activities		(33,470)	(35,109)
Cash Flows from Financing Activities			
Payments for shares bought back		-	(9,090)
Dividends paid		(7,528)	(7,854)
Net Cash Outflow from Financing Activities		(7,528)	(16,944)
Net Decrease in Cash and Cash Equivalents		(16,327)	(11,444)
Cash at the Beginning of the Financial Year		75,898	87,342
Cash at the End of the Financial Year	29(b)	59,661	75,898

The above Consolidated Statement of Cash Flows 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 these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Mincor Resources NL and its subsidiaries.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001*. Mincor Resources NL is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the consolidated entity comply 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 other financial assets at fair value through other comprehensive income, financial assets and liabilities (including derivative instruments) at fair value through profit or loss or equity.

b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mincor Resources NL ("**Company**") as at 30 June 2013 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 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 acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(r)).

Intercompany transactions, balances and unrealised gains on transactions 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

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 27.

c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Revenue Recognition (continued)

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 assay, weight and currency between the time of delivery and the time of final settlement of sales proceeds.

Interest income is recognised using the effective interest rate method.

e) Property, Plant and Equipment

Office property, plant and equipment is 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, in accordance with the accounting policy in 1 (s), 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 profit or loss.

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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 substantively enacted by the end of the reporting period 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies within the Group may be entitled to claim special tax deductions for the investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

g) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the entities comprising the consolidated entity 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 profit or loss, 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.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose change in the fair value are presented in other comprehensive income are included in the related reserve in equity.

iii) Group companies

The results and financial position of all the entities comprising the consolidated entity (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 and statement of comprehensive income 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 in other comprehensive income.

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 recognised in other comprehensive income. When a foreign operation is sold or borrowings repaid, the associated exchange differences are reclassified to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 2013 (2012: 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 profit or loss 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 is 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 profit or loss 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. The respective leased assets are included in the balance sheet based on their nature.

o) Employee Benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service 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 end of the reporting period using the projected unit credit method. 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the consolidated entity does not have an unconditional right to defer settlement at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

iii) Share-based payments

Share-based compensation benefits are provided to employees via the Mincor Resources NL Executive Share Option Scheme and Mincor Resources Performance Rights Plan.

The fair value of options granted under the Mincor Resources Executive Share Option Scheme and performance rights granted under the Mincor Resources Performance Rights Plan are 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 or performance rights.

The fair value of options 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 performance rights at grant date was calculated based on the market price of the Company's share price on the date, and adjusted to take into account the likelihood that all vesting conditions will be met during the Performance Period.

The fair value of the options and performance rights 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 and performance rights that are expected to vest. At each balance sheet date, the entity revises its estimate of the number of options and performance rights that are expected to vest. 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.

p) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, 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.

q) 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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of 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.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with the changes in fair value recognised in profit or loss.

s) 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 the end of each reporting period.

t) Investments and Other Financial Assets

i) Classification

The consolidated entity classifies its investments into the following categories:

- Financial assets at fair value through profit or loss;
- Trade and other receivables; and
- Other financial assets at fair value through other comprehensive income.

The classification depends on the purpose for which the investments were acquired. The Company determines the classification of its investments at initial recognition.

A) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or equity investments for which the consolidated entity has not irrevocably elected to recognise any movements in their fair value through reserves. Financial assets held for trading are 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 held for trading 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 classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current assets.

All equity investments are measured at fair value. Equity investments are measured at fair value through profit or loss unless the consolidated entity has made an irrevocable election at initial recognition of each investment to account for changes in fair value through other comprehensive income or profit or loss (refer (C) below).

B) Trade and other receivables

Trade and other receivables 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 reporting period, which are classified as non-current assets.

C) Other financial assets at fair value through other comprehensive income

Equity investments which are not held for trading and for which the consolidated entity has irrevocably elected to recognise any movements in their fair value through reserves are classified as other financial assets at fair value through other comprehensive income.

ii) Recognition and de-recognition

Regular way 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. 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.

iii) Measurement

At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade and other receivables are carried at amortised cost using the effective interest method.

The consolidated entity subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the income statement as applicable. Interest income from these financial assets is included in the net gains/(losses). Dividend income is presented as other revenue.

Changes in the fair value of financial assets at fair value through other comprehensive income are recognised in reserves. There is no subsequent reclassification of fair value gains and losses to profit or loss for these financial assets. Dividends from such investments continue to be recognised in profit or loss as other revenue when the consolidated entity's right to receive payments is established and as long as they represent a return on investment.

Details on how the fair value of financial instruments is determined are disclosed in Note 2.

iv) Impairment

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. No impairment assessment is required for assets classified as financial assets at fair value through other comprehensive income.

Assets carried at amortised cost

For trade and other receivables, the amount of 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) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the consolidated entity may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in consolidated income statement.

u) 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 the end of each reporting period. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Derivatives and Hedging Activities (continued)

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 18. 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.

i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, 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 other comprehensive income and accumulated reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss 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 reclassified 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 profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

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 profit or loss and are included in other income or other expenses.

v) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the consolidated entity is the current bid 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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

The carrying amounts 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.

w) 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.

Where the consolidated entity purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the consolidated entity. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the consolidated entity.

x) 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 reporting period but not distributed at the end of the reporting period.

y) Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners 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.

z) 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.

aa) 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.

ab) 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 flows.

ac) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ac) 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(z) and 15);
- 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(u)).

ad) Parent Entity Financial Information

The financial information for the parent entity, Mincor Resources NL disclosed in Note 32 has been prepared on the same basis as the consolidated financial statements, except as set out below.

i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Mincor Resources NL. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii) 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 stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Mincor Resources NL 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.

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 instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

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.

iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

ae) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

The consolidated entity does not expect to adopt these new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the consolidated entity does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The consolidated entity is yet to assess the full impact of AASB 11.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the consolidated entity will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the consolidated entity's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a 'partial disposal' concept. The consolidated entity is still assessing the impact of these amendments.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The consolidated entity does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

AASB 2012-5 Amendments to Australian Accounting Standard arising from Annual Improvements 2009-2011 cycle (effective for annual periods beginning on or after 1 January 2013)

In June 2012, the AASB approved a number of amendments to Australian Accounting Standards as a result of the 2009-2011 annual improvements project. The Group will apply the amendments from 1 July 2013. On initial application, the Group will need to include operating segment disclosure in interim financial reports and make adjustments to the accounting treatment of spare parts and servicing equipment previously included in inventory and reclassify them to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ae) New Accounting Standards and Interpretations (continued)

AASB 2012-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective 1 July 2014)

The AASB has made small changes to some of the disclosures that are required under AASB 136 *Impairment of Assets*. These may result in additional disclosures if the Group recognises an impairment loss or the reversal of an impairment loss during the period. They will not affect any of the amounts recognised in the financial statements. The Group intends to apply the amendment from 1 July 2014.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 statements. Amounts in the financial statements 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 six-month period and will not enter into hedging contracts that terminate less than six 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 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 end of the reporting period was as follows:

	30 June 2013 USD \$'000	30 June 2012 USD \$'000
Cash and cash equivalents	15,818	26,359
Trade and other receivables	14,414	13,842
Derivative financial instruments		
- Futures commodity contracts	-	18,335
- Forward foreign exchange contracts	-	(16,312)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Group sensitivity

Based on the financial instruments held at 30 June 2013, 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 \$2,056,000 higher/\$2,512,000 lower (2012: post-tax profit \$2,287,000 lower/\$2,796,000 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.

ii) Price risk

The consolidated entity is exposed to commodity 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.

Group sensitivity

Based on the financial instruments held at 30 June 2013, 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 \$1,842,000 lower/\$1,842,000 higher (2012: post-tax profit \$706,000 higher/\$706,000 lower).

iii) Other price risk

The consolidated entity is exposed to equity security price risk which arises from investments held by the consolidated entity and which are classified as assets held at fair value through other comprehensive income. Equity security price risk arises from market fluctuations in the price of listed equity instruments.

Group sensitivity

Based on the equity instruments held at 30 June 2013, had share prices strengthened/weakened by 10% against those recognised with all other variables held constant, the consolidated entity's equity would have been \$117,000 higher/\$117,000 lower (2012: equity \$137,000 higher/\$137,000 lower).

iv) 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 end of the reporting period, 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 2013		30 June 2012	
	Weighted Average Interest Rate	Balance \$ '000	Weighted Average Interest Rate	Balance \$ '000
Cash and cash equivalents and term deposits	2.44%	59,651	2.32%	75,898

The Group's fixed rate term deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

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

Group sensitivity

Based on the financial instruments at 30 June 2013, if interest rates had changed by +/-50 basis points from the year end rates, with all other variables held constant, post-tax loss and equity for the year would have been \$120,000 lower/\$120,000 higher (2012: post-tax profit and equity \$266,000 higher/\$266,000 lower).

The consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2

FINANCIAL RISK MANAGEMENT (continued)

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

The consolidated entity had access to a bonding facility. Refer to Note 13 for details at the end of the reporting period.

Contractual maturities of financial liabilities

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

CONSOLIDATED	Less than 1 year \$'000	Between 1 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets)/liabilities \$'000
AT 30 JUNE 2013				
Non-Derivative Financial Liabilities				
Trade payables	2,681	-	2,681	2,681
Non-interest bearing liabilities	6,796	-	6,796	6,796
Total Non-Derivative Financial Liabilities	9,477	-	9,477	9,477
Derivatives – commodity contracts				
Net settled	-	-	-	-
Derivatives – foreign exchange contracts				
Gross settled				
- (inflow)	-	-	-	-
- outflow	-	-	-	-
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

CONSOLIDATED	Less than 1 year \$'000	Between 1 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets)/liabilities \$'000
AT 30 JUNE 2012				
Non-Derivative Financial Liabilities				
Trade payables	3,334	-	3,334	3,334
Non-interest bearing liabilities	11,053	-	11,053	11,053
Total Non-Derivative Financial Liabilities	14,387	-	14,387	14,387
Derivatives – commodity contracts				
Net settled	(7,032)	-	(7,032)	(7,032)
Derivatives – foreign exchange contracts				
Gross settled				
- (inflow)	(19,746)	-	(19,746)	(1,477)
- outflow	18,269	-	18,269	-
	(1,477)	-	(1,477)	(1,477)

There are no derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

d) Fair Value Measurement

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

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012.

GROUP	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
AT 30 JUNE 2013				
Assets				
Trade receivables	-	17,345	-	17,345
Derivatives used for hedging	-	-	-	-
Other financial assets at fair value through other comprehensive income	1,224	-	-	1,224
Total Assets	1,224	17,345	-	18,569
Liabilities				
Derivatives used for hedging	-	-	-	-
Total Liabilities	-	-	-	-
AT 30 JUNE 2012				
Assets				
Trade receivables	-	16,397	-	16,397
Derivatives used for hedging	-	8,509	-	8,509
Other financial assets at fair value through other comprehensive income	1,954	-	-	1,954
Total Assets	1,954	24,906	-	26,860
Liabilities				
Derivatives used for hedging	-	-	-	-
Total Liabilities	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2

FINANCIAL RISK MANAGEMENT (continued)

d) Fair Value Measurement (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the 30 June 2013 bid price. These instruments are included in level 1.

The fair value of the derivative financial instruments held by the Group is calculated by a financial risk management firm who use published market data to develop the yield curves, and capture currency and commodity prices to complete these market valuations. The published market data is collected from Reuters and these rates are used to complete the net present value calculation which provide the current market values at the end of each reporting period. These instruments are included in level 2.

NOTE 3

REVENUE

Revenue

Sale of goods

Other Revenue

Interest income

Sundry income

	2013 \$'000	2012 \$'000
Sale of goods	96,641	118,610
Interest income	1,569	2,310
Sundry income	368	636
Total	98,578	121,556

NOTE 4

EXPENSES

Loss/(profit) before income tax includes the following specific expenses:

Expenses

Cost of sale of goods

Finance costs:

- Interest paid or due and payable to other persons
- Unwinding of discount on rehabilitation

Exploration expenditure written off

Rental expenses relating to operating leases

Government royalty expense

Defined contribution superannuation expense

Impairment:

- Property, plant and equipment (refer Note 10)

Depreciation and amortisation:

- Mine property
- Plant and equipment

	2013 \$'000	2012 \$'000
Cost of sale of goods	55,244	66,321
Finance costs:		
- Interest paid or due and payable to other persons	32	19
- Unwinding of discount on rehabilitation	227	-
	259	19
Exploration expenditure written off	15,510	4,006
Rental expenses relating to operating leases	783	868
Government royalty expense	2,412	2,743
Defined contribution superannuation expense	2,153	2,320
Impairment:		
- Property, plant and equipment (refer Note 10)	2,821	-
	2,821	-
Depreciation and amortisation:		
- Mine property	30,696	29,911
- Plant and equipment	3,553	3,713
Total	34,249	33,624

**NOTE 5
INCOME TAX EXPENSE**

a) Income tax (benefit)/expense

	2013 \$'000	2012 \$'000
Deferred tax	(4,345)	994
(Over)/under provision in prior year	77	(122)
Aggregate income tax (benefit)/expense	(4,268)	872

b) Numerical reconciliation of income tax expense to prima facie tax payable

	2013 \$'000	2012 \$'000
(Loss)/profit before income tax expense	(26,717)	1,114
Tax at the Australian tax rate of 30% (2012: 30%)	(8,015)	334
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Amortisation of property, plant and equipment	151	161
- PNG exploration expenditure write off (i)	3,415	-
- Over provision in prior year	77	(122)
- Share-based payment	108	396
- Sundry items	(4)	103
Income tax (benefit)/expense	(4,268)	872

- (i) During the financial year the Company suspended exploration activities in Papua New Guinea for an unspecified period of time, and consequently wrote off exploration costs of \$11,383,000 (tax effect: \$3,415,000). As these costs were incurred in a foreign jurisdiction they are not deductible for Australian tax purposes.

c) Tax expense/(income) relating to items of other comprehensive income

	2013 \$'000	2012 \$'000
Other financial assets at fair value through other comprehensive income (Note 18)	(370)	(1,408)
Cash flow hedges (Note 18)	(1,535)	(1,060)
	(1,905)	(2,468)

d) Franking credits

	2013 \$'000	2012 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	71,057	74,283

The amounts represent the balance of the franking account as at the reporting date, adjusted for:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6 TRADE AND OTHER RECEIVABLES

Current

Trade receivables
Other receivables
Prepayments

2013 \$'000	2012 \$'000
15,380	13,936
766	915
1,199	1,546
17,345	16,397

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

a) Impaired Receivables

The consolidated entity has 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 2013 and 2012 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

Stores at cost

2013 \$'000	2012 \$'000
3,437	3,926
3,437	3,926

NOTE 8
DERIVATIVE FINANCIAL INSTRUMENTS

Current Assets

Forward foreign exchange contracts – cash flow hedges
Futures commodity contracts – cash flow hedges
Forward foreign exchange contracts – fair value hedges
Futures commodity contracts – fair value hedges

Total Current Derivative Financial Instrument Assets

Net Derivative Financial Instrument Assets

	2013 \$'000	2012 \$'000
	-	1,061
	-	4,057
	-	416
	-	2,975
	-	8,509
	-	8,509

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 predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales in foreign currencies, to protect the Group against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to profit or loss 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.

Sell US Dollars Year	Weighted Average Rate		Total Value (AUD\$'000)	
	2013	2012	2013	2012
30 June 2013	-	0.9274	-	13,180
			-	13,180

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the income statement by removing the related amount from other comprehensive income.

There are no forward exchange contracts in place at 30 June 2013 (2012: assets of \$1,061,000).

During the year ended 30 June 2013 a profit of \$1,896,000 (2012: profit of \$6,656,000) was removed from equity and transferred to the consolidated statement of comprehensive income.

ii) Commodity price contracts – cash flow hedges

The Group enters 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 2013:

Year	Nickel Tonnes		Average Price (US\$/tonne)	
	2013	2012	2013	2012
30 June 2013	-	480	-	25,465
Total	-	480		

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the income statement by removing the related amount from other comprehensive income.

There are no forward sales contracts in place at 30 June 2013 (2012: \$4,057,000).

During the year ended 30 June 2013 a profit of \$6,697,000 (2012: profit of \$5,800,000) was removed from equity and transferred to the consolidated statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 8

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) Other Financial Assets at Fair Value through Other Comprehensive Income

	2013 \$'000	2012 \$'000
At beginning of year	1,954	-
Reclassification adjustment – available-for-sale financial assets ⁽ⁱ⁾	-	1,644
Additions	505	5,000
Revaluation in current year transferred to equity (Note 18)	(1,235)	(4,690)
At end of year	1,224	1,954
Represented by:		
Equity securities – listed	1,224	1,954

(i) In the previous 2012 financial year, the Company early adopted Phase 1 of AASB 9, consequently all available-for-sale financial assets were reclassified to other financial assets at fair value through other comprehensive income.

c) Listed Investments

An analysis of the sensitivity of other financial assets at fair value through other comprehensive income is provided in Note 2.

NOTE 10

PROPERTY, PLANT AND EQUIPMENT

Consolidated	Mine Property & Development \$'000	Plant & Equipment \$'000	Leased Plant & Equipment \$'000	Total \$'000
At 30 June 2011				
Cost	363,436	50,753	9,712	423,901
Accumulated depreciation	(304,709)	(41,387)	(9,712)	(355,808)
Net book amount	58,727	9,366	-	68,093
Year ended 30 June 2012				
Opening net book amount	58,727	9,366	-	68,093
Additions	17,111	2,708	-	19,819
Disposals	(720)	(53)	-	(773)
Depreciation/amortisation charge	(29,911)	(3,713)	-	(33,624)
Closing net book amount	45,207	8,308	-	53,515
At 30 June 2012				
Cost	379,827	53,408	-	433,235
Accumulated depreciation	(334,620)	(45,100)	-	(379,720)
Net book amount	45,207	8,308	-	53,515

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Consolidated	Mine Property & Development \$'000	Plant & Equipment \$'000	Leased Plant & Equipment \$'000	Total \$'000
Year ended 30 June 2013				
Opening net book amount	45,207	8,308	-	53,515
Additions	20,122	2,323	-	22,445
Disposals	-	-	-	-
Depreciation/amortisation charge	(30,696)	(3,553)	-	(34,249)
Impairment loss	(2,821)	-	-	(2,821)
Closing net book amount	31,812	7,078	-	38,890
At 30 June 2013				
Cost or fair value	397,128	55,731	-	452,859
Accumulated depreciation	(365,316)	(48,653)	-	(413,969)
Net book amount	31,812	7,078	-	38,890

Refer to Note 13 for information on non-current assets pledged as security by the parent entity or its controlled entities.

NOTE 11

EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

Exploration and Evaluation Expenditure

Opening balance	
Current year expenditure	
Cost of acquisition – new tenements	
Revaluation of rehabilitation provision	
Expenditure written off in current year	
Total Exploration, Evaluation and Development Expenditure	

2013 \$'000	2012 \$'000
18,415	12,898
10,193	9,276
-	247
150	-
(15,510)	(4,006)
13,248	18,415

NOTE 12

PAYABLES

Current

Trade payables	
Other creditors and accruals	

2013 \$'000	2012 \$'000
2,681	3,334
6,796	11,053
9,477	14,387

a) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13 INTEREST-BEARING LIABILITIES

Financing Arrangements

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

	2013 \$'000	2012 \$'000
Bonding Facility – secured	2,000	2,000
Less: Draw down portion	(1,345)	(1,714)
	655	286

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 14 DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

	2013 \$'000	2012 \$'000
Tax losses	5,305	1,042
Inventory	153	267
Employee benefits	1,427	1,339
Rehabilitation	1,498	1,483
Other	134	688
	8,517	4,819
<i>Amounts recognised directly in equity</i>		
Other financial assets at fair value through other comprehensive income	1,670	1,300
	1,670	1,300
Total deferred tax assets	10,187	6,119
Set-off deferred tax liabilities pursuant to set-off provisions (refer Note 16)	(9,272)	(6,119)
Net deferred tax assets	915	-
Deferred tax assets expected to be settled within 12 months	1,714	2,294
Deferred tax assets expected to be settled after more than 12 months	8,473	3,825
	10,187	6,119

Management has made an assessment of the probability that sufficient future taxable income (including the reversal of taxable temporary differences) will be generated to utilise the carried forward tax losses, and concluded that recognition of deferred tax assets on such losses is appropriate.

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

NOTE 15 PROVISIONS

Current

Employee benefits (b)

Non-Current

Employee benefits (b)

Rehabilitation (a)

	2013 \$'000	2012 \$'000
Employee benefits (b)	3,785	3,605
Employee benefits (b)	820	715
Rehabilitation (a)	4,993	4,943
	5,813	5,658

As at 30 June 2013 the consolidated entity employed 216 people (2012: 226 people).

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(z) 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.

a) Movements in provisions

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

Rehabilitation

Carrying amount at start of year

Additional provision

Revaluation of provision

Charged to profit or loss

- unwinding of discount

Amounts used during the period

Carrying amount at end of year

	2013 \$'000	2012 \$'000
Carrying amount at start of year	4,943	4,943
Additional provision	150	-
Revaluation of provision	(327)	-
Charged to profit or loss	227	-
- unwinding of discount	-	-
Amounts used during the period	-	-
Carrying amount at end of year	4,993	4,943

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

The current provision for employee benefits includes accrued annual leave, vesting sick leave and long service leave. Long service leave covers 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 of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. 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.

Leave obligation expected to be settled after 12 months

	2013 \$'000	2012 \$'000
Leave obligation expected to be settled after 12 months	366	371

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16 DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:

Trade receivables
Property, plant and equipment
Evaluation and acquired exploration
Other

Amounts recognised directly in equity

Cash flow hedges

Total deferred tax liabilities

Set-off deferred tax liabilities pursuant to set-off provisions (refer Note 14)

Net deferred tax liabilities

Deferred tax liabilities expected to be settled within 12 months

Deferred tax liabilities expected to be settled after more than 12 months

2013 \$'000	2012 \$'000
4,399	4,759
515	864
4,217	4,217
141	-
9,272	9,840
-	1,535
-	1,535
9,272	11,375
(9,272)	(6,119)
-	5,256
4,539	6,294
4,733	5,081
9,272	11,375

NOTE 17 CONTRIBUTED EQUITY

a) Issued and Paid-up Capital

Fully paid ordinary shares 188,208,274 (2012: 188,208,274)

2013 \$'000	2012 \$'000
23,663	23,663

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
2013			
Opening balance	188,208,274		23,663
Closing balance	188,208,274		23,663
2012			
Opening balance	200,608,804		32,753
Share bought back on-market and cancelled	(12,400,530)	(\$0.73)	(9,068)
Buy-back transaction costs	-		(22)
Closing balance	188,208,274		23,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

c) Options

At 30 June 2013 options to take up shares in Mincor Resources NL are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
3,000,000 unlisted ⁽¹⁾	31 January 2011	30 January 2015	260 cents per share
2,000,000 unlisted ⁽¹⁾	1 April 2011	31 March 2015	195 cents per share
2,000,000 unlisted ⁽¹⁾	19 May 2011	18 May 2015	160 cents per share
2,000,000 unlisted ⁽¹⁾	18 July 2011	17 July 2015	132 cents per share
2,000,000 unlisted ⁽¹⁾	5 October 2011	4 October 2015	103 cents per share
600,000 unlisted ⁽²⁾	13 September 2012	12 September 2016	116 cents per share

⁽¹⁾ 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.

⁽²⁾ Options were granted to a senior manager. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

d) Performance Rights

At 30 June 2013 performance rights issued pursuant to the Mincor Resources Performance Rights Plan to take up shares in Mincor Resources NL are as follows:

Number of Performance Rights Granted	Issue Group	Issue Date	Expiry Date
450,000 unlisted	Senior executives/managers	31 January 2013	30 January 2017
870,000 unlisted	Senior executives/managers	31 January 2013	30 January 2017
30,000 unlisted	Senior manager	30 January 2013	30 January 2017
195,000 unlisted	All employees	30 January 2013	30 January 2017

e) 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 13, cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings as disclosed in Notes 18 and 19 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, share buy-backs, new debt or the refinancing or repayment of existing debt.

The consolidated entity reviews its 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 had no net debt at 30 June 2013, its gearing level was Nil (30 June 2012: Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 18 RESERVES

Other financial assets at fair value through other comprehensive income
Cash flow hedges
Share-based payments

Movements:

Available-for-sale financial assets

Balance at 1 July
Reclassification adjustment

Balance at 30 June

Other financial assets at fair value through other comprehensive income

Balance at 1 July
Reclassification adjustment
Revaluation – gross (Note 9)
Deferred tax (Note 16)

Balance at 30 June

Cash flow hedges

Balance at 1 July
Revaluation – net
Deferred tax (Note 16)

Balance at 30 June

Share-based payments

Balance at 1 July
Option expense (Note 31)
Performance rights expense (Note 31)

Balance at 30 June

2013 \$'000	2012 \$'000
(3,897)	(3,032)
-	3,581
4,744	4,384
847	4,933
-	-
(3,032)	-
-	250
(1,235)	(4,690)
370	1,408
(3,897)	(3,032)
3,581	6,057
(5,116)	(3,536)
1,535	1,060
-	3,581
4,384	3,063
242	1,321
118	-
4,744	4,384

Nature and Purpose of Reserves

i) Other financial assets at fair value through other comprehensive income

Changes in the fair value and exchange differences arising on translation of investments, such as equities, are recognised in other comprehensive income, as described in Note 1(t).

ii) 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 in other comprehensive income, as described in Note 1(u). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

iii) Share-based payments

The share-based payments reserve is used to recognise the fair value of options and performance rights at grant date issued to employees but not exercised.

NOTE 19 RETAINED EARNINGS

Balance 1 July
(Loss)/profit for the year
Dividends paid (Note 20)
Balance 30 June

2013 \$'000	2012 \$'000
121,112	128,724
(22,449)	242
(7,528)	(7,854)
91,135	121,112

NOTE 20 DIVIDENDS

a) Ordinary Shares

Final fully franked dividend for the year ended 30 June 2012 of 2 cents (2012: 2 cents) per fully paid ordinary shares paid on 26 September 2012 (2012: 27 September 2011)

Interim fully franked dividend for the year ended 30 June 2013 of 2 cents (2012: 2 cents) per fully paid ordinary share paid on 22 March 2013 (2012: 23 March 2012)

2013 \$'000	2012 \$'000
3,764	3,959
3,764	3,895
7,528	7,854

b) Dividends Not Recognised at Year End

The Directors have recommended the payment of a final dividend of 2 cents per fully paid ordinary share, (2012: 2 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 25 September 2013 out of retained earnings at 30 June 2013, but not recognised as a liability at year end is \$3,764,000.

NOTE 21 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 Burstn – 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:

- 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 2012.

c) Key Management Personnel Compensation

Short-term employee benefits
Post-employment benefits
Long-term employment benefits
Share-based payments

2013 \$	2012 \$
1,684,637	1,672,813
107,863	73,000
29,620	32,298
56,451	700,623
1,878,571	2,478,734

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 21

KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

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 (e) 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 consolidated entity, including their personally-related parties, are set out below.

Name	Balance at start of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable	Unvested
2013							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel							
B Lynn	1,800,000	-	-	-	1,800,000	1,800,000	-
GL Fariss	1,800,000	-	-	-	1,800,000	1,800,000	-
P Muccilli	1,800,000	-	-	-	1,800,000	1,800,000	-
2012							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel of the consolidated entity							
B Lynn	1,400,000	400,000	-	-	1,800,000	1,400,000	400,000
GL Fariss	1,400,000	400,000	-	-	1,800,000	1,400,000	400,000
P Muccilli	1,400,000	400,000	-	-	1,800,000	1,400,000	400,000

iii) Performance rights provided as remuneration

The 2013 Mincor Resources Performance Rights Plan ("Plan") was introduced following approval by the Board of Directors on 15 August 2012.

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

iv) Performance rights holdings

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Name	Balance at start of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable	Unvested
2013							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel							
B Lynn	-	134,000	-	-	134,000	-	134,000
GL Fariss	-	134,000	-	-	134,000	-	134,000
P Muccilli	-	134,000	-	-	134,000	-	134,000

v) 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 consolidated entity, including their personally-related parties, are set below.

Name	Balance at start of year	Received on the exercise of options/ performance rights	Other changes	Balance at end of year
2013				
Directors of Mincor Resources NL				
<i>Ordinary shares</i>				
DJ Humann (Chairman)	500,000	-	-	500,000
DCA Moore	4,245,000	-	-	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
Other Key Management Personnel of the consolidated entity				
<i>Ordinary shares</i>				
B Lynn	150,000	-	-	150,000
GL Fariss	333,334	-	-	333,334
P Muccilli	100,000	-	(100,000)	-
2012				
Directors of Mincor Resources NL				
<i>Ordinary shares</i>				
DJ Humann (Chairman)	295,000	-	205,000	500,000
DCA Moore	4,045,000	-	200,000	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
Other Key Management Personnel of the consolidated entity				
<i>Ordinary shares</i>				
B Lynn	150,000	-	-	150,000
GL Fariss	333,334	-	-	333,334
P Muccilli	100,000	-	-	100,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 22

EXPENDITURE COMMITMENTS AND CONTINGENCIES

a) Exploration Expenditure Commitments

Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:

- Within one year

2013 \$'000	2012 \$'000
3,987	5,912

In order to maintain current rights of tenure to exploration tenements, the Group 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 one 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:

Office rental

Within one year

Later than one year but not later than five years

2013 \$'000	2012 \$'000
483	619
1,813	-
2,296	619

c) Capital Commitments

There are no capital expenditure commitments as at 30 June 2013.

d) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2013.

NOTE 23

SEGMENT INFORMATION

Description of Segments

The Group has one reportable operating segment being nickel mining operations.

In determining operating segments, the Group has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources. The Managing Director ("MD") is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Group. The MD assesses and reviews the business using a total Group nickel business approach and utilises an executive team consisting of the General Manager – Operations, Chief Financial Officer, General Manager – Corporate Development and Exploration Manager to assist with this function. The MD assesses the performance of the operating segment based on a measure of net profit after tax.

NOTE 24 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the group, and its related practices and non-related audit firms.

	2013 \$	2012 \$
a) Audit services		
PricewaterhouseCoopers Australian firm		
- Audit and review of financial statements and other audit work under the <i>Corporations Act 2001</i>	180,795	191,325
PricewaterhouseCoopers Papua New Guinea firm		
- Audit and review of financial reports	8,347	-
Total remuneration for audit services	189,142	191,325
b) Non-audit services		
<i>Taxation services</i>		
PricewaterhouseCoopers Australian firm		
- Tax compliance services, including review of company income tax returns	62,750	37,000
- Tax advice on R&D concessions	10,000	12,000
PricewaterhouseCoopers Papua New Guinea firm		
- Tax compliance services, including review of company income tax returns	20,289	-
Total remuneration for taxation services	93,039	49,000
<i>Other services</i>		
PricewaterhouseCoopers Australian firm		
- Due diligence and accounting advice regarding potential acquisitions	12,500	14,500
- Other	21,500	28,355
PricewaterhouseCoopers Papua New Guinea firm		
- Other	20,974	-
	54,974	42,855

NOTE 25 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2013 (%)	2012 (%)
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
Mincor Coal Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Iron Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor PNG Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor PNG Limited	Papua New Guinea	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 26.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 26

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, Statement of Comprehensive Income, and a Summary of Movements in Consolidated Retained Earnings

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, statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2013 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2013 \$'000	2012 \$'000
Revenue	98,315	121,819
Mining contractor costs	(7,926)	(13,320)
Ore tolling costs	(13,078)	(13,548)
Utilities expense	(6,628)	(8,177)
Mining supplies and consumables	(7,811)	(8,950)
Royalty expense	(3,224)	(3,822)
Employee benefit expense	(26,904)	(26,970)
Finance costs	(259)	(19)
Foreign exchange gain/(loss)	2,524	2,683
Exploration costs expensed	(3,623)	(2,913)
Depreciation and amortisation expense	(34,246)	(33,624)
Impairment of property, plant and equipment	(2,821)	-
Provision for doubtful debt on intercompany receivable	(11,561)	-
Other expenses from ordinary activities	(9,288)	(10,689)
(Loss)/profit before income tax	(26,530)	2,470
Income tax (expense)/benefit	4,117	(1,199)
(Loss)/profit for the year	(22,413)	1,271
Other comprehensive income/(loss)		
Financial assets at fair value through other comprehensive income	(1,425)	(4,345)
Cash flow hedges	(5,116)	(3,536)
Income tax relating to components of other comprehensive income	1,962	2,365
Other comprehensive profit/(loss) for the year, net of tax	(4,579)	(5,516)
Total comprehensive (loss)/income for the year	(26,992)	(4,245)
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	126,608	133,191
(Loss)/profit for the year	(22,413)	1,271
Dividends provided for or paid	(7,528)	(7,854)
Retained earnings at the end	96,667	126,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

b) Balance Sheet

Set out below is a consolidated balance sheet as at 30 June 2013 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2013 \$'000	2012 \$'000
Current Assets		
Cash and cash equivalents	34,202	75,843
Term deposit	25,392	-
Trade and other receivables	23,017	27,312
Inventory	3,437	3,926
Derivative financial instruments	-	8,509
Total Current Assets	86,048	115,590
Non-Current Assets		
Financial assets at fair value through other comprehensive income	425	1,346
Property, plant and equipment	38,882	53,515
Exploration and evaluation expenditure	13,247	13,098
Deferred tax asset	1,001	-
Other financial assets	311	311
Total Non-Current Assets	53,866	68,270
TOTAL ASSETS	139,914	183,860
Current Liabilities		
Payables	9,307	14,348
Provisions	4,764	3,605
Total Current Liabilities	14,071	17,953
Non-Current Liabilities		
Provisions	5,012	5,658
Deferred tax liabilities	-	5,257
Total Non-Current Liabilities	5,012	10,915
TOTAL LIABILITIES	19,083	28,868
NET ASSETS	120,831	154,992
Equity		
Contributed equity	23,663	23,663
Reserves	501	4,721
Retained profits	96,667	126,608
TOTAL EQUITY	120,831	154,992

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 27 INTERESTS IN JOINT VENTURES

The consolidated entity has the following joint ventures:

Name	Principal Activity	Percentage Interest	
		2013	2012
Carnilya Hill Farm-in and Joint Venture*	Nickel exploration	70	70
Image Resources Farm-in and Joint Venture ⁽¹⁾	Nickel exploration	Withdrawn	70
Georgina Basin Farm-in and Joint Venture ⁽²⁾ *	Zinc exploration	Withdrawn	100
Bonaparte Farm-in and Joint Venture ⁽³⁾ *	Zinc exploration	60	100
Apollo Farm-in and Joint Venture ⁽⁴⁾	Iron ore exploration	100	-
Edie Creek Farm-in and Joint Venture ⁽⁵⁾	Gold exploration	17	1
May River Farm-in and Joint Venture ⁽⁶⁾	Copper/gold exploration	36	36
Bolobip Farm-in and Joint Venture ⁽⁷⁾	Copper/gold exploration	36	1
Kubuna Farm-in and Joint Venture ⁽⁸⁾	Copper/gold exploration	Withdrawn	1

*The interest in the joint venture is controlled by Mincor Resources NL and is not jointly controlled.

- (1) During October 2010 the Company met the \$1.5 million expenditure target to earn a 70% interest in the West Kambalda Joint Venture with Image Resources NL. The Company completed a drilling program during August 2012. An assessment of the drilling results has resulted in Mincor withdrawing from the West Kambalda Joint Venture and the tenements under the agreement were surrendered during November 2012.
- (2) During 2008 the Company entered into an agreement with the Japan Oil, Gas and Metals National Corporation ("JOGMEC") whereby JOGMEC has undertaken to spend \$2.5 million over two years to earn a 25% interest in the Georgina Basin Project. JOGMEC have sole funded \$2.6 million of exploration expenditure on the Georgina Basin Project meeting the \$2.5 million target to earn-in 25% of interest. During July 2012, JOGMEC have given notice that they have withdrawn from the Georgina Basin Joint Venture; subsequently the tenements in this area have been relinquished.
- (3) During 2010 the Company entered into an agreement with JOGMEC whereby JOGMEC agreed to spend \$430,000 within one year, then may elect to spend a further \$770,000 over a second year to earn a 24% interest in the Bonaparte Project. JOGMEC may elect to earn a further 16% interest by spending an additional \$800,000 on the project over a further 12 month period. During 2012 the Company extended the earn-in period by a further six months such that JOGMEC were required to spend \$2 million by 30 September 2012 to earn 40%. JOGMEC met the \$2 million spend requirement during the 2013 financial year to earn a 40% interest, but to date have not yet formally exercised any ownership right.
- (4) During June 2013 the Company entered into an agreement with Apollo Minerals Ltd whereby Apollo Iron Ore No 2 Pty Ltd (a wholly owned subsidiary of Apollo Minerals Ltd) will have the right to earn a 75% interest in Mincor's exploration tenement EL 4932 ("the Tenement") by sole funding exploration expenditure totalling \$2 million over a three-year period. Apollo has committed to a minimum exploration expenditure of \$250,000 on the Tenement during the first year of the farm-in period. At the completion of the farm-in, the Company may elect to convert its residual 25% interest into a gross production royalty of 3.5% on gold, 2.5% on based metals and 1.5% on all other minerals. On conversion, Apollo would pay the Company an amount equal to 25% of the total exploration expenditure during the farm-in period.
- (5) During 2011 the Company entered into an agreement with Niuminco Group Limited ("Niuminco") whereby the Company undertook to spend \$15 million over five years to earn a 51% interest in the Edie Creek Gold Project. During March 2013 the Company completed its work at the Edie Creek project. Mincor considers that the ore system is likely to have a number of small gold deposits rather than one single viable ore deposit, and accordingly Mincor has elected not to continue to earn any additional interest in the project although potential still remains. During May 2013 the Company met the \$5 million earn-in target and is therefore entitled to a 17% fully-vested interest in the Edie Creek Joint Venture.
- (6) During 2011 the Company entered into an agreement with Niuminco whereby the Company undertook to spend \$5 million over eight years to earn a 72% interest in the May River Exploration Licence. During 2012 the Company acquired a 36% interest in the May River Joint Venture with Niuminco by meeting expenditure commitments of \$2.5 million. In May 2013 the Company suspended exploration operations in the Joint Venture for an unspecified period of time.
- (7) During 2011 the Company entered into an agreement with Niuminco whereby the Company undertook to spend \$5 million over eight years to earn a 72% interest in the Bolobip Exploration Licence. During 2013 the Company met the \$2.5 million earn-in target and is therefore entitled to a 36% fully-vested interest in the Bolobip Joint Venture. In May 2013 the Company suspended exploration operations in the Joint Venture for an unspecified period of time.
- (8) During 2011 the Company entered into an agreement with Niuminco whereby the Company undertook to spend \$5 million over eight years to earn a 72% interest in the Kubuna Exploration Licence. In February 2013 the Company withdrew from the Kubuna Joint Venture.

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 28
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/payable to controlled entities are on an interest-free basis and are repayable on demand.

c) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 21.

d) Transactions with Other Related Parties

There were no transactions with other related parties during the reporting period.

**NOTE 29
RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

a) Reconciliation of Net Cash Inflow from Operating Activities to Operating Profit/(Loss) After Income Tax

	2013 \$'000	2012 \$'000
(Loss)/Profit for the year	(22,449)	242
Add/(Less): Non-Cash Items		
Depreciation	3,438	3,713
Amortisation	30,811	29,911
Impairment	2,821	-
Net (profit)/loss on sale of non-current assets	(15)	(3)
Exploration expenditure written off	15,510	4,006
Employee benefits expense – share based payments	360	1,321
Rehabilitation provisions	227	-
Bad debt provisions	(82)	-
Change in operating assets and liabilities		
Decrease in trade receivables	2,164	2,064
Decrease/(increase) in inventories	489	(5)
Decrease/(increase) in prepayments	346	(229)
(Decrease) in creditors and accruals	(4,876)	(2,979)
(Decrease)/increase in net deferred tax	(4,268)	2,228
Increase in employee entitlement provisions	285	340
Net cash inflow from operating activities	24,761	40,609

b) Cash and Cash Equivalents

Term deposits	25,392	-
Cash at bank and in hand	10	5
Deposits at call	34,259	75,893
	59,661	75,898

The consolidated entity's exposure to interest rate risk is disclosed in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 30 EARNINGS PER SHARE

a) Basic earnings per share (cents)

(Loss)/Profit attributable to the ordinary equity holders of the Company

b) Diluted earnings per share (cents)

(Loss)/Profit attributable to the ordinary equity holders of the Company

c) Earnings used in calculating earnings per share (\$'000)

Basic and Diluted earnings per share

(Loss)/Profit for the year

(Loss)/Profit attributable to the ordinary equity holders of the Company

d) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share

	2013	2012
a) Basic earnings per share (cents)	(11.9)	0.0
b) Diluted earnings per share (cents)	(11.9)	0.0
c) Earnings used in calculating earnings per share (\$'000)		
Basic and Diluted earnings per share		
(Loss)/Profit for the year	(22,449)	242
(Loss)/Profit attributable to the ordinary equity holders of the Company	(22,449)	242
d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	188,208,274	193,788,775

NOTE 31 SHARE-BASED PAYMENTS

a) Options

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 five years and can be exercised at any time on or after the following dates.

Grant Date	Number of Options Exercisable	Vesting and Date Exercisable
31 January 2011	100% of options	31 January 2012
1 April 2011	100% of options	1 April 2012
19 May 2011	100% of options	20 May 2012
18 July 2011	100% of options	18 July 2013
5 October 2011	100% of options	6 October 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 determined at the discretion of the Directors and is set to incentivise the executives to increase shareholder value.

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
2013								
31 January 2011	30 January 2015	260 cents	3,000,000	-	-	-	3,000,000	3,000,000
1 April 2011	31 March 2015	195 cents	2,000,000	-	-	-	2,000,000	2,000,000
19 May 2011	18 May 2015	160 cents	2,000,000	-	-	-	2,000,000	2,000,000
18 July 2011	17 July 2015	132 cents	2,000,000	-	-	-	2,000,000	-
5 October 2011	4 October 2015	103 cents	2,000,000	-	-	-	2,000,000	2,000,000
Total			11,000,000	-	-	-	11,000,000	9,000,000
Weighted average exercise price			\$1.78	-	-	-	\$1.78	\$1.88

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Grant Date	Expiry Date	Exercise Price	Opening Balance Number	Granted during the Year Number	Exercised during the Year Number	Lapsed during the Year Number	Closing Balance Number	Vested and Exercisable at End of the Year Number
2012								
23 October 2006	19 October 2011	174 cents	113,000	-	-	113,000	-	-
31 January 2011	30 January 2015	260 cents	3,000,000	-	-	-	3,000,000	3,000,000
1 April 2011	31 March 2015	195 cents	2,000,000	-	-	-	2,000,000	2,000,000
19 May 2011	18 May 2015	160 cents	2,000,000	-	-	-	2,000,000	2,000,000
18 July 2011	17 July 2015	132 cents	-	2,000,000	-	-	2,000,000	-
5 October 2011	4 October 2015	103 cents	-	2,000,000	-	-	2,000,000	-
24 November 2011	23 November 2015	125 cents	-	1,000,000	-	1,000,000	-	-
Total			7,113,000	5,000,000	-	1,113,000	11,000,000	7,000,000
Weighted average exercise price			\$2.12	\$1.19	-	\$1.30	\$1.78	\$2.13

The weighted average contractual life of options outstanding at the end of the period was 1.88 years (2012: 2.88 years).

Mincor Resources Senior Manager Share Options

As noted in the Company's announcement to the Australian Stock Exchange on 14 September 2012, the Company was required to issue 600,000 unlisted options to a senior manager as part of a negotiation to secure the employment of an individual, and are considered to be a "one off" issue of options made outside of previously existing options plans which had all been terminated.

The options were granted to an individual on 13 September 2012 for no consideration, with an exercise price of \$1.16 and can be exercised any time between the date the options vest (12 September 2015) and the expiry date (12 September 2016), 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 the options was determined at the discretion of the Directors and is set to incentivise the employee to increase shareholder value.

Set out below is a summary of the options granted.

Grant Date	Expiry Date	Exercise Price	Opening Balance Number	Granted during the Year Number	Exercised during the Year Number	Lapsed during the Year Number	Closing Balance Number	Vested and Exercisable at End of the Year Number
2013								
13 September 2012	12 September 2016	116 cents	-	600,000	-	-	600,000	-
Total			-	600,000	-	-	600,000	-
Weighted average exercise price			-	\$1.16	-	-	\$1.16	-

Fair value of options granted

The assessed fair value at grant date of the Mincor Resources Senior Manager Share Options granted during the year ended 30 June 2013 was 13.82 cents for options granted on 13 September 2012. The fair value at grant date is independently determined using the Binomial option valuation method that takes into account the exercise price, the term of the option, the impact of dilution, 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 weighted average contractual life of options outstanding at the end of the period was 3.25 years.

The model inputs for the options granted during the year ended 30 June 2013 included:

Options are granted for no consideration and will vest over 48 months	
Exercise price	\$1.16
Grant date	13 September 2012
Expiry date	12 September 2016
Share price at grant date	\$0.80
Expected price volatility of the Company's shares	46%
Expected dividend yield	5%
Risk-free interest rate	2.66%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any changes to future volatility due to publicly available information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 31 SHARE-BASED PAYMENTS (continued)

b) Performance Rights

Mincor Resources Performance Rights Plan

The Mincor Resources Performance Rights Plan ("Plan") was introduced following approval by the Board of Directors on 15 August 2012. Persons eligible to participate in the Plan include executive directors and all employees of the Company or a Related Body Corporate of the Company.

Performance rights are granted under the Plan over ordinary shares for no consideration. Performance rights are granted subject to one or all of the following vesting conditions:

- **Service Condition**, usually a three-year period commencing from the time of grant;
- **Strategic Objectives Conditions** measured over the Service Condition period, including:
 - a **safety and sustainability component**;
 - an **operation performance component**, including production, control and growth in ore resources; and
 - a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

Each component of the Strategic Objectives Conditions is earned on a sliding scale basis depending on the degree of success achieved in meeting performance metrics. Certain components of the performance rights may be earned annually but will only be paid when the Service Condition is achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will carry no dividend or voting rights. When exercised, each performance right will be converted into one ordinary share.

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting periods are set out below:

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2013/1	31 Jan 2013	31 Dec 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2015.</p> <p>Performance Conditions measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.53
2013/2	31 Jan 2013	31 Dec 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2015.</p> <p>Performance Conditions measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.53
2013/3	30 Jan 2013	31 Jan 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous period of 30 months ending 31 January 2015.</p> <p>Performance Conditions: None.</p>	\$0.93
2013/4	30 Jan 2013	31 Dec 2015	30 Jan 2017	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2015.</p> <p>Performance Conditions: None.</p>	\$0.70

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

The 2013/1 and 2013/2 Performance Rights were issued to certain senior executives/managers pursuant to the Company's remuneration strategy.

The 2013/3 Performance Rights were issued to secure the employment of a senior manager.

All eligible employees were granted 1,000 performance rights each under the 2013/4 issue of Performance Rights.

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Mincor Resources Performance Rights Plan during the year ended 30 June 2013 are set out in the table above. The fair value of the performance rights at grant date was calculated based on the market price of the Company's share on the date, and adjusted to take into account the likelihood that all vesting conditions will be met during the Performance Period.

Set out below are summaries of performance rights granted under the Plan:

Class	Grant Date	Vesting Date	Expiry Date	Opening Balance Number	Granted during the Year Number	Exercised during the Year Number	Lapsed during the Year Number	Closing Balance Number	Vested and Exercisable at end of the Year Number
2013/1	31 Jan 2013	31 Dec 2015	31 Jan 2017	-	870,000	-	-	870,000	-
2013/2	31 Jan 2013	31 Dec 2015	31 Jan 2017	-	450,000	-	-	450,000	-
2013/3	30 Jan 2013	31 Jan 2015	30 Jan 2017	-	30,000	-	-	30,000	-
2013/4	30 Jan 2013	31 Dec 2015	30 Jan 2017	-	195,000	-	-	195,000	-
Total				-	1,545,000	-	-	1,545,000	-

The weighted average contractual life of performance rights outstanding at the end of the period was 3.58 years (2012: Nil).

c) 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:

Options issued under employee option plans (refer Note 18)
Performance rights issued under performance rights plan (refer Note 18)

2013 \$'000	2012 \$'000
242	1,321
118	-
360	1,321

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 32 PARENT ENTITY FINANCIAL INFORMATION

a) Summary Financial Information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 \$'000	2012 \$'000
Balance Sheet		
Current assets	74,907	78,606
Total assets	230,464	229,696
Current liabilities	125,144	93,890
Total liabilities	128,338	99,419
Shareholders' equity		
Issued capital	23,663	23,663
Reserves		
- Financial assets at fair value through other comprehensive income	(4,241)	(3,244)
- Cash flow hedges	-	3,582
- Share-based payments	4,743	4,383
Retained earnings	77,961	101,893
	102,126	130,277
(Loss)/profit for the year	(16,404)	3,382
Total Comprehensive (Loss)/Income	(20,983)	(2,135)

b) Guarantees entered into by the Parent Entity

Mincor Resources NL and Goldfields Mine Management Pty Ltd have provided a cross guarantee as described in Note 26. No deficiencies of assets exist in any of these entities.

c) Contingent Liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2013 or 30 June 2012.

d) Contractual Commitments for the Acquisition of Property, Plant and Equipment

As at 30 June 2013, the parent entity had no contractual commitments (30 June 2012 – Nil).

NOTE 33 EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 14 August 2013 the Directors declared a fully franked dividend of 2 cents per share in respect of the year ended 30 June 2013.

The financial effect of this post balance date event has not been recorded in the 30 June 2013 financial statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and notes set out on pages 60 to 104 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 30 June 2013 and of its 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 26 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 26.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 14th day of August 2013.



DCA Moore
Managing Director



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

Report on the financial report

We have audited the accompanying financial report of Mincor Resources NL (the company), which comprises the statement of financial position as at 30 June 2013, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for 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 of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



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 consolidated entity's financial position as at 30 June 2013 and of its 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 and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 47 to 56 of the directors' report for the year ended 30 June 2013. 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 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

David J Smith
Partner

Perth
14 August 2013

ADDITIONAL SHAREHOLDER INFORMATION

AS AT 31 AUGUST 2013

Substantial holders (holding not less than 5%)

Name of shareholder	Total no. of voting shares in Mincor Resources NL in which the substantial shareholders and its associates hold relevant interests	Percentage of total no. of voting shares (%)
Paradise Investment Management Pty Ltd	13,784,068	7.32
Acorn Capital Limited	10,250,773	5.45
Dimensional Fund Advisers	9,410,776	5.00

Distribution of shareholders

No. of shares held	No. of shareholders	No. of fully paid shares
1 to 1,000	1,445	877,152
1,001 to 5,000	2,619	7,719,831
5,001 to 10,000	1,349	11,142,026
10,001 to 100,000	1,810	53,355,489
100,001 and over	159	115,113,776
Total	7,382	188,208,274

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.

Performance rights – The Company's performance rights have no voting rights.

Percentage held by 20 largest shareholders

43.64%

Listing of 20 largest shareholders

Name of ordinary shareholder	No. of shares held	Percentage of shares held (%)
JP Morgan Nominees Australia Limited	17,319,200	9.20
HSBC Custody Nominees (Australia) Limited	15,679,929	8.33
National Nominees Limited	12,087,565	6.42
Citicorp Nominees Pty Limited	9,165,943	4.87
JP Morgan Nominees Australia Limited <Cash Income A/C>	5,302,246	2.82
Mr David Charles Moore	4,000,000	2.13
HSBC Custody Nominees (Australia) Limited <NT-Cmnwth Super Corp A/C>	2,869,373	1.52
Mr David Parker & Mrs Helen Parker <Parker Family A/C>	2,500,000	1.33
Mr Anthony Hubert Shields	2,100,000	1.12
Merrill Lynch (Australia) Nominees Pty Limited <Pact A/C>	1,312,650	0.70
Jaytu Pty Ltd <JW Gardner Super Fund A/C>	1,218,175	0.65
De Bruin Securities Pty Ltd	1,100,000	0.58
Mr Robert Euan Macmillan and Mrs Ruth Durelle Macmillan <Joint A/C>	1,100,000	0.58
Ross Sutherland Properties Pty Ltd <Sutherland Family S/F A/C>	1,055,956	0.56
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,037,712	0.55
Mr Anthony Hubert Shields and Ms Amanda Carol Nayton	1,000,000	0.53
Mrs Daphne Georgina Balaam	950,413	0.50
Peterblue Pty Ltd <Carranya 2 Super Fund A/C>	800,000	0.43
QIC Limited	785,930	0.42
Mestjo Pty Ltd	750,000	0.38

Number of shareholders holding less than a marketable parcel

917 shareholders (minimum parcel size of 820 shares/\$500 parcel at \$0.61 per share).

Stock exchange listing

Mincor Resources NL shares are listed on the Australian Stock Exchange. The Company's ASX Code is MCR.

Unlisted share options

No. of options	Exercise price	Expiry date	No. of holders
Mincor Resources Executive Share Option Scheme			
3,000,000	\$2.60	30 Jan 2015	5
2,000,000	\$1.95	31 Mar 2015	5
2,000,000	\$1.60	18 May 2015	5
2,000,000	\$1.32	17 Jul 2015	2
2,000,000	\$1.03	4 Oct 2015	5
Mincor Resources Senior Manager Share Options			
600,000	\$1.16	17 Sep 2016	1

Mincor Resources Performance Rights Plan (Unlisted)

Class of right	Expiry date	No. of rights	No. of holders
2013/1	31 Jan 2017	870,000	6
2013/2	31 Jan 2017	450,000	5
2013/3	30 Jan 2017	30,000	1
2013/4	30 Jun 2017	195,000	195



Mincor's Board of Directors and Company Secretary (L to R):
Ian Burston, David Moore, David Humann,
Brian Lynn and Jack Gardner

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 AND ABN

ACN: 072 745 692
ABN: 42 072 745 692

AUDITORS

PricewaterhouseCoopers
Brookfield Place
125 St Georges Terrace
Perth 6000, Western Australia

BANKERS

Commonwealth Bank of Australia
Société Générale Group
Barclays Bank plc

SOLICITORS

Gilbert + Tobin
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

Wednesday, 13 November 2013
at 11.30am

Venue: Celtic Club, 48 Ord Street,
West Perth



Level 1, 56 Ord Street
West Perth 6005, Western Australia

PO Box 1810
West Perth 6872, Western Australia

Telephone: (+618) 9476 7200
Facsimile: (+618) 9321 8994

Website: www.mincor.com.au
Email: mincor@mincor.com.au