



Quarterly Report

For the period ended 31 December 2010

HIGHLIGHTS

- Steady Quarter-on-Quarter improvement in nickel production (up 12%) and unit costs (down 9%);
- Despite a **difficult first half**, Mincor's short and long term outlook is strong, with healthy near-term production and new high-grade ore bodies under development;
- Outstanding exploration results highlight the depth of Mincor's value across its suite of Kambalda operations:

7.0 metres @ 3.59% nickel at South Miitel – highlighting a potential major new extension to this important mine;

4.7 metres @ 7.58% nickel in the Mariners Terrace position – with valuable near-term production potential;

3.7 metres @ 9.13% nickel in the discovery hole of what could be a new high-grade ore body down-plunge of Otter Juan;

Outstanding regional exploration results at new prospects along the Bluebush Line; (all intersections above are estimated true widths).

- Aggressive exploration continues throughout the Kambalda Nickel District, with six rigs operating;
- Drilling at Mincor's exciting Tottenham Copper Prospect – delayed through the Quarter due to rain – has now started;
- Quarter-end working capital (cash and receivables minus creditors and accruals) at **\$103 million** (end-June 2010: \$102.6 million), cash at bank **\$100.1 million**, after capital and exploration expenditures of **\$11.4 million**.

The Otter Juan Shaft at sunset – A spectacular new drill intersection more than 1,500 metres underground may herald a major new discovery at Kambalda's oldest producing mine.



Photo courtesy of Thanh Doan

Tel 08 9476 7200
Fax 08 9321 8994
Email mincor@mincor.com.au

Website www.mincor.com.au
ASX Code MCR

Postal address

PO Box 1810
 West Perth WA 6872 Australia

Principal & registered office

Level 1, 56 Ord Street
 West Perth WA 6005 Australia

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

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

TABLE 1: Production, Grade, Revenue and Costs – Quarter ending 31 December 2010

	SOUTH KAMBALDA OPERATIONS ⁽¹⁾	NORTH KAMBALDA OPERATIONS ⁽²⁾	TOTAL FOR DEC 2010 QUARTER	PRECEDING QUARTER (Sep 2010) TOTAL
Ore Tonnes Treated (DMT)	63,649	43,969	107,618	99,317
Average Nickel Grade (%)	2.28	3.34	2.71	2.65
Nickel-in-Concentrate Sold (tonnes)	1,233.6	1,352.0	2,585.6	2,314.0
Copper-in-Concentrate Sold (tonnes)	115.7	79.2	194.9	178.0
Cobalt-in-Concentrate Sold (tonnes)	19.8	15.5	35.3	37.6
Sales Revenue* (A\$)	20.12m	20.16m	40.28m	36.62m
Direct Operating Costs** (A\$)	15.25m	10.28m	25.53m	24.97m
Royalty Costs (A\$)	0.84m	0.68m	1.52m	1.38m
Operating Surplus*** (A\$)	4.03m	9.20m	13.23m	10.27m
Capital Costs****	5.89m	3.67m	9.56m	10.43m
Payable Nickel Produced (lbs)	1,767,777	1,870,042	3,637,819	3,285,256
Mining Costs (A\$/lb)	5.45	3.21	4.30	4.79
Milling Costs (A\$/lb)	1.42	0.84	1.12	1.15
Ore Haulage Costs (A\$/lb)	0.37	0.09	0.23	0.23
Other Mining/Administration (A\$/lb)	1.23	1.13	1.17	1.35
Royalty Cost (A\$/lb)	0.47	0.35	0.41	0.42
By-product Credits (A\$/lb)	(0.37)	(0.24)	(0.30)	(0.30)
Cash Costs (A\$/lb nickel)	8.57	5.38	6.93	7.64
Cash Costs (US\$/lb nickel) ⁽³⁾	8.46	5.31	6.84	7.54

(1) Production from Mariners and Miitel.

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

(3) Average December 2010 quarter RBA settlement rate of US\$0.9874.

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

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

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

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

Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. For period-end reporting the Company determines provisional prices based on the 3 month forward nickel price at the end of each month of delivery. This estimate is subject to an adjustment (up or down) when the final nickel price is known. During the December Quarter, Mincor established the final nickel prices for the production months of July, August and September. As a result Mincor recognised a positive sales revenue adjustment of **\$1.2 million** attributable to those production months. This adjustment **has not** been included in the sales revenue figures disclosed in Table 1 above.

MINING – KAMBALDA NICKEL OPERATIONS

OVERVIEW, OUTLOOK AND PROFIT EXPECTATIONS

As discussed in the June Quarterly Report, Mincor committed itself to a high level of capital investment in the current financial year in order to create a strong platform for profits and growth over the medium term. This capital expenditure schedule, combined with the temporary reduction in grade from Mariners Mine and the exigencies of re-starting a major new operation (Miitel) means that the absolute level of financial profit is not likely to be the main achievement FY2010/11, a year dedicated more to building long-term foundations than to short-term profits.

In addition to the above, however, a number of events occurred during the first half of the financial year that has further eroded profit expectations. These include:

- The costly seismic event at Mariners in the September Quarter (discussed previously);
- Severe production constraints at Miitel and Mariners during the December Quarter. These relate to contractor manpower shortages (leading to a stand-down of critical production machinery on occasions) which in turn complicated the production

ramp-up at Miitel; and lower than expected nickel grades from development ore at Miitel, a matter which has received close and urgent attention.

- The re-emergence of significant cost pressures, relating both to skills shortages as well as generalised inflation (power: up 50% since July 2010; water, consumables, etc).
- The unprecedented rise in the Australian Dollar, from 0.84 at 30 June 2010 to 1.01 at 31 December 2010, which has resulted in lower realised AUD nickel prices, as well as \$6.3 million realised and \$1.2 million in unrealised foreign exchanges losses. Of the realised losses \$2.8 million are associated with sales recognised in the 2009/10 financial year.
- The recognition of a \$1.4 million decrease in revenue, as a result of provisional pricing adjustments, derived from sales recognised in the 2009/10 financial year.

As a result of the first two points above, nickel production is well below budget and consequently unit costs are above budget. Despite this, Mincor's operations remain **strongly cashflow positive**, and the capital investments already completed and currently underway provide a strong platform for future growth.

Nevertheless, based on provisional unaudited accounts, it is unlikely that Mincor will record a profit for the half year just ended. Based on these provisional accounts, Mincor is likely to record a loss before tax of approximately \$3 million for the half year. This will be only the second time in its mining history that Mincor has recorded a half-yearly loss, reflecting the cumulative impact of the matters described above.

The loss figure includes \$3.3 million in written-off exploration expenditures and approximately \$16.3 million in non-cash depreciation and amortisation charges. Total sales are estimated at \$77.9 million, from which was generated a positive 'operating surplus' of \$22 million and EBITDA of \$11 million. Total capital and exploration expenditures – representing a significant investment in the future – were \$23.3 million.

Despite the half-year loss, both Mincor's short-term and long-term outlook remain **very healthy**:

In the short term – for the remainder of the current financial year – improved performance is likely as a result of the following:

- Intensive management of the engineering and grade issues at Miitel, which has already brought about a marked improvement in the grade of development ore;
- An adjusted contract structure already agreed and implemented with Mincor's contractor at Miitel and Mariners. While this will increase overall costs, it should resolve the productivity and manpower issues, failing which Mincor will take further action.
- The near-completion of the development of the main N18 ore body at South Miitel (the result of more than \$5.8 million in development capital invested during the half-year). This means that substantial tonnages of stope ore will be available, from now on, to bolster production from Miitel.
- New exploration results at Mariners, including true widths of 4.7 metres @ 7.58% nickel and 2.56 metres @ 7.29% nickel, which have outlined high-grade ore close to existing development, potentially capable of filling the low-grade "gap" between the N09 ore body and the high-grade N10 ore body.

Over the medium term – the next one to four years – the outlook remains very strong due to:

- The entry into production of the high-grade N10 ore body at Mariners, from the December quarter 2011 onwards;
- The entry into production of the MN03 ore body at McMahon, from about October 2011 onwards;
- The low-cost "harvesting" of several years of developed ore at Miitel, and the likely substantial additions to mine life based on the exploration success now being achieved at South Miitel;
- The additional upside represented by significant new exploration results down-plunge of the Otter Juan ore body (3.7 metres @ 9.13% nickel) and the identified potential for an "N11" ore body at Mariners (4.55 metres @ 3.55% nickel, as previously reported).

Over the longer term, Mincor will continue to pursue its successful Kambalda strategy, including its search for Ultra-Sized Nickel Ore Bodies at North Kambalda, new ore bodies along the Bluebush Line, and sustained regional exploration throughout the District.

QUARTERLY OVERVIEW

Mincor's December Quarter nickel production was up 12% over the previous Quarter. The Company produced 2,919 tonnes of nickel-in-ore, for 2,586 tonnes of nickel-in-concentrate, for the Quarter. Overall, the costs per tonne of ore decreased by 7% over the previous Quarter, and cash costs per pound payable nickel were down by 9%.

Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel	39,284	2.31	907	772
Mariners	24,364	2.23	544	462
Otter Juan	23,441	3.78	885	820
Coronet	2,786	1.53	43	39
Carnilya Hill: Mincor's 70%	17,742	3.05	541	493
Totals	107,617	2.71	2,919	2,586

Northern Operations

Production at Otter Juan continued in line with expectations. The lowermost development level was completed, and future production is scheduled from stoping only, until and unless the ore body can be located north of the 50 Level Fault. In this regard, a high-grade drill intersection was achieved north of the fault during the Quarter, but requires further confirmatory drilling before conclusions may be drawn (see further below).

Only minor production was derived from Coronet, as the main emphasis in that area is the development of the decline towards the high-grade MN03 ore body at McMahon. By the end of the Quarter 495 metres of capital development had been completed, for a capital investment of \$3.8 million, and the decline was 340 metres away from the first access level. The raise bore-holes for the 7 to 9 level ventilation rise and the escape-way rise had also been completed.

Nickel production from Carnilya Hill for the December quarter improved substantially as the production constraints experienced in the September Quarter were overcome. Production continued via mechanised flat-back and long-hole stoping as well as air-leg mining.

During the quarter Carnilya Hill reached the production milestone of 250,000 tonnes of ore under Mincor's management, and by the end of the quarter had produced 269,200 tonnes of ore @ 3.22% nickel for 8,661 nickel tonnes in ore.

Southern Operations

Both Miitel and Mariners experienced production constraints due to manpower shortages. Critical operational machinery, including jumbo drilling rigs, were stood down at times at both mines. This had negative knock-on effects throughout the operations.

At Mariners production continued from development ore drives and flat back stopes, as well as long-holes stopes, though production from the latter was negatively impacted by damage caused by the seismic event in the first Quarter. Grades remained modest, as expected. The main decline continued to advance towards the N10 ore body.

At Miitel capital and level development of the main N18 ore body continued, though hampered by manpower shortages and the stand-down of critical equipment. The nickel grade achieved from development ore was substantially below expectations, precipitating a detailed review of the resource, the mining method and the mining practice. Some re-design work and tight on-going management is expected to resolve this issue, but a degree of uncertainty remains at the time of writing.

Manpower and productivity issues were addressed via a new contract structure agreed and implemented with Mincor's mining contractor. Substantial improvements are expected in the current quarter, though mining costs per tonne will rise by about 15%.

In order to assist in the recovery from the under-performance in the September quarter, a portion of North Miitel was redesigned and a raise-bore and escape-way installed in order to bring forward production from the lower levels.

HEALTH AND SAFETY

Regrettably 3 Lost Time Injuries were recorded for the quarter.

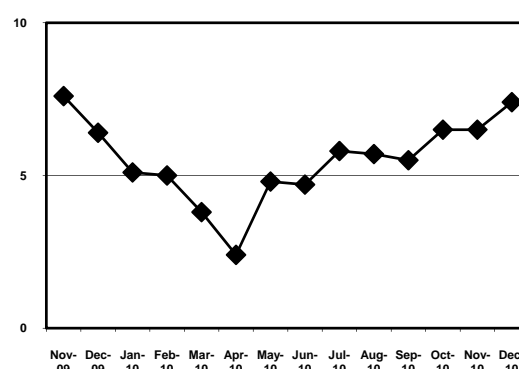
The focus this quarter will be to promote Mincor's Core Safety Objective of "Zero Harm" and to identify and implement strategies to promote and maintain a positive safety culture of all employees and contractors working at Mincor Operations.

The 12 month moving average Lost Time Injury Frequency Rate for all Mincor Operations is 7.4. This is above the LTIFR of 2.6 for Metaliferous Underground Nickel Mining in Western Australia.

The following improvement strategies were undertaken during the quarter:

- 18 people attended St John's Senior First Aid Courses held at Southern Operations.
- 21 people attended Accountability and Responsibility for Safety Awareness Sessions at Southern Operations.
- Control, Coordinate and Manage Emergency Incidents course was presented at Southern Operations.
- Emergency Response Training consisting of 4 Days BG4 Closed Circuit Breathing Apparatus and 3 Days U/G Fire Fighting was conducted at Southern Operations.
- Mines rescue maintenance training continued at both operations.
- A Noise Control Plan and Policy was developed for Southern Operations.

12 Month Moving Average Lost Time Injury Frequency Rate



- Four new MineArc Fire Refuge Chambers were commissioned and installed underground at Miitel and all refuge chambers at Northern Operations were serviced.
- MINSWP 024 Change Management Procedure was developed for Southern Operations.
- An external Safety Management System Audit was completed for Northern Operations.
- A Whole-of-Mine Risk Assessment covering all high-risk operational areas and high-risk tasks at Northern Operations was completed.
- The site safety action register at Otter Juan was improved and updated.
- 30 Task Observations were completed for the quarter on various underground disciplines at Northern Operations.
- The ongoing program of Work Place Inspections and Monthly Audits continued at Northern Operations.
- Work continued on implementing findings of the High Impact Audits of the Otter Juan McMahon/Coronet Operations.

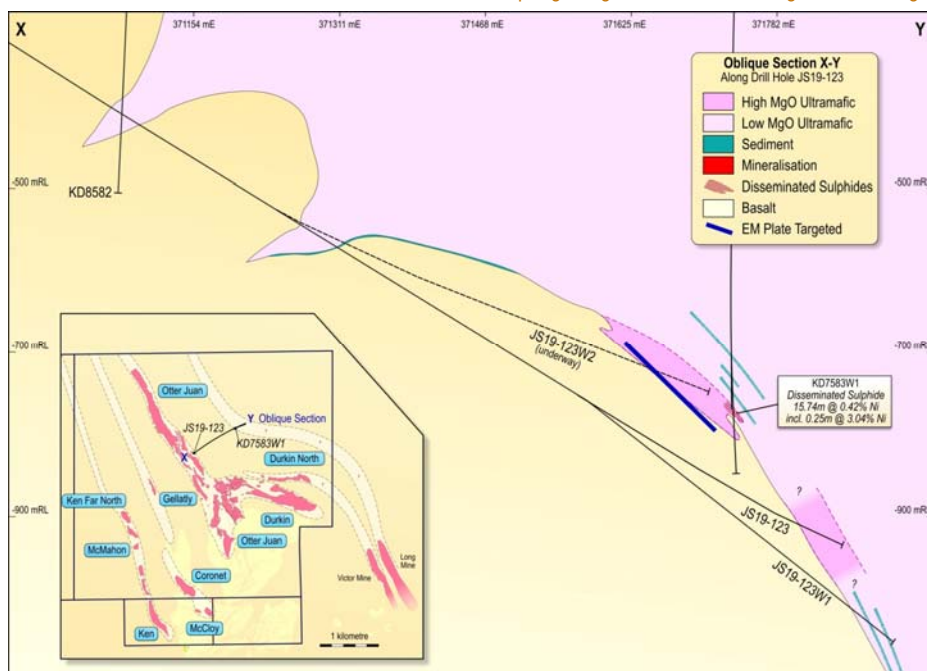
KAMBALDA NICKEL EXPLORATION

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

By the end of the Quarter Mincor's underground drilling program had achieved two intersections of the basal contact on the first section line chosen to pursue this target. Following the latter of these, a sophisticated down-hole electromagnetic (EM) survey was undertaken, which identified a target up-dip of historic hole KD7583. A wedge off Mincor's original parent hole was designed to test this target.

At the time of writing this wedge had just intersected a basal contact, some 70 metres earlier than expected. The contact at this position is un-mineralised. However, the actual EM target has not yet been reached, and the intersection of this target is still several days away.

FIGURE 1: Oblique geological section showing US-NOB target



Miitel Ore System

South Miitel

Outstanding exploration progress was achieved at South Miitel during the Quarter. Drilling focussed on extending known mineralisation between the lower N30 surface and the existing resources in the N29 and N18 surfaces as well as further extending the Miitel Channel to the south.

The previously outlined N18 and N29 ore bodies are interpreted to lie within, respectively, an upper and a lower sub-channel of the wider Miitel channel. The new N30 ore body is believed to be a continuation of the sub-channel that hosts the N18 ore body. However the actual mineralisation within this sub-channel was not thought to be continuous between the N18 and the N30 due to the presence of a single, negative, and highly troublesome intersection in underground drill-hole UMI-09-006.

During the Quarter, a very significant result was achieved in underground drill-hole UMI-10-018 (**9.67 metres estimated true width @ 2.19% nickel, including an estimated true width of 2.74 metres @ 3.79% nickel**), located *between* the N18 and the N30. This intersection lies well outside current ore reserves, some 80 metres south of the N18, and for the first time extends strong, wide mineralisation into the critical 'gap' between the two ore bodies.

Almost simultaneously, a spectacular intersection was achieved in the first wedge off the major surface parent hole SMD016: **13.55 metres @ 3.59% nickel** (true width 7 metres). This intersection lies about 80 metres *north* of the N30 – again extending strong, wide mineralisation into the critical 'gap' between the N18 and the N30.

The combination of these two results make it clear that the gap between the N18 and the N30 may be at least partly closed by further drilling. The implications of this for the long-term future of Miitel are immense, as near-continuous mineralisation from the southern end of the N18 to the southern end of the N30 would provide a **substantial additional extension to the life of the mine, with minimal additional capital expenditure.**

Other intersections off SMD016 provide support to this emerging potential:

SMD016: **1.00 metres @ 1.62% nickel** (estimated true width 0.74 metres) from 814.5 metres in the overlying ultramafics
3.15 metres @ 2.05% nickel (estimated true width 2.05 metres) from 817 metres in the overlying ultramafics
1.14 metres @ 1.62% nickel (estimated true width 0.74 metres) from 833.3 metres on the basalt contact

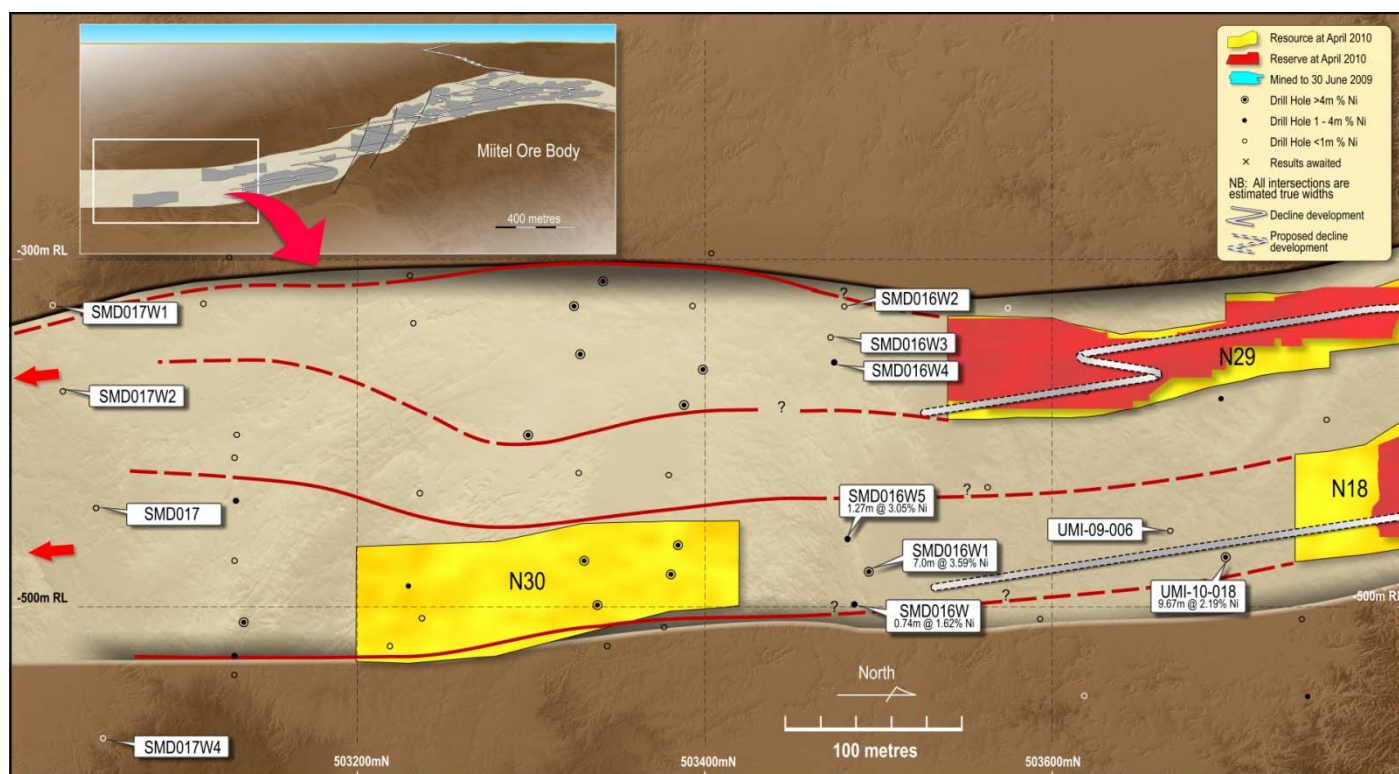
SMD016W1: **13.55 metres @ 3.59% nickel** from 809 metres (estimated true width 7.0 metres) on the basal contact; including
4.75 metres @ 5.34% nickel from 818 metres (estimated true width 2.45 metres)

SMD016W5: **2.08 metres @ 3.05% nickel** from 806 metres (estimated true width 1.27 metres) on the basal contact

Drilling elsewhere at South Miitel during the Quarter defined limits to the mineralisation in the Upper Sub-Channel, which, not unexpectedly, appears to have a more poddy nature, with the ore reserve of the N29 not continuous with the newly named N31 surface; but strong and accessible mineralisation is clearly present in both ore surfaces.

The overall Miitel channel remains open to the south, and further drilling will test that potential extension in due course. In the meantime, the potential for substantial additions to ore reserves have clearly been demonstrated in an area extending from the current N18 Ore Reserve out to the last line of holes (SMD017), a horizontal distance of more than 600 metres, and drilling for the remainder of the current financial year will focus on infilling this major new extension to the Miitel Mine.

FIGURE 2: South Miitel – Long section



Miitel Extended Concept

Four new drill-holes confirmed the presence of the prospective Miitel ultramafic rocks. Importantly, sediment-free basal contact was intersected, but, as yet, no significant mineralisation. Further work on this contact will be undertaken over the course of the year.

Mariners Ore System

During the Quarter a number of spectacular intersections were achieved in the 'Terrace' area of the Mariners ore channel. This is an area of elevated basal contact along the outer (southern) boundary of the main Mariners channel. A number of high-grade ore zones have been mined from this same relative position higher in the mine, demonstrating its intrinsic potential.

Results achieved during the quarter are of considerable significance for the immediate future of the operation. This is because the currently known ore reserves provide only low-grade ore until the main decline gets down to the high-grade N10 ore body in about nine months. The new results identify a zone of high-grade mineralisation that may allow for substantially higher nickel grades over this nine-month period.

These results are as follows:

MRDH0610: 14.28 metres @ 7.58% nickel (estimated true width 4.7 metres) located on the basal contact and 10 metres away from MRDH433

MRDH0612: 5.84 metres @ 7.29% nickel (estimated true width 2.56 metres)

MRDH0611: 3.74 metres @ 9.71% nickel (estimated true width 1.5 metres)

Very significantly, these outstanding results also create new possibilities regarding the overall morphology and orientation of the Mariners ore channel – with the potential for break-through new ideas in the future.

North Miitel – Burnett

A series of conceptual economic evaluations of the Burnett mineralisation was completed during the Quarter. These led to the conclusion that further work is strongly warranted, and new drilling will commence at Burnett in the new Quarter.

Otter Juan Ore System

The over-riding aim of exploration drilling at Otter Juan is the discovery of the Otter Juan ore system (if it exists) on the north side of the 50 Level Fault.

Otter Juan is the single largest and most continuous ore system yet discovered at Kambalda, with total past production of more than 300,000 tonnes of nickel-in-ore, and a physical strike length in excess of four kilometres.

During the Quarter a very strong drill intersection (JS50-011) was achieved north of the 50 Level Fault, at a location corresponding exactly with Mincor's expectations. The geological characteristics of the intersection also correspond exactly with what Mincor would hope to see in a discovery hole. Despite this however it is too early to conclude that the Otter Juan extension has been found, and, at the very least, a number of confirmatory intersections are required.

The intersection in JS50-11 is as follows:

JS50-011: 4.72 metres @ 9.13% nickel (estimated true width of 3.7 metres)

The intersection consists mainly of massive and matrix mineralisation on an open basal contact. The grade of the massive sulphide averages 17% nickel, a higher tenor of ore than usually associated with Otter Juan. Also encouraging is the greater thickness of basalt intersected in the structural wedge beneath this intersection. The significance of the thicker basalt is that a greater area of prospective basal contact is potentially preserved in the up-dip direction.

High priority drilling is underway to confirm what could be a major new discovery.

Bluebush Regional Kambalda Exploration

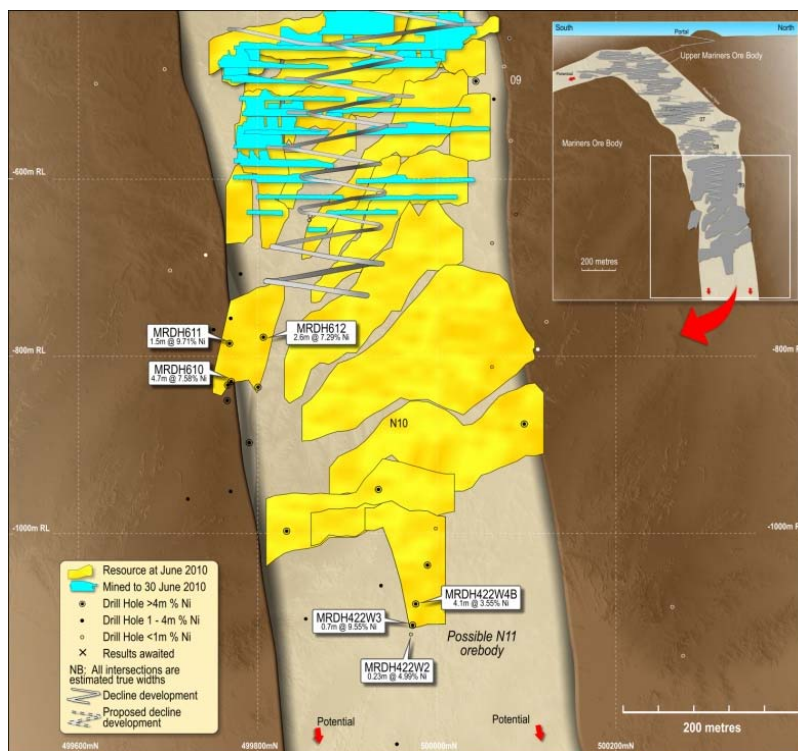
Exciting results were obtained from regional Kambalda nickel exploration work along the Bluebush Line, in an area with no previous work for nickel.

A total of 76 holes air-core holes for 2,195 metres were completed at the northern end of the Bluebush Line. These were designed to test magnetic anomalies believed to be related to thickened ultramafic rocks under lake cover. The drilling confirmed the presence of fertile, high-magnesium ultramafic rocks and the preservation of the footwall basal contact over a strike extent of two kilometres.

Hole BMA081 intersected 9 metres @ 0.88% nickel, including 3 metres @ 1.04% nickel from 9 metres in moderately oxidised ultramafic rocks. BMA036 intersect 3 metres @ 0.81% nickel in the basement ultramafic rocks. Both holes are located near the basal contact.

High-priority follow-up drilling is planned.

FIGURE 3: Mariners – Long section



Kambalda West – Woolgongie EM Anomalies (Mincor 51%, earning 70%)

Eleven RC holes were completed for 2,228 metres to follow-up non-economic massive sulphides intersected in the previous Quarter.

Seven holes (WRC006-WWRC0012) were drilled into the conductors up and down-dip and along plunge from known mineralisation. However, no economic mineralisation was found, nor any evidence of metal zonation, despite the fact that every hole again intersected massive sulphides.

Four holes (WRC013-WRC016) were drilled along the Ida Fault line into conductors identified in previous electromagnetic surveys. All the conductors were identified as massive sulphide bodies made up of pyrrhotite and pyrite with magnetite along granitoid margins. No significant assays were returned

A full geological revaluation is underway based on the recent results.

REGIONAL EXPLORATION

Lake Cowan Gold Prospect (Mincor 100%)

A program of air core drilling comprising 2,464 metres in 43 holes was completed in November 2010. The aim of the program was to extend previously identified gold anomalies in the Caspian prospect area. Results were generally ambiguous, despite the presence, from previous drilling, of gold together with elevated copper and arsenic as well as gossanous quartz vein material within a differentiated dolerite rock. However, given the complexities of gold exploration, especially beneath lake cover, further work is warranted. Re-assaying of selected samples is underway and a thorough review of results will be conducted prior to committing to the next stage.

Tottenham Copper Project (Mincor 100%)

Drilling at Tottenham, which had been planned for the December Quarter, was delayed by rain and flooding across much of central New South Wales. However, drilling has now commenced and will test high-quality copper sulphide targets outlined by electromagnetic anomalies down-plunge of copper oxide resources.

Bonaparte and Georgina Zinc, Lead and Copper Projects (Mincor 100%; JOGMEC earning up to 40%)

A detailed geological review which will integrate information from recent drilling into a broader Bonaparte Basin model is underway and will be incorporated into planning for the next field season. Together with JOGMEC, Mincor is exploring for sedimentary-hosted zinc, lead and copper deposits within the onshore Bonaparte Basin. Mincor is the first company to have negotiated an access agreement with local Traditional Owners and this remains an early-stage project in a prospective setting that has only been partially tested.

No new work has been completed at Georgina. Drilling that was scheduled during the quarter was postponed until the 2011 field season due to heavy winter rains that severely restricted access to the area.

CORPORATE MATTERS

Hedging arrangements

In line with its strategy of maintaining exposure to the nickel price while securing a minimum level of protection against adverse price movements, Mincor has sold forward a total of 2,220 tonnes of payable nickel metal to December 2012, at an average price of A\$25,785 per tonne.

This represents approximately 13% of Mincor's expected production over that period. This hedging is distributed as shown below:

Jan 2011 to Jun 2011	180 tonnes of nickel per month at a price of \$24,299/tonne
Jul 2011 to Dec 2011	130 tonnes of nickel per month at a price of \$26,933/tonne
Jan 2012 to Jun 2012	40 tonnes of nickel per month at a price of \$28,137/tonne
Jul 2012 to Dec 2012	20 tonnes of nickel per month at a price of \$27,000/tonne

Cash and debt

As at 31 December, Mincor had cash of **\$100.1 million** (end Sept 2010: \$105.02 million); and receivables net of creditors and accruals of \$2.91 million, giving a working capital position of **\$103.01 million** (end Sept 2010: \$102.66 million).

During the quarter Mincor earned a **\$1.2 million** increase in revenue received (compared to revenue booked as receivables in the previous quarter) due to provisional pricing adjustments.

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

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

MINERAL RESOURCES AND ORE RESERVES

Mineral Resources as at 30 June 2010

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	100,000	3.5	542,000	4.2	62,000	3.3	704,000	4.0	28,500
Redross	31,000	5.1	138,000	2.9	67,000	2.9	236,000	3.2	7,500
Burnett	-	-	-	-	250,000	3.7	250,000	3.7	9,400
Miitel	51,000	4.0	550,000	3.9	98,000	3.6	699,000	3.8	26,800
Wannaway	-	-	123,000	2.6	16,000	6.6	139,000	3.0	4,200
Carnilya Hill*	48,000	5.0	99,000	3.5	-	-	147,000	4.0	5,900
Otter Juan**	113,000	4.3	289,000	3.0	83,000	2.4	485,000	3.2	15,500
McMahon/Ken	-	-	249,000	2.9	79,000	6.2	328,000	3.7	12,200
Durkin	-	-	251,000	5.2	127,000	5.0	378,000	5.1	19,400
Gellatly	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Stockwell	-	-	557,000	3.1	-	-	557,000	3.1	17,100
Cameron	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Grand total	343,000	4.2	2,923,000	3.6	782,000	4.0	4,048,000	3.7	150,700

- 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.
- ** Otter Juan includes Coronet and McCloy.

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

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

Ore Reserves as at 30 June 2010

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	77,000	2.4	447,000	3.2	524,000	3.1	16,300
Redross	33,000	3.5	-	-	33,000	3.5	1,200
Miitel	28,000	2.6	585,000	2.7	613,000	2.7	16,400
Wannaway	-	-	39,000	2.9	39,000	2.9	1,100
Carnilya Hill*	52,000	3.5	30,000	3.1	83,000	3.3	2,800
Otter Juan**	109,000	3.6	104,000	2.9	212,000	3.2	6,900
McMahon	-	-	242,000	2.3	242,000	2.3	5,600
Grand total	299,000	3.2	1,447,000	2.8	1,746,000	2.9	50,200

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

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

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

- REPORT ENDS -