



Quarterly Report

For the period ended 31 December 2011

HIGHLIGHTS

- **High-grade nickel discovery** at McMahon – close to existing underground development and with one kilometre of undrilled strike potential. Intersections include:
 - 3.14 metres @ 4.78% nickel (estimated true width 1.96 metres)
 - 5.0 metres @ 5.57% nickel (estimated true width 3.54 metres)
 - 2.0 metres @ 5.27% nickel (estimated true width 0.92 metres)
- **Miitel's Ore Reserves increased by 48%** with maiden Reserve estimate for new N29C discovery. Immediate development of the new ore zone approved, with first production expected before June:
 - Mineral Resource: 52,970 tonnes @ 6.16% nickel for 3,263 tonnes nickel
 - Ore Reserve: 59,500 tonnes @ 4.52% nickel for 2,690 tonnes nickel
- Infill drilling of Mariners 10B ore body commences – initial results **exceed expectations**, with numerous wide, high-grade ore intersections:
 - 16.79 metres @ 6.09% nickel (estimated true width 9.6 metres)
 - 13.11 metres @ 4.82% nickel (estimated true width 8.5 metres)
 - 6.32 metres @ 3.03% nickel (estimated true width 3.9 metres)
 - 4.83 metres @ 3.60% nickel (estimated true width 2.9 metres)
- Initial drilling **highlights potential** of Ken ore trend at North Kambalda:
 - 2.23 metres @ 7.20% nickel (estimated true width 1.79 metres)
 - 2.08 metres @ 3.36% nickel (estimated true width 1.67 metres)
- Mariners mine **successfully and safely** converted to owner-operations – success reflected in 28% drop in costs per tonne of ore mined for the Quarter.
- Group half-year production marginally exceeds forecast, while half-year cash costs **substantially out-perform** forecasts, at \$5.74/lb against forecast of \$6.10/lb, (before royalties), representing a 31% decrease in costs over the previous six months.
- Acquisition of package of **highly prospective** tenements in the Kambalda Nickel District.
- Major airborne survey **successfully completed** at May River in Papua New Guinea – numerous VTEM and ZTEM targets identified.
- After Capital and Exploration investments of \$6.40 million, share buy-back expenditures of \$0.34 million, and negative provisional pricing adjustments of \$5.13 million, Mincor had Quarter-end working capital (cash and receivables minus creditors and accruals) of **\$80.1 million** (end-Sept: \$85.6 million), cash at bank **\$75.1 million** (end-Sept: \$79.3 million).

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Mincor is a leading
Australian nickel
producer & is listed on
the Australian Securities
Exchange.

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 ended 31 December 2011

	SOUTH KAMBALDA OPERATIONS⁽¹⁾	NORTH KAMBALDA OPERATIONS⁽²⁾	TOTAL FOR DEC 2011 QUARTER	PRECEDING QUARTER (Sept 2011) TOTAL
Ore Tonnes Treated (DMT)	42,539	32,376	74,915	91,508
Average Nickel Grade (%)	2.85	2.67	2.77	3.40
Nickel-in-Concentrate Sold (tonnes)	1,057.1	777.7	1,834.8	2,796.7
Copper-in-Concentrate Sold (tonnes)	103.1	55.7	158.8	233.4
Cobalt-in-Concentrate Sold (tonnes)	18.9	10.4	29.3	44.5
Sales Revenue* (A\$)	15.20m	10.94m	26.14m	41.94m
Direct Operating Costs** (A\$)	10.45m	7.86m	18.31m	21.55m
Royalty Costs (A\$)	0.56m	0.26m	0.82m	1.48m
Operating Surplus*** (A\$)	4.19m	2.82m	7.01m	18.91m
Capital Costs****	2.16m	1.44m	3.60m	6.29m
Payable Nickel Produced (lbs)	1,514,861	1,109,498	2,624,359	4,001,737
Mining Costs (A\$/lb)	4.00	4.28	4.12	3.54
Milling Costs (A\$/lb)	1.13	1.19	1.15	0.92
Ore Haulage Costs (A\$/lb)	0.29	0.11	0.21	0.19
Other Mining/Administration (A\$/lb)	1.43	1.60	1.50	1.01
Royalty Cost (A\$/lb)	0.37	0.23	0.32	0.37
By-product Credits (A\$/lb)	(0.32)	(0.24)	(0.28)	(0.32)
Cash Costs (A\$/lb nickel)	6.90	7.17	7.02	5.71
Cash Costs (US\$/lb nickel) ⁽³⁾	6.98	7.25	7.10	5.99

TABLE 2: Production, Grade, Revenue and Costs – Six Months ended 31 December 2011

	SOUTH KAMBALDA OPERATIONS⁽¹⁾	NORTH KAMBALDA OPERATIONS⁽²⁾	TOTAL FOR HALF YEAR TO 31 DEC 2011	PRECEDING HALF YEAR (31 DEC 2010) TOTAL
Ore Tonnes Treated (DMT)	99,061	67,362	166,423	206,934
Average Nickel Grade (%)	3.11	3.12	3.12	2.68
Nickel-in-Concentrate Sold (tonnes)	2,716.4	1,915.1	4,631.5	4,899.6
Copper-in-Concentrate Sold (tonnes)	264.3	127.9	392.2	372.9
Cobalt-in-Concentrate Sold (tonnes)	48.2	25.6	73.8	72.9
Sales Revenue* (A\$)	36.86m	25.88m	62.74m	75.73m
Direct Operating Costs** (A\$)	23.15m	16.71m	39.86m	50.94m
Royalty Costs (A\$)	1.37m	0.67m	2.04m	2.83m
Operating Surplus*** (A\$)	12.34m	8.50m	20.84m	21.96m
Capital Costs**** (A\$)	5.84m	4.05m	9.89m	19.99m
Payable Nickel Produced (lbs)	3,892,620	2,733,476	6,626,096	6,923,075
Mining Costs (A\$/lb)	3.55	3.68	3.60	4.54
Milling Costs (A\$/lb)	1.03	0.99	1.01	1.14
Ore Haulage Costs (A\$/lb)	0.27	0.09	0.20	0.23
Other Mining/Administration (A\$/lb)	1.09	1.35	1.20	1.26
Royalty Cost (A\$/lb)	0.36	0.25	0.31	0.40
By-product Credits (A\$/lb)	(0.31)	(0.22)	(0.27)	(0.33)
Cash Costs (A\$/lb Ni) – Full Year	5.99	6.14	6.05	7.24
Cash Costs (US\$/lb nickel) ⁽³⁾	6.06	6.21	6.12	7.15

⁽¹⁾ Production from Mariners and Miitel.

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

⁽³⁾ Average December 2011 quarter RBA settlement rate of US\$1.0118 (30 September 2011: US\$1.0492; 31 December 2010: 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 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 December Quarter, Mincor established the final nickel prices for the production months of July, August and September. As a result Mincor recognised a negative sales revenue adjustment of **\$5.13 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

Half Yearly and Quarterly Overview

Mincor's Half Year production marginally exceeded forecast at 5,184 tonnes of nickel in ore. Costs were substantially better than forecast, with the six-month average cash cost being A\$5.74 per pound against forecast of \$6.10 per pound (before royalties). This represents a 31% drop in cash costs over the previous six months.

Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel	19,747	2.04	402.6	347.6
Mariners	22,792	3.55	808.1	709.5
Otter Juan	9,366	4.19	392.5	354.6
McMahon	13,739	1.63	223.6	199.9
Carnilya Hill: Mincor's 70%	9,271	2.69	249.0	223.2
Totals	74,915	2.77	2,075.8	1,834.8

These strong numbers reflect the success of Mincor's operational restructuring, which started in late June and was completed during the Quarter with the transition of Mariners to owner-mining.

December Quarter production was down over the previous quarter but in line with expectations. Otter Juan and Carnilya Hill continue to wind-down while Mariners made a highly successful transition to owner-mining, with a planned drop in production tonnes due to the residential roster but a substantial reduction in costs. McMahon continued to ramp-up though stoping has not yet started. Miitel's workforce had to deal with legacy issues that constrained production and impacted costs during October and November. These were overcome by December, but were largely responsible for the overall higher Group cash costs reported for the December Quarter.

Northern Operations

Production at McMahon was up 52% over the previous Quarter with strike drive development of the MN03 ore body on the 1203 and 1303 levels. Development so far has been at the top and southern extremities of the ore body and grades are expected to improve as the central part of the ore body is developed. The conventional air-leg strike driving of the upper MN02 ore body above the 10 level was completed during the Quarter and stoping has commenced. A total of 237 metres of level development was completed at McMahon.

At the end of the Quarter the main decline was past the 1303/1 access position and the ventilation decline had been completed providing a return airway circuit to the 13 level. A total of 393 metres of decline and access development was completed.

Production from Otter-Juan continues to decrease as the mine approaches the end of its life. The grade of the ore is still good and was mainly sourced from the 36G and also the E62 surface – mining of which was completed during the Quarter.

Access to the 37 level G surface was completed and stoping from this level will start in the March Quarter.

All possible remnant mining positions are being evaluated, with completion of mining still expected by the end of the financial year.

Production at Carnilya Hill was similar to the September Quarter, with a slightly lower grade, which was expected. Production from the remaining stoping areas of the mine is dictated by the required mining sequence so there will be some variability before closure of the mine, which will occur during the March 2012 Quarter.

Southern Operations

The change-over at the start of October of the Mariners mine to an owner-operator mine with a residential workforce similar to Miitel was accomplished safely and successfully. Results for the Quarter demonstrate that a substantially lower cost base has been established, with the total monthly cash outlay on mining dropping by nearly 50%. While this cost reduction is offset to some degree by lower production due to fewer working days under the residential roster, costs per tonne of ore were down 28% over the previous Quarter, and cash costs per pound of nickel were down 10%, despite lower ore grades.

This is an outstanding result. It reflects the highest possible credit on Mincor's workforce and site management, who have now performed this remarkable feat – safely, cost-effectively and successfully – twice in the past six months.

During the Quarter the flat-back stoping of the 1200S high-grade Terrace ore zone was completed and mining of the first long-hole stope at the southern extremity of the level commenced at the end of the Quarter. Mining of the very high-grade stopes in the central part of the Terrace will start in the March Quarter. Apart from the 1200S the main production for the Quarter came from long-hole stopes on the 1430N, 1440N and 1300N and the flat-back stope in the 1340N.

Delays due to mine dewatering issues restricted development of the Mariners main decline with advance of only 29.9 metres for the Quarter. These issues have been resolved and advance of the decline has recommenced.

At Miitel production from the N18 ore body is controlled by the mining sequence and will consist of flat-back and long-hole stopes. Legacy issues impacted production and costs during October and November but were largely overcome by December. Poor hangingwall conditions in the 680 Left long-hole stope of the N18 ore body necessitated a change in mining plan resulting in a

decision to first flat-back and long-hole stope the 660 Left level before mining the 680 Left level. Meanwhile long-hole stoping commenced in the 680 Right level and will commence on the 750 level in the March Quarter following completion of the strike drive development during the December Quarter. Production continued from a mixture of long-hole stopes and mainly air-leg mining in the north end of the mine.

The New N29C Ore Body at South Miitel

In its September Quarterly Report, Mincor announced the discovery of a new ore zone at South Miitel, reporting a number of high-grade intersections including:

- **6.10 metres @ 7.85% nickel** (estimated true width)
- **6.80 metres @ 5.75% nickel** (estimated true width)
- **4.93 metres @ 7.59% nickel** (estimated true width)

During the December Quarter resource estimates were completed and mining parameters applied. The resulting Mineral Resource and Ore Reserve estimates result in a substantial addition to Miitel's ore reserves, being a 48% increase over the Ore Reserves reported at 30 June 2011.

N29 Resource and Reserve as at 31 December 2011

- **Indicated Mineral Resource:** 52,970 tonnes @ 6.16% nickel for 3,263 tonnes nickel metal
- **Probable Ore Reserve:** 59,500 tonnes @ 4.52% nickel for 2,690 tonnes nickel metal

Following mine design and feasibility work, Mincor's Board has approved the immediate development of the new ore zone. The total capital cost is estimated at \$5 million, spread over six months from February 2012. First production from the N29C is targeted before June 2012. The new ore body is expected to have a substantial positive impact on Miitel:

- As a new high-grade ore source, it will lift Miitel's profitability by driving down cash costs.
- As a near-term and low-cost development, it will alleviate the scheduling constraints that would otherwise control the production rate of the N18 ore body due to the mining sequence dictated by geotechnical considerations.
- As the southernmost mine development at Miitel, it will provide a "stepping stone" to the substantial mineral resources (totalling some 13,420 tonnes of nickel metal) that lie to the south of current mine development, and that have the potential to add many years to Miitel's mine life.

Note on Resource Estimate: The N29C Resource was estimated using a 1% composite nickel cut-off to construct volume models. No minimum mining width criteria were used. The Resource estimation was done using inverse distance based on eleven diamond drill-holes. Samples are half diamond saw cut drill core with assaying at commercial laboratories using ore grade four acid digest and ICP detection. Only copper had a top cut at 2500ppm.

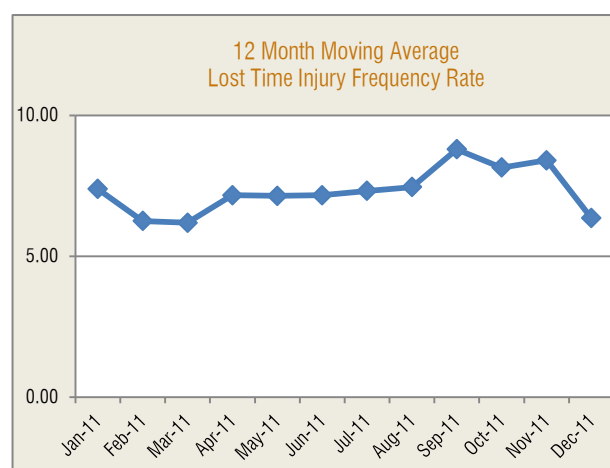
Appropriate dilution for the various mining methods was applied to the Indicated Resource. Using a 1.5% nickel cut-off and minimum mining width criteria, areas were selected as being mineable. Additional modifying factors to account for ore loss, recovery, further dilution, etc were then applied to achieve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

HEALTH AND SAFETY

There were no Lost Time Injuries recorded for the Quarter.

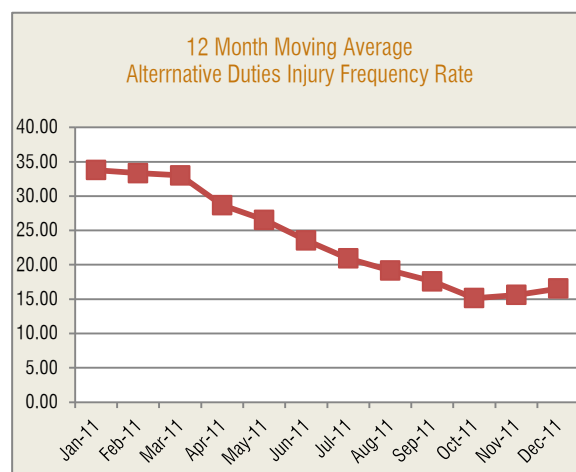
A significant safety milestone was reached at Carnilya Hill which, whilst continuing with over 1,000 days Lost Time Injury free, also achieved over 12 months free of Alternative Duties Injuries (ADIs).

The 12 month moving average Lost Time Injury (LTI) Frequency rate for all Mincor Operations is 6.4. With no LTIs in the December Quarter the number of LTIs recorded in the previous twelve months dropped from 8 in the September quarter to 5 in the December quarter. The number of ADIs over the previous 12 months also continued to fall, down to 13 from 16 in the September Quarter (the flattening in the frequency rate graph is due to the drop in the number of man-hours worked in the 2011 December Quarter compared to the 2010 December Quarter). These reductions in the number of injuries are pleasing and reflect the continued efforts by all personnel.



The following improvement strategies were undertaken during the Quarter:

- Continued review of all procedures, plans, policies and documentation to ensure consistency across all sites.
- Work on the Crisis Management Plan and the Site Emergency Procedure to cover all sites.
- The STEMS web-based safety management system was implemented across all sites.
- With the change to owner operations at Miitel and Mariners task observations and work place inspections were developed for both sites.
- Nine people from Mincor attended the DMP Safety Roadshow including three Safety and Health Representatives from the workforce.
- Purchased 2 x 4-man MineArc refuge chambers for use behind mine development at Miitel and Mariners and completed servicing of all MineArc refuge chambers.



KAMBALDA NICKEL – EXTENSIONAL EXPLORATION

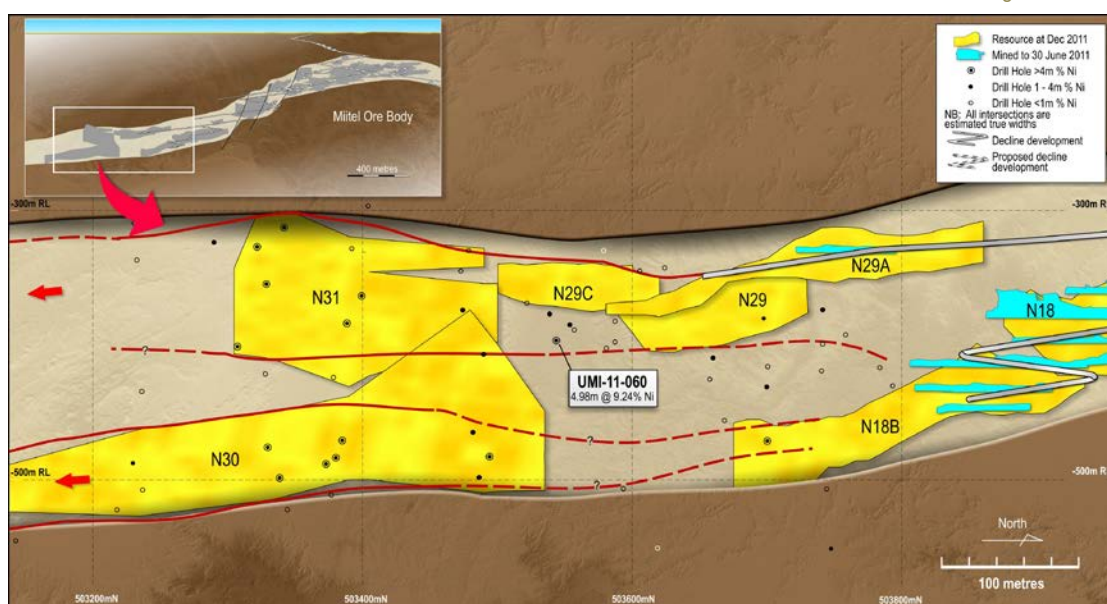
Mincor enjoyed substantial exploration success during the Quarter, with a new discovery at McMahon, a high-grade maiden resource estimate for the mineralisation discovered last Quarter at South Miitel, exceptionally strong results from the infill drilling at Mariners, and encouraging intersections in the Ken trend below McMahon.

FIGURE 1: Miitel Long Section

Miitel

As indicated above, a significant high-grade extension to the N29 mineral resource was discovered in the September Quarter. The new high-grade N29C ore body enabled a re-interpretation of the geology of South Miitel and opened up a number of new targets.

Initial drill-testing of the first of these targets produced early success, with very strong mineralisation intersected in one of five holes below the N29C resource:



- UMI-11-060: **14.96 metres @ 9.24% nickel from 153.5 metres** (estimated true width of 4.98 metres)

This intersection may be part of another high-grade ore zone. It also provides valuable geological insight and highlights a possible link between the N29 and N31 mineral resources.

The entire southern area of Miitel is of the highest exploration priority, however, drilling positions are limited and further drilling will take place once new positions are available from the advancing underground mine development.

Mariners

Infill drilling of the N10B ore body commenced during the Quarter.

The N10B surface is located on the northern side of the Mariners channel and directly below the N10A surface. Further drilling may establish continuity between the two surfaces. The 10B mineralisation consists of well-developed massive and matrix sulphides that appear to be defined by steeply plunging structures.

Initial results from the infill drilling substantially exceeded expectations, with numerous wide high-grade intersections suggesting that, at least in the area drilled so far, Mincor's current mineral resource may substantially under-estimate the size of the ore body.

Infill results include:

- MRDH675: **6.32 metres @ 3.03% nickel**
(estimated true width 3.9 metres)
- MRDH676: **4.83 metres @ 3.60% nickel**
(estimated true width 2.9 metres)
- MRDH679: **16.79 metres @ 6.09% nickel**
(estimated true width 9.6 metres)
- MRDH680: **13.11 metres @ 4.82% nickel**
(estimated true width 8.5 metres)

These results, specifically MRDH680, also show that the N10 mineralisation extends higher than previously thought, that is, closer to existing mine development.

The infill drilling program will continue through the current Quarter. In addition, a second rig will be sourced and used to test the very prospective area immediately down-plunge of the high-grade Terrace ore zone.

McMahon and Ken

During the Quarter a drill drive was extended into the hangingwall near the top of the MN02B ore surface to allow for drill-testing of the Ken ore trend. The Ken trend lies below the McMahon trend and has previously been successfully mined at higher levels in the mine.

The drilling carried out during the December Quarter was designed to test a small but high-grade position on the Ken trend, outlined by three historic diamond holes that were drilled from surface by previous explorers.

As a subsidiary target, the new drill-holes aimed at the Ken trend also passed through the basal contact below the level of the MN02B ore body. In an exciting development, these drill-holes intersected strong, high-grade and consistent mineralisation on this basal contact, below the MN02B ore body.

This new discovery has been named the MN02C ore surface. The intersections to date in this ore surface are as follows:

- MS12-09: **3.14 metres @ 4.78% nickel**
(estimated true width 1.96 metres)
- MS12-11: **2.0 metres @ 5.27% nickel**
(estimated true width 0.92 metres)
- MS12-12: **5.0 metres @ 5.57% nickel**
(estimated true width 3.54 metres)
- MS12-14: **0.33 metres @ 6.33% nickel**
(estimated true width 0.30 metres)

This mineralisation is significant. The grades are strong and consistent. The mineralisation conforms to the classic Kambalda model, being developed in a largely sediment-free channel on the basal contact, with the typical Kambalda-style mineralised profile.

FIGURE 2: Mariners Long Section

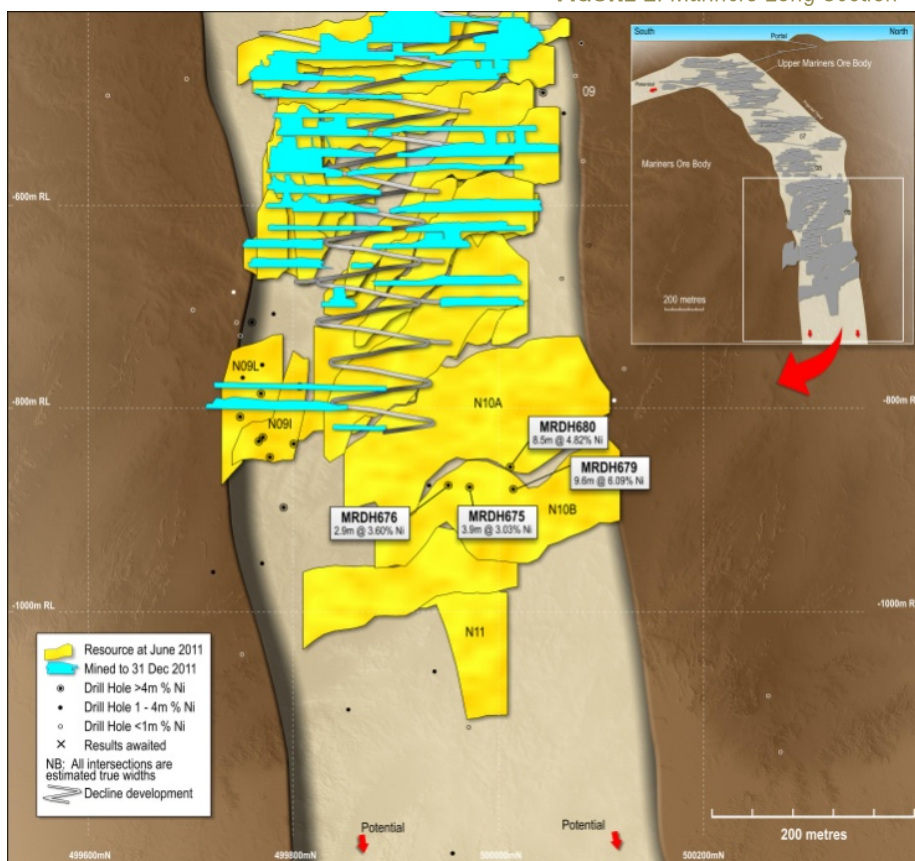
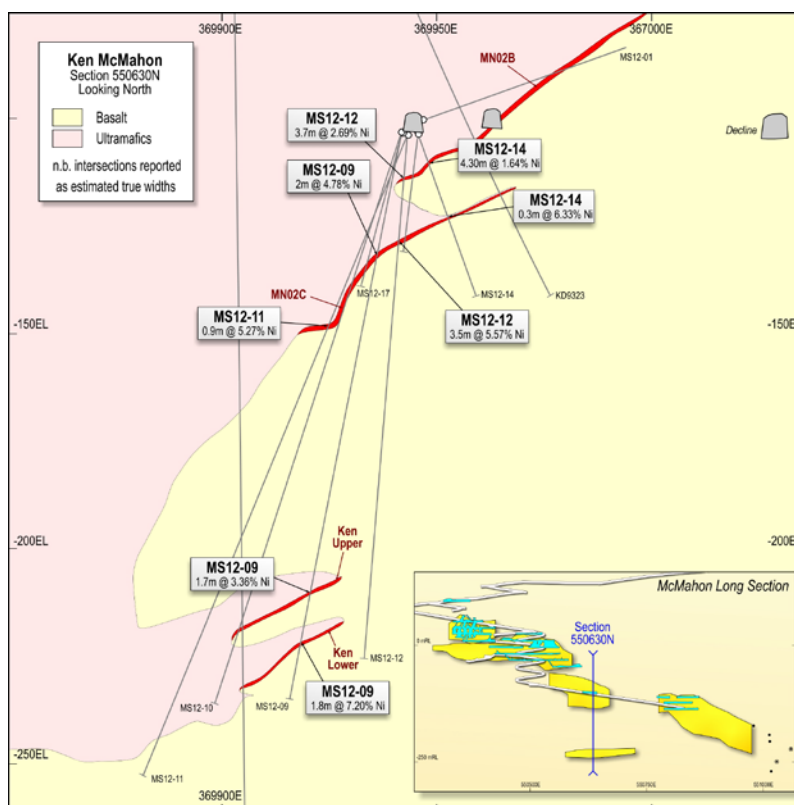


FIGURE 3: McMahon Cross Section



In addition, the mineralisation lies very close to existing mine development and the long-section view demonstrates that it could extend for up to one kilometre up- and down-plunge. At present however, it has been drill-tested over only a very limited plunge extent, given that the discovery holes were primarily designed to test the Ken trend.

Drill-testing of this potentially very significant new discovery is a high-priority and will commence during the March Quarter.

The drill results from the Ken trend itself are highly encouraging. They show that the mineralisation occurs on two separate contact positions within the Ken channel, although the dip extent is more limited than previously thought. However, both holes that actually intersected these surfaces returned mineralisation in line with expectations:

- MS12-09 **2.08 metres @ 3.36% nickel** (estimated true width 1.67 metres)
- MS12-09 **2.23 metres @ 7.2% nickel** (estimated true width 1.79 metres)

Mineralisation along the Ken trend is known to be high-tenor and high-grade but variable in nature. Thus high drill-densities are required. Ken remains an important target for Mincor but it has now been supplanted in priority by the discovery of the MNO2C mineralisation, which will be the focus of drilling during the March Quarter.

KAMBALDA NICKEL – REGIONAL EXPLORATION

Mincor's Regional Exploration program in Kambalda is targeted at the discovery of entirely new ore bodies in this highly prospective nickel district.

Bluebush Line: Mons Prospect (Lake Lefroy)

This prospect 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.

The prospect was discovered by an airborne EM survey carried out by Mincor and further delineated by air core drilling. This work confirmed the presence of moderate to high MgO ultramafic rocks on a regional magnetic high and the presence of preserved basal contact. Strong nickel and copper anomalies were identified in air-core drilling, as reported last Quarter.

During the December Quarter two diamond drill-holes (BMD015 and BMD016) were completed as an initial test of these targets. Both holes intersected disseminated nickel sulphides on the basal contact – a very encouraging outcome that demonstrates high fertility over an extensive area (the two holes are 240 metres apart).

TABLE 3: Mons Lake Diamond Collar Locations

Hole ID	MGA-East	MGA-North	Dip	Azimuth	RL	EOH	Tenement
BMD015	377060	6514560	-60	090	290	219	ML15/522
BMD016	377107	6514320	-60	090	290	288	ML15/521

BMD016 intersected two basal contacts, the second of which has a thick ultramafic unit with disseminated sulphides from 227 metres. The basal ultramafic unit has strong pervasive carbonate alteration with a disseminated sulphide zone on the basal contact. The sulphide zone assayed 7 metres @ 0.43% nickel, including 0.1 metres @ 0.75% nickel.

A down-hole electromagnetic (DHTEM) survey identified an anomalous response at around 237 metres down-hole. This suggests that there is a small, strongly conductive body located below the hole and slightly to the south, lying on or near the basal contact.

BMD015 is located 240 metres to north of BMD016. The hole intersected a thick zone of fertile, high MgO ultramafic rock with a broad zone of disseminated sulphides on the basal contact. The DHTEM survey did not detect a significant anomaly.

A surface electromagnetic Landtem SQUiD program will be undertaken in the next Quarter over the entire magnetic anomaly. All the information with then be used to plan the next phase of diamond drilling.

Anomaly A Prospect

Anomaly A is on the Miitel-Redross Basal Contact south of Mariners Mine. Recent diamond drilling has confirmed the presence of a south-plunging variably-mineralised high-tenor channel 70-80 metres wide in a deep trough structure.

Limited drilling during the Quarter further confirmed a well-developed channel structure in the basal contact, though significant mineralisation was not intersected. However, further work is required and a second surface electromagnetic Landtem SQUID survey is being considered.

TABLE 4: Nickel sulphide intersection Mons prospect

Hole ID	From (m)	To (m)	Interval (m)	Grade % Ni
BMD015	148	151	3	0.64
BMD015	156	157	1	0.67
BMD015	161.69	161.74	0.05	2.49
BMD015	164	164.25	0.25	1.05
BMD016	15	19.4	4.4	0.87
BMD016	227	234	7	0.43

REGIONAL EXPLORATION

Lake Cowan Gold Prospect (Mincor 100%)

During the Quarter three diamond drill-holes (LCD001-002-LCD003) for 579 metres were drilled to test Mincor's Lake Cowan gold prospect. The targets are coincident de-magnetised gold-arsenic basement anomalies defined in previous air-core drilling programs, which also intersected altered mafic rock containing gossanous quartz.

All three holes intersected sub-vertical to steeply east dipping structural zones with two sets of late cross-cutting veins. The structure has features of the dilation zones that typically carry gold mineralisation. Alteration includes carbonate, biotite, chlorite, sericite, and albite. Sulphides include pyrite, pyrrhotite, arsenopyrite and chalcopyrite.

Assay results are awaited.

TABLE 5: Lake Cowan diamond drill-hole collars

Hole ID	MGA-East	MGA-North	Dip	Azimuth	RL	EOH	Tenement
LCD001	391420	6476580	-57	270	265	171	EL51/729
LCD002	391450	6476500	-60	265	265	222	EL51/729
LCD003	391280	6476580	-57	090	265	186	EL51/729

Tottenham Copper Project (Mincor 100%)

Preliminary results were obtained for the approximately 1,700 soil samples that were taken during the September Quarter. An initial assessment of these results indicates highly anomalous values up to 739ppm copper some 500 metres west of the Carolina Prospect and up to 322ppm copper about 500 metres southeast of Carolina. Similarly, anomalous results are present 3 kilometres northeast of the Tottenham Township (215-393ppm copper).

These results indicate the possibility of substantial new extensions to the copper mineralisation at Tottenham. The initial sampling program has now been completed and follow-up and infill sampling will be carried out through the March Quarter.

Gascoyne Uranium Prospect (Mincor 100%)

Final processing of the 2011 VTEM survey data was received. The data will be integrated with spectrometric (uranium-thorium) data collected in 2008 and results used to generate drill targets.

Bonaparte Zinc Prospect (Mincor 100%, JOGMEC earning 40%)

A statistical analysis of 2011 soil samples was completed and confirmed possible southern extensions to anomalous Cu-Pb-Zn at the Redbank Prospect. Mincor is negotiating with the DEC for access to its prospective Ningbing Range tenement applications (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 4 of 12 known gossans have been tested.

Georgina (Mincor 75%, JOGMEC 25%, earning 40%)

The completion of 1,347 metres of stratigraphic diamond drilling was achieved in October-November under the Northern Territory Geological Survey Collaborative Drilling Program, and Statutory Reporting completed.

Canning Zinc Prospect (Mincor 100%)

Planning of modified gravity and IP Surveys is well-advanced, with the 2012 work program being prepared for submission to the Kimberley Land Council. Heritage clearance and subsequent field work is scheduled, weather permitting, for the second Quarter of 2012 following the northern wet season.

Generative Exploration (Mincor 100%)

Two tenements (Arthur River EL34/2001 and Hellyer Gorge 35/2011) were granted during the Quarter; the tenements lie within the NE trending Arthur Metamorphic Complex in NW Tasmania, and 30 kilometres along strike of the Savage River Iron Ore Mine. Several known iron and base metal prospects will be subject to field checks during the March Quarter.

PAPUA NEW GUINEA

During the Quarter Mincor successfully completed a major airborne survey at May River – a complex logistical task that has generated an outstanding data set that will guide and drive exploration over the coming months. In addition, field work commenced at the Edie Creek gold project and preliminary steps were taken at Bolobip.

During the Quarter the conversion of the Mining Licences at Edie Creek were completed. Mincor's joint ventures with Niuminco Ltd (Edie Creek, May River, Bolobip and Kubana) remain subject to a number of statutory approvals.

May River (Mincor earning up to 72%)

The May River tenement covers an area of exceptional prospectivity. Mincor is targeting high-grade VMS-style copper-gold deposits in the north and very large porphyry-style copper-gold deposits in the south, where the tenement shares the same geology as the adjacent Frieda River porphyry and epithermal deposits.

Extensive airborne geophysical surveys commenced in September 2011 and were completed during the Quarter. Based on preliminary data, 22 primary and 16 secondary targets were identified for follow-up (Figures 5 to 8).

The VTEM (Versatile Time Domain Electromagnetic) survey comprised 3,074 line-kilometres – 1,977 line-kilometres over the northern part of the tenement, targeting volcanogenic massive sulphide deposits and 1,097 line-kilometres in the southern part, west of Frieda River, targeting Nena-style ore bodies.

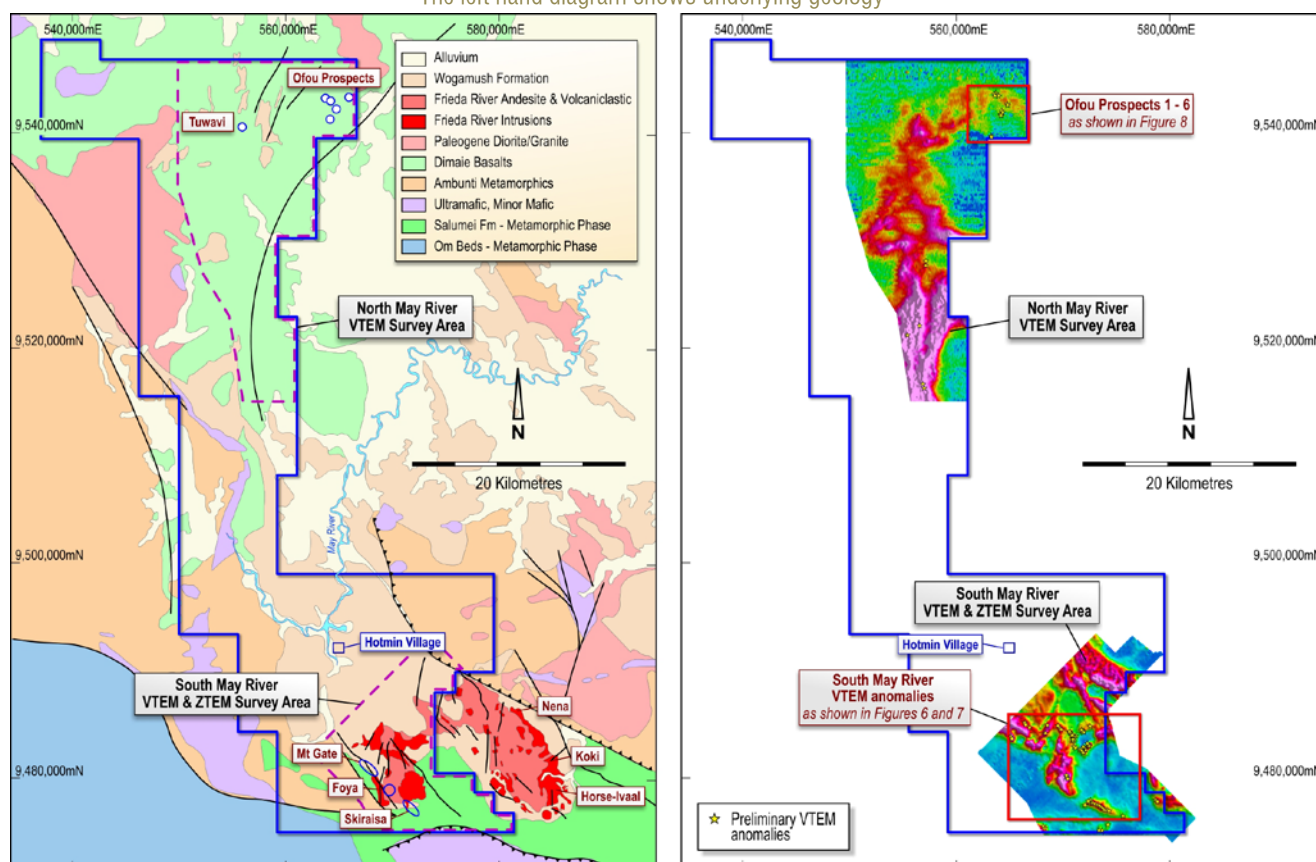
The new ZTEM system (Z-Axis Tipper Electromagnetic) was also used over the southern area in conjunction with the VTEM to better define the geology and structural setting of the area and to help define porphyry-type systems.

At present only preliminary results are available from the mass of data collected, with extensive and sophisticated processing still underway. Initial and provisional interpretations are provided below.

FIGURE 4: Location of Mincor's Joint Venture Tenements in PNG



FIGURE 5: Location of airborne surveys at May River. VTEM was flown over both areas and ZTEM over the southern area only. The left hand diagram shows underlying geology



South May River

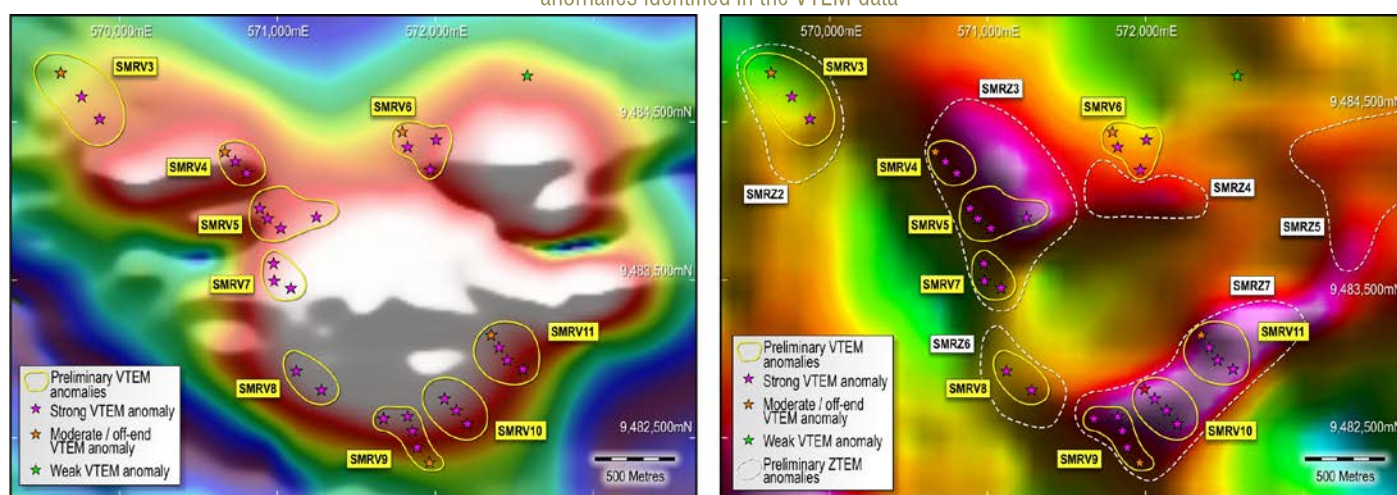
Of great interest is a cluster of VTEM anomalies surrounding a central magnetic high (SMRV4 to SMRV11, see Figure 6). These anomalies (apart from SMRV6) also fall within anomalous ZTEM zones (SMRZ3, SMRZ6 and SMRZ7) that are present as coincident areas of low resistivity surrounding a central area of high resistivity. Additional anomalous ZTEM zones that may form part of the same system are outlined by SMRZ4 and SMRZ5.

The initial ZTEM processing shows a highly resistive and magnetic core zone, which is also a topographic high, flanked by zones of high conductivity and low resistivity. Geological information shows that this central area may be underlain by intrusive diorite porphyry.

The magnitude and extent of the VTEM anomalies, and their coincidence with resistivity lows mapped by the ZTEM data, together with their location around what appears to be a late stage and highly magnetic intrusion, is most interesting. This could be the kind of signature that a large and complex multi-phase porphyry system would generate.

In addition to the above, a northwest trending line of VTEM anomalies (SMRV12 and SMRV13) within an elevated ZTEM response (SMRZ9 and SMRZ12) occurs to the west/southwest of the Skirasia – Foya – Mountain Gate line of prospects (Figure 7). These prospects are themselves subtly defined in the ZTEM data. Elsewhere, a further three primary VTEM anomalies were also identified (SMRV1, SMRV2 and SMRV3).

FIGURE 6: The image on the left shows the position of preliminary VTEM anomalies superimposed on a regional magnetic image. The anomalies are marginal to a central magnetic high (intrusive). The right hand image shows the VTEM anomalies superimposed on ZTEM data with the warm colours representing areas of low resistivity (implying high conductivity). ZTEM anomalies tend to correlate closely with the electromagnetic anomalies identified in the VTEM data



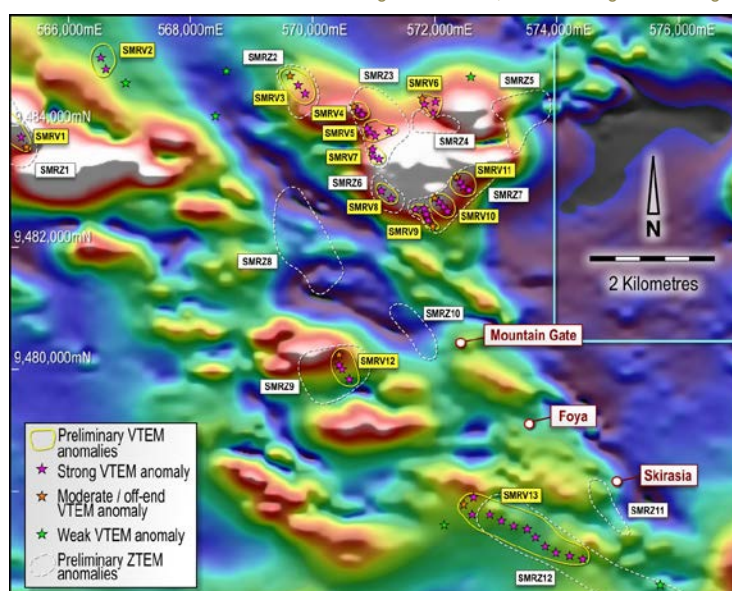
North May River

North May River is prospective for high-grade VMS-style copper-gold deposits. A number of such deposits are known to be present on the Licence area.

Very importantly, the VTEM survey clearly identified the known mineralisation at the prospects named Ufou 1, 2 and 4. Equally significantly it did not identify anomalies at two named but undrilled prospects, being Ufou 3 and 5 – suggesting these do not require further consideration.

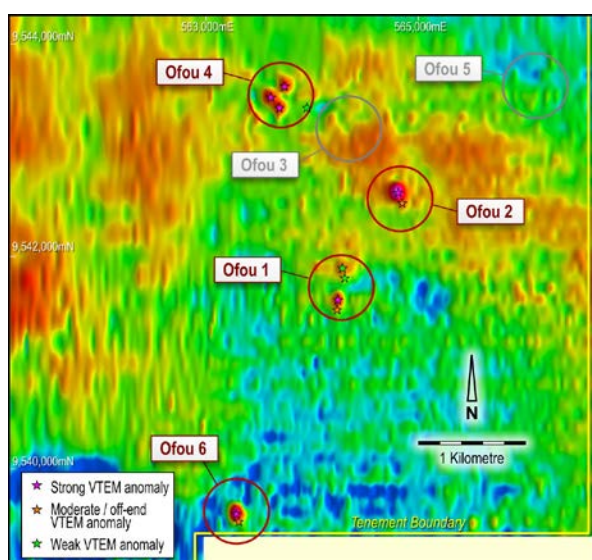
Finally, the survey identified a strong new anomaly, which has been named Ufou 6.

FIGURE 7 (below): Additional preliminary VTEM and ZTEM anomaly locations at South May River superimposed on regional magnetic image (warm colours indicate elevated magnetic zones, white being most magnetic)



These results suggest that the VTEM survey has effectively screened the chosen area. Of the existing prospects, three have been confirmed and two downgraded, while a new prospect has been added.

FIGURE 8 (left): Discrete VTEM anomalies (channel 35 image shown) clearly associated with known sulphide occurrences at Ofou including a new anomaly at Ofou 6



Bolobip (Mincor earning up to 72%)

Compilation of historical data is nearing completion. Limited trenching completed by CRA in the late 1980s identified significant gold occurrences at surface. The old trenches have been re-established and detailed mapping and re-sampling, as well as additional trenching, is planned. The Bolobip prospect comprises a diorite-monzonite stock similar in age and setting to the Ok Tedi mine, located 60 kilometres to the west.

Edie Creek (Mincor earning up to 51%)

The Edie Creek project lies within the Morobe Goldfields, 5 kilometres north of the large Hidden Valley gold mine (Figure 9). Despite this outstanding location and the well-established presence of epithermal gold mineralisation, as well as an 80-year history of small-scale gold mining, the tenements have never been subjected to systematic modern exploration.

Mincor has commenced exploration at Edie Creek with a detailed program of structural mapping and sampling. This will be used, with historical data, to systematically define structural controls on gold mineralisation in order to identify drill targets. An IP survey and detailed ground magnetic survey are being considered.

FIGURE 9: Regional location of the Edie Creek Gold Project



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 1,050 tonnes of payable nickel to December 2012, at an average price of A\$27,586 per tonne.

This represents approximately 20% of Mincor's expected production over that period. The hedging is distributed as follows:

Jan 2012 to Mar 2012	110 tonnes of nickel per month at a price of \$27,941/tonne
Apr 2012 to Jun 2012	80 tonnes of nickel per month at a price of \$27,355/tonne
Jul 2012 to Dec 2012	80 tonnes of nickel per month at a price of \$27,459/tonne

Acquisitions

On 11 January 2012 Mincor announced that it had entered an agreement with Jupiter Mines Ltd for the acquisition of a highly prospective package of tenements in the Kambalda Nickel District. The tenements lie south of Mincor's Miitel and Mariners Mines on the Widgiemooltha Dome, and contain the strike continuation of basal contacts that host approximately 170,000 tonnes of nickel in mined and unmined resources. The acquisition cost is \$200,000, and the agreement remains subject to a number of statutory and regulatory approvals.

Major Expenditures, Cash and Debt

Under the terms of its share buy-back program announced 21 June 2011, Mincor has bought back and cancelled 4.84 million of its own shares, representing 2.4% of its share capital before the start of the buy-back. The total cost of the shares bought back to date is \$3.9 million. The buy-back program continues.

As at 31 December 2011, Mincor had cash of **\$75.14 million** (end Sept 2011: \$79.34 million); and receivables net of creditors and accruals of \$4.92 million, giving a working capital position of **\$80.06 million** (end Sept 2011: \$85.63 million).

During the Quarter Mincor incurred a **\$5.13 million** decrease in revenue received (compared to revenue booked as receivables in the previous quarter) due to provisional pricing adjustments.

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 as at 30 June 2011***

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	125,000	3.6	417,000	4.8	65,000	3.5	608,000	4.4	26,900
Redross	31,000	5.1	138,000	2.9	67,000	2.9	236,000	3.2	7,500
Burnett			121,000	4.8			121,000	4.8	5,700
Miitel***	175,000	4.2	318,000	3.6	545,000	3.0	1,038,000	3.4	35,100
Wannaway			123,000	2.6	16,000	6.6	139,000	3.0	4,200
Carnilya Hill*	63,000	4.1	41,000	2.3	0	0.0	104,000	3.4	3,500
Otter Juan**	45,000	3.3	114,000	4.7	79,000	2.3	238,000	3.7	8,700
McMahon/Ken			264,000	2.9	79,000	6.2	343,000	3.7	12,600
Durkin	-	-	251,000	5.2	127,000	5.0	378,000	5.1	19,300
Gellatly	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Cameron	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	-	-	557,000	3.1	-	-	557,000	3.1	17,100
Grand total	439,000	4.0	2,469,000	3.8	978,000	3.5	3,887,000	3.7	144,800

- 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.
- *** Miitel has been partly updated to December 2011 with inclusion of N29C and modification of N29A.

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 2011***

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	49,000	2.9	329,000	3.8	378,000	3.7	13,900
Redross	33,000	3.5	-	-	33,000	3.5	1,200
Miitel***	108,000	2.6	185,000	3.2	293,000	3.0	8,600
Wannaway	-	-	39,000	2.9	39,000	2.9	1,100
Carnilya Hill*	33,000	3.3			33,000	3.3	1,100
Otter Juan**	40,000	3.6	14,000	3.8	54,000	3.6	2,000
McMahon			242,000	2.4	242,000	2.4	5,600
Grand total	263,000	3.0	809,000	3.2	1,072,000	3.1	33,500

- 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.
- *** Miitel has been partly updated to December 2011 with inclusion of N29C and one extra level on the N29A.

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 Peter Teasdale, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Teasdale is a permanent employee of Mincor Resources NL. Mr Teasdale 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 Teasdale consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.