

Quarterly Report

For the period ended 31 December 2012

Driving Growth Through Exploration



HIGHLIGHTS

- Strong Quarterly Production of **2,619** tonnes nickel-in-ore (September 2012: 2,444 tonnes) at excellent cash costs of **A\$5.02/lb** payable nickel (September 2012: A\$5.13/lb).
- Lowest half-yearly cash costs since the six months ending June 2009.
- Healthy Quarterly Operating Surplus of **\$10.90 million** generated despite continued low nickel prices.
- Milestone at Mariners as underground development reaches the much-anticipated and high-grade **N10B ore body**. The first strike drive generates 7,200 tonnes of ore grading 5.84% nickel.
- Outstanding drill intersections at South Miitel highlight immediate production opportunity in the **rapidly expanding N30A Mineral Resource**. Better intersections include (all estimated true widths):
 - **9.3 metres @ 4.32% nickel**
 - **5.8 metres @ 3.24% nickel**
 - **9.4 metres @ 3.21% nickel**
- Regional Kambalda exploration continues to highlight potential of the Cassini, BC1, Voyce and Mons exploration targets. Further drilling planned.
- Drilling continues at Edie Creek in PNG, and preparations are advanced for an IP Geophysical Survey at Bolobip.
- After mine capital, mine development and underground exploration expenditures of **\$5.8 million**, the purchase of a new 1700 Loader for **\$1.2 million**, regional and PNG exploration expenditures of **\$3.2 million**, and positive provisional pricing adjustments of **\$0.12 million**, Mincor had Quarter-end working capital (cash and receivables minus creditors and accruals) of **\$75.92 million** (end-Sep: \$74.43 million) and cash at bank of **\$70.19 million** (end-Sep: \$69.70 million). The Company has no debt.

Cohabitation at the Miitel Nickel Mine



Photo courtesy of Ami Jamieson

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Mincor is a leading
Australian nickel producer
and 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 ending 31 December 2012

	SOUTH KAMBALDA OPERATIONS⁽¹⁾	NORTH KAMBALDA OPERATIONS⁽²⁾	TOTAL FOR DEC 2012 QUARTER	PRECEDING QUARTER (SEP 2012) TOTAL
Ore Tonnes Treated (DMT)	56,402	23,498	79,900	77,964
Average Nickel Grade (%)	3.12	3.67	3.28	3.13
Nickel-in-Concentrate Sold (tonnes)	1,547.2	795.8	2,343.0	2,172.9
Copper-in-Concentrate Sold (tonnes)	140.8	63.6	204.4	194.7
Cobalt-in-Concentrate Sold (tonnes)	28.6	14.2	42.8	39.0
Sales Revenue* (A\$)	19.00m	9.70m	28.70m	26.47m
Direct Operating Costs** (A\$)	11.20m	5.64m	16.84m	15.98m
Royalty Costs (A\$)	0.73m	0.23m	0.96m	0.91m
Operating Surplus*** (A\$)	7.07m	3.83m	10.90m	9.58m
Capital Costs****	6.77m	0.27m	7.04m	5.66m
Payable Nickel Produced (lbs)	2,217,059	1,140,399	3,357,458	3,113,853
Mining Costs (A\$/lb)	2.80	2.85	2.82	2.83
Milling Costs (A\$/lb)	1.05	0.88	0.99	1.05
Ore Haulage Costs (A\$/lb)	0.31	0.05	0.22	0.22
Other Mining/Administration (A\$/lb)	0.88	1.21	0.99	1.03
Royalty Cost (A\$/lb)	0.33	0.20	0.29	0.29
By-product Credits (A\$/lb)	(0.30)	(0.27)	(0.29)	(0.29)
Cash Costs (A\$/lb nickel)	5.07	4.92	5.02	5.13
Cash Costs (US\$/lb nickel) ⁽³⁾	5.27	5.11	5.21	5.33

TABLE 2: Production, Grade, Revenue and Costs – six months ending 31 December 2012

	SOUTH KAMBALDA OPERATIONS⁽¹⁾	NORTH KAMBALDA OPERATIONS⁽²⁾	TOTAL FOR HALF YEAR TO 31 DEC 2012	PRECEDING HALF YEAR (31 DEC 2011) TOTAL
Ore Tonnes Treated (DMT)	105,476	52,387	157,863	166,423
Average Nickel Grade (%)	3.15	3.33	3.21	3.12
Nickel-in-Concentrate Sold (tonnes)	2,912.9	1,603.0	4,515.9	4,631.5
Copper-in-Concentrate Sold (tonnes)	269.8	129.3	399.1	392.2
Cobalt-in-Concentrate Sold (tonnes)	53.1	28.7	81.8	73.8
Sales Revenue* (A\$)	35.70m	19.57m	55.27m	62.74m
Direct Operating Costs** (A\$)	20.61m	12.22m	32.83m	39.86m
Royalty Costs (A\$)	1.40m	0.42m	1.82m	2.04m
Operating Surplus*** (A\$)	13.69m	6.93m	20.62m	20.84m
Capital Costs**** (A\$)	11.72m	0.98m	12.70m	9.89m
Payable Nickel Produced (lbs)	4,174,153	2,297,158	6,471,311	6,626,096
Mining Costs (A\$/lb)	2.67	3.11	2.82	3.60
Milling Costs (A\$/lb)	1.05	0.97	1.02	1.01
Ore Haulage Costs (A\$/lb)	0.31	0.06	0.22	0.20
Other Mining/Administration (A\$/lb)	0.90	1.21	1.02	1.20
Royalty Cost (A\$/lb)	0.34	0.18	0.28	0.31
By-product Credits (A\$/lb)	(0.30)	(0.27)	(0.29)	(0.27)
Cash Costs (A\$/lb Ni) – Full Year	4.97	5.26	5.07	6.05
Cash Costs (US\$/lb nickel) ⁽³⁾	5.16	5.46	5.27	6.12

⁽¹⁾ Production from Mariners and Miitel.

⁽²⁾ Production from Otter Juan and McMahon.

⁽³⁾ Average December 2012 quarter RBA settlement rate of US\$1.0387 (30 September 2012: US\$1.0385; 31 December 2011: US\$1.0118).

* 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 (including the purchase of a new Loader for \$1.2 million) and mine 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 positive sales revenue adjustment of **\$0.12 million** attributable to those production months. This adjustment **has not** been included in the sales revenue figures disclosed in Table 1 above.

For the December 2012 Quarter the Company recorded an average AUD selling price of \$18,224 (\$8.27/lb), including an average AUD provisional price of \$16,443 (\$7.46/lb) attributable to un-hedged sales for October, November and December. The final nickel price for these months will be established during the March 2013 Quarter, at which time an adjustment (up or down) will be recognised.

MINING – KAMBALDA NICKEL OPERATIONS

Overview

Mincor's mining operations achieved another strong Quarter, with production of nickel-in-ore up 7% over the September Quarter, at 2,619 tonnes. Cash costs were excellent, at A\$5.02 per pound payable nickel.

The strong cost performance again allowed the mines to generate a healthy operating surplus of nearly \$11 million, despite continued low nickel prices.

Mine production – December 2012				
Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel	31,722	2.19	695	604
Mariners	24,680	4.31	1,063	943
Otter Juan	3,202	4.97	159	147
McMahon	20,296	3.46	702	649
Totals	79,900	3.28	2,619	2,343

Total capital costs booked to the mines during the quarter included the following:

- \$4.47 million in underground development and infrastructure costs, mainly at Miitel and Mariners, where development of new ore reserves is taking place;
- \$1.2 million for the purchase of a new 1700 Loader, in accordance with Mincor's Equipment Management Plan;
- \$1.18 million in underground diamond drilling costs, mainly at Miitel and Mariners, where significant new resource potential is being drilled out.

For the half-year to December 2012 Mincor's operations outperformed forecast, producing 5,063 tonnes of nickel-in-ore against a forecast of 4,500 tonnes. Costs were well-controlled, with an average cash cost before royalties of A\$4.79/lb against a target of A\$5.20/lb. This was Mincor's best six-monthly cost performance in three and a half years, and continues the positive trend established since June 2011.

The final six months of the financial year will see the ramp-up of the N10B ore body at Mariners and the continued development and mining of higher-grade ore sources at South Miitel. On the revenue side, Mincor's average realised nickel price is expected to drop (assuming the current nickel price remains unchanged), as the company delivered the last of its high-priced long-term hedging at the end of December.

Southern Operations

A very significant milestone was reached at **Mariners**, where access was obtained to the high-grade N10B ore body. The first strike drive along this ore body commenced in November, and generated 7,200 tonnes of ore grading 5.84% nickel. Initial Reserve reconciliations suggest this is somewhat ahead of expectations.

Partly as a result of the N10B development, Mariners production was up 50% over the previous Quarter, setting a new production record since the commencement of owner mining in October 2011.

Mining also continued in the N09L (Terrace ore body), where nickel grades remain strong. The area produced 14,000 tonnes of ore at reconciled grade of 3.89% nickel. This was done using longhole stoping, benching, flatbacking and jumbo development.

Airleg mining continued on a number of the upper levels within the N09 ore body.

Development for the Quarter totalled 303 metres, a decrease of 17% on the previous Quarter. Development rates were affected by breakdowns and power outages. A new 1700 loader was purchased during the Quarter and this will assist in achieving budgeted development rates in the future.

Production from **Miitel** remained steady though at a lower grade than the previous Quarter. This was due to the absence of ore from the high-grade N29C ore body, which in turn was due to the budgeted development of necessary underground infrastructure in preparation for its production ramp-up, which will commence in the March Quarter.

Airleg development and stoping was carried out in both the north and the south of the mine. Jumbo ore development came from N29A ore body. Longhole production from the N18 ore body accounted for the bulk of the tonnes mined during the Quarter.

There was a total of 257 metres of capital development for the Quarter, all related to the access of the N29C ore body (and associated vent loop).

Northern Operations

At **McMahon**, production tonnes decreased by 16% compared to the previous Quarter but grade increased by 27%, resulting in overall increased output of nickel-in-ore.

The improvement in grade was due to mining reaching higher-grade areas of the main MN03 ore body, as well as high-grade ore from a new ore source in the 1A ore body.

No capital development occurred in the Quarter. Development of 801A ore decline and 901A access drive was completed.

Production at **Otter-Juan** was scheduled to terminate at the end of the December Quarter but is now expected to continue into the March 2013 Quarter. However, with limited mining areas production levels will remain low.

HEALTH AND SAFETY

The 12-month moving average Lost Time Injury (LTI) Frequency Rate for all Mincor Operations is 2.15, which is below the Nickel Industry Underground average of 3.8.

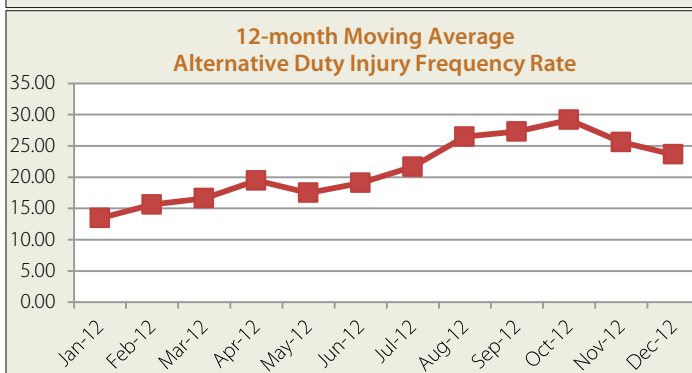
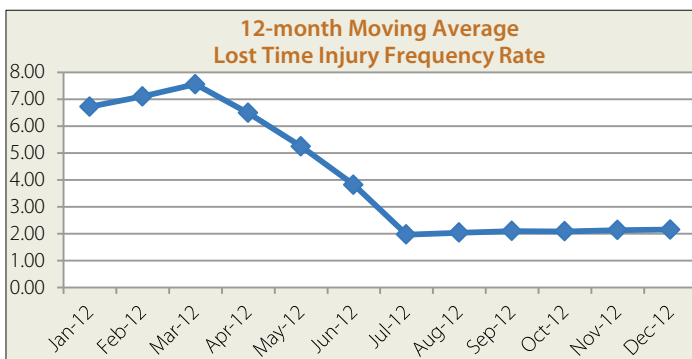
There were no Lost Time Injuries in the December Quarter and the number of Lost Time Injuries over the last 12 months remains at 1.

By the completion of the Quarter, Mariners had achieved 593 days LTI free, Miitel had achieved 570 days LTI free and Otter Juan/McMahon 117 days LTI free.

The number of alternative duty injuries decreased from the previous Quarter from 4 to 1.

The following improvement strategies were undertaken during the Quarter:

- Ongoing review of all procedures, plans, policies and documentation to ensure consistency across all sites and upload onto the electronic Safety Management System. Ongoing review of Crisis Management Plan and the Site Emergency Procedures to ensure relevance and purpose across all sites.
- Continued development of the Safety Management Plan for Exploration, including PNG, incorporating Major Hazard Standards and Emergency Threat Analysis.
- Conducted in-house first aid training for personnel.
- Conducted in-house fire extinguisher training for personnel.
- Continued to report Positive Performance Indicators (lead indicators) and targets for all sites.



KAMBALDA NICKEL – EXTENSIONAL EXPLORATION

South Miitel

A significant near-mine exploration opportunity exists at South Miitel and was the focus of intensive underground drilling during the Quarter.

Three mineralised sub-channels are present within the overall Miitel Channel. All three sub-channels host strong high-grade mineralisation. The two lowermost channels, the N30 and N31, have significant plunge extents and are entirely open to the south.

Good progress was made, with the deployment of two underground rigs late in the Quarter, focused around the N30A as well as the N31 and N30 resources.

The N30A – Substantial increase in size and grade

The N30A was initially identified as a small body of ore within a deeply embayed channel north of the N30 (that is: back towards the current mine area) and along strike from it. Drilling during the December Quarter has shown this ore body to be substantially bigger than first estimated. Ten holes were completed, including:

- UMI-12-033: **18.88 metres @ 4.32% nickel** (estimated true width 9.3 metres)
- UMI-12-045: **9.94 metres @ 3.24% nickel** (estimated true width 5.8 metres)
- UMI-12-055: **24.38 metres @ 2.61% nickel** (estimated true width 13.3 metres) including:
17.14 metres @ 3.21% nickel (estimated true width 9.4 metres)
- UMI-12-047: **6.59 metres @ 2.34% nickel** (estimated true width 3.8 metres)
- UMI-12-049: **6.14 metres @ 2.49% nickel** (estimated true width 3.9 metres)

In addition to the intersections reported above, three holes passed through the mineralisation at a high angle to the dip. These returned wide zones of ore grade mineralisation (UMI-12-026: **24.79 metres @ 2.93% nickel** and UMI-12-027: **20.0 metres @ 3.06% nickel** and UMI-12-25: **5 metres @ 1.9% nickel**). However, because it is believed that they did not pass through both the top and the bottom of the ore zone, they are not reported as intersections, although they do serve to confirm extensive mineralisation.

The N30A is now emerging as a significant body of mineralisation. It is closed to the north, but completely open to the south, where there is a drilling gap of about 100 metres before the N30 mineral resource is reached. Very importantly, the N30A lies right alongside the existing decline, which had been extended to this point as part of the infrastructure required for the mining of the N29C ore body. Thus capital development requirements to mine the N30A are minimal.

The N30 – Strong new intersections and remains open to north and south

The N30 has a strike length of 425 metres and plunges gently to the south. The current northern boundary of the N30 is located 100 metres to the south of the current main decline face. Infill drilling started late in the December Quarter. To date, only two holes have been completed but importantly both returned grades and widths that were better than expected:

- UMI-12-042: **19.44 metres @ 2.88% nickel** (estimated true width 8.8 metres)
- UMI-12-040: **3.95 metres @ 4.86% nickel** (estimated true width 1.3 metres)

There is very high potential to convert a significant portion of the existing N30 into reserve as well as to extend the resource limit to the north with further drilling.

The N31 – Does the high-grade portion of the Resource extend to the south?

The N31 is a substantial resource located between the high-grade N29C ore body, which is currently being developed, and the N30 resource. The northern end of the N31 has a published Probable Reserve of 30,960 tonnes at 4.38% nickel for 1,355 nickel tonnes. Two holes were completed infilling the N31 resource beyond the current reserve limits:

- UMI-12-031: **1.00 metres @ 3.83% nickel** (estimated true width 0.6 metres)
- UMI-12-034: **0.87 metres @ 3.51% nickel** (estimated true width 0.5 metres)

These results suggest the mineralisation is only weakly developed at this location. Drilling will continue further to the south where there remains strong potential, based on existing high-grade intersections from a previous surface drilling program.

The long section (Figure 1) shows in dashed lines the outside limits of Mincor's latest interpretation of the mineralisation at South Miitel. These extended areas will continue to be drill-tested, and represent the maximum potential resource under the new geological interpretation. This may be compared to the current Mineral Resource (in yellow), which in turn may be compared to the current Ore Reserve (in red).

High priority drilling with two underground rigs at South Miitel will continue for the remainder of the financial year.

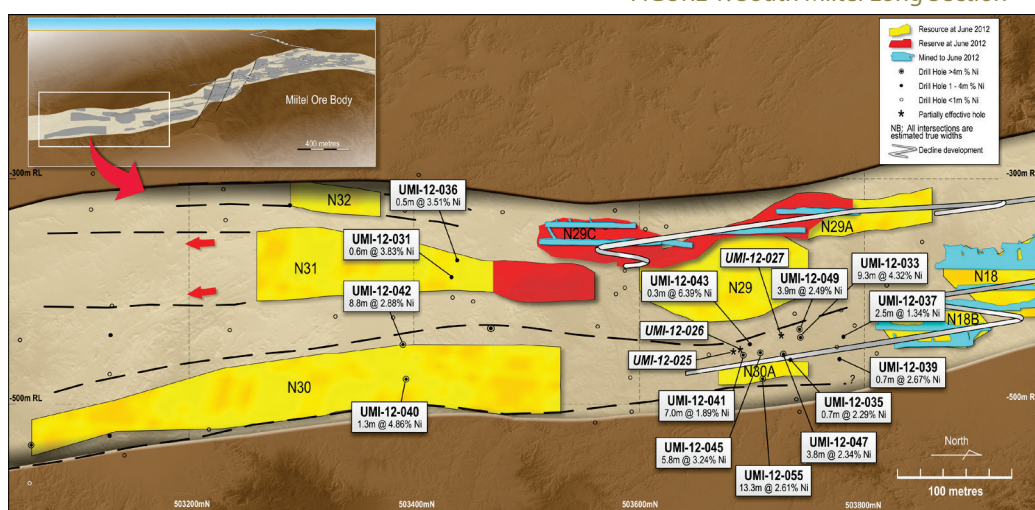
North Miitel

A new geological interpretation is emerging at North Miitel regarding the faulted extension of the basal contact that hosts the Burnett B01 and B02 Mineral Resources. The new interpretation postulates that this contact has been faulted well back to the south, effectively doubling the area of highly prospective and untested basal contact close to existing mine development.

In the previous Quarter a drill-hole was completed as an initial test of this theory with positive results: 0.67 metres true width @ 10.02% nickel.

Due to competing priorities only one drill-hole was completed during the December Quarter. The hole extended the Burnett basal contact a further 50 metres to the south, but no significant mineralisation was encountered. Drilling will continue onto this prospective target throughout the 2013 calendar year as rigs become available.

FIGURE 1: South Miitel Long Section



Mariners Mine

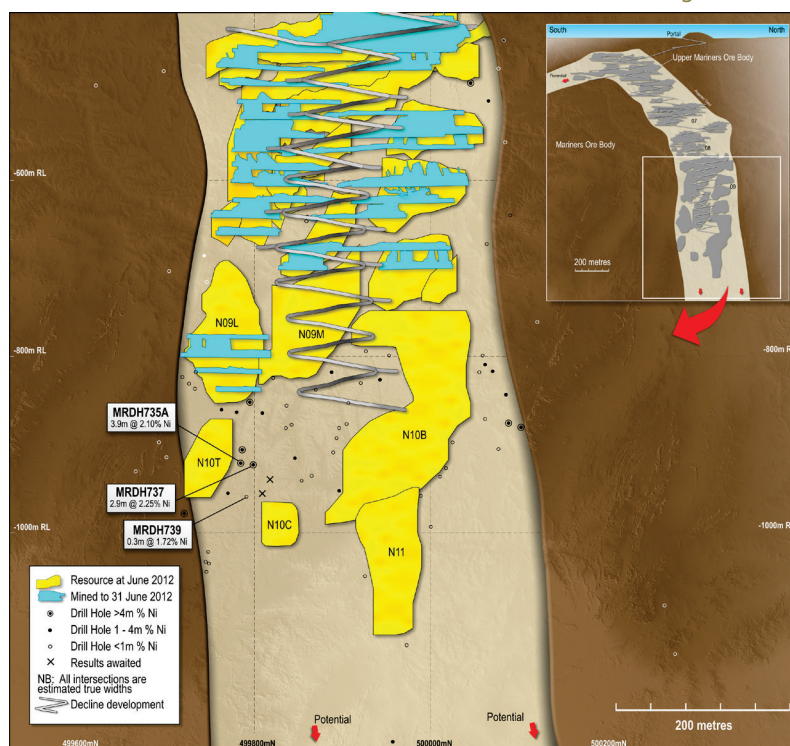
At Mariners, Mincor is targeting a repeat of the very high-grade Terrace ore body down plunge. The Terrace ore body is a significant high grade ore source for the Mariners Mine.

Mincor's initial hole, reported last Quarter, returned a strong intersection. During the December Quarter five additional holes were completed, assays for three of which have been received:

- MRDH0735A: **6.00 metres @ 2.10% nickel**
(estimated true width 3.9 metres)
- MRDH0737: **4.55 metres @ 2.25% nickel**
(estimated true width 2.9 metres)
- MRDH0739: **1.03 metres @ 1.72% nickel**
(estimated true width 0.3 metres)

The target area remains open in a number of directions and drilling is continuing.

FIGURE 2: Mariners Long Section



McMahon Mine

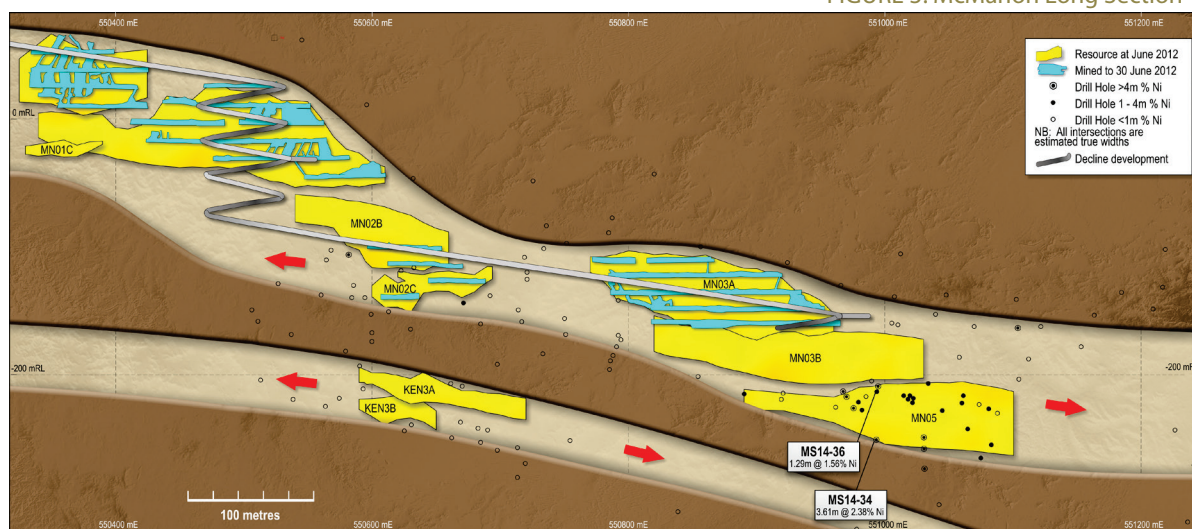
The main focus of extensional drilling at McMahon is the discovery of additional ore reserves down-plunge of the MN03B ore body that is currently in production.

Three holes were drilled from a hanging-wall drill drive. The results received to date are as follows:

- MS14-34: **10.38 metres @ 2.38% nickel** (estimated true width of 3.61 metres) and **1.44 metres @ 9.10% nickel**
(estimated true width of 0.94 metres)
- MS14-36: **3.51 metres @ 1.56% nickel** (estimated true width of 1.29 metres)

The intersections lie on sediment free contact, which is a favourable indicator. There remains untested potential for economic ore, and a further program of drilling is planned for the March Quarter.

FIGURE 3: McMahon Long Section



KAMBALDA NICKEL – REGIONAL EXPLORATION

Mincor's Regional Exploration program in Kambalda is targeted at the discovery of new ore bodies in this highly prospective nickel district. Significant progress was made during the Quarter on promising regional targets at Cassini and the adjoining BC1 Prospect.

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 initial hypothesis is that this magnetic high could represent the main mineralised channel, and the source of the historic Cassini mineralisation to the south.

Previous air-core programs succeeded in pinning down the location of the concealed basal contact 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 drilled for a total of 1,128 metres to test beneath the magnetic target.

A significant mineralised basal flow was intersected in MDD197:

- MDD197: **59 metres @ 0.59% nickel**, 400ppm copper from 262 metres (estimated true thickness 38.35 metres)

The mineralisation in MDD197 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 (20cm) may be a nickeliferous sediment just off the contact but there is a high degree of alteration and shearing. The next 58.9 metres of down-hole mineralisation is within a well-developed disseminated nickel sulphide cloud defining a mineralised basal flow 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 (Figure 4).

The presence of on-contact nickel sulphides in MDD197 and in historic holes JCDH006 and JCDH005 appears to define a north-plunging trend and remains open down-dip and along plunge. Above these holes the basal flow is thin, un-mineralised and occasionally contains sediments – all indicative of a non-ore environment. The hanging wall disseminated sulphides also track a northward plunge and could be sourced from a channel below. In order to test the possible up-plunge position of the mineralised basal flow unit, an air-core drilling program is planned, and this will be followed by further drill-testing of the potential mineralised channel at depth.

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 (reported June Quarter 2012): 1 metre @ 7.14% nickel. The air-core program confirmed the location of the basal contact and has successfully extended the nickel sulphide occurrences some 275 metres north of CAC010.

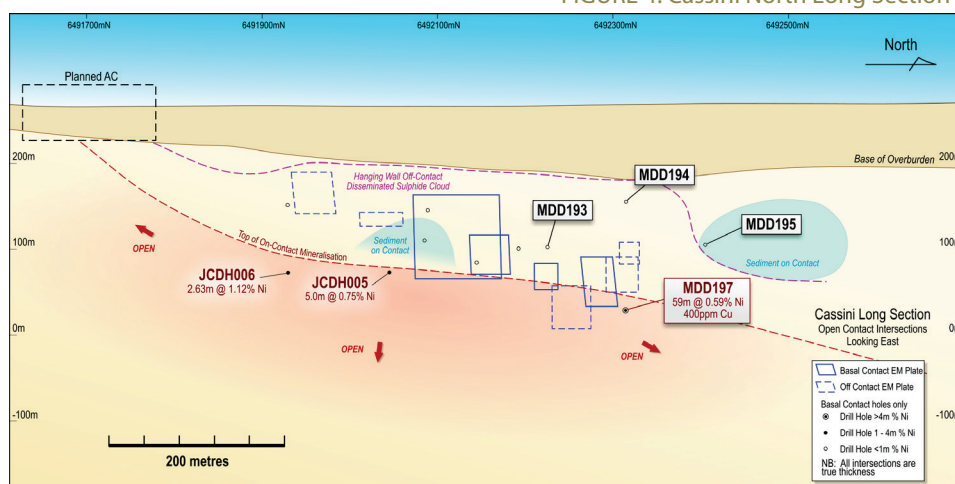
A small RC program testing the immediate vicinity of CAC010 produced ambiguous results, including anomalous nickel geochemistry within moderately favourable host rocks, and basal contacts obscured by porphyry intrusions.

To aid targeting an EM survey has commenced and is expected to be completed during the March Quarter.

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 with the massive sulphides containing up to 24.2% nickel. The best historic intersection was in diamond hole RED281: 2.89 metres @ 7.23% nickel (true width). The southern plunge of the Anomaly A 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

FIGURE 4: Cassini North Long Section



plunge of Anomaly A. Two holes testing the channel MDD183 and MDD187 returned weakly developed nickel sulphide mineralisation but the channel remained open down plunge.

Projected a further 900 metres down plunge to the south, the Voyce channel could potentially improve and be located below and parallel to the Turner Prospect, which is a lower tenor channel discovered by Mincor in 2006.

The most complete section at Turner is 6495600N, which has six holes on section. Litho-geochemical interpretation of this section indicates a strengthening of the mineralised basal flow in the down-dip direction.

Two surface holes were completed during the December Quarter testing this target (MDD192 and MDD196). A significant result was returned in the first hole, drilled 140 metres down-dip of 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 tenor of the massive sulphide is calculated to be 15.1% nickel. The basal flow of the open contact returned no significant mineralisation. Nevertheless the intersection is a significant extension of mineralisation and consistent with the targeting hypothesis.

The second diamond hole (MDD196) was drilled 70 metres up-dip and intersected flanking mineralisation of 0.25 metres @ 1.41% nickel from 417.85 metres followed by a mineralised pinch position in basalt returning 0.18 metres @ 5.41% nickel from 436.1 metres (estimated true width of 0.13 metres). The textures and form of the basalt-hosted mineralisation is characteristic of inter-pillow massive sulphide and is not believed to be remobilised. This observation is supported by a DHEM survey completed in MDD196 that identified an anomaly above and south of the hole.

The long section (Figure 6) illustrates the concept, and demonstrates the potential of the barely tested mineralised channel that is present down-plunge of Anomaly A.

Mons Prospect – 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.

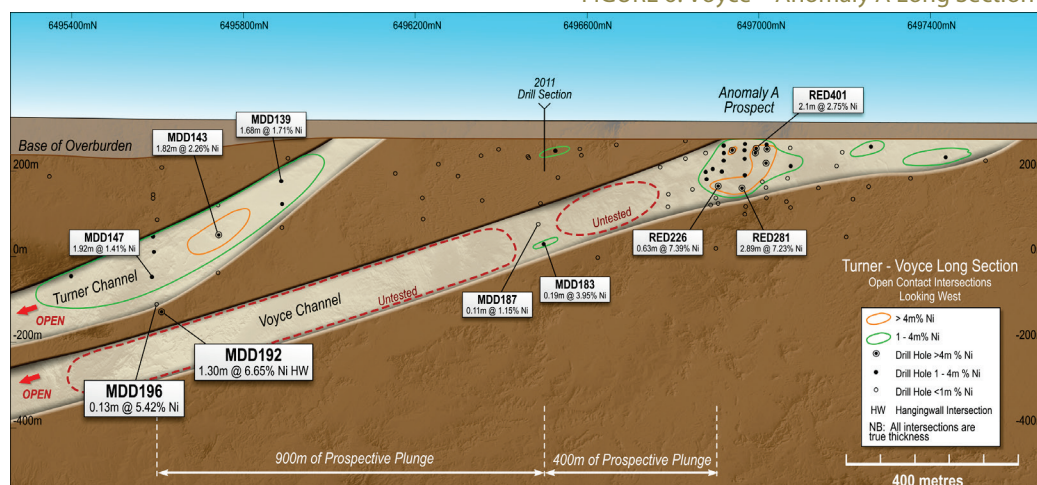
Mincor completed five lake diamond holes at Mons for 1,371 metres. The drilling tested beneath a significant magnetic anomaly with a coincident nickel/copper anomaly defined in previous lake air-core programs. The drilling confirmed the presence of nickel sulphides in a mineralised basal flow unit over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

- BMD022: **4.82 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 from 120 metres (estimated true width 1.95 metres), within transitional sulphides and **1.4 metres @ 1.37% nickel**, 0.06% copper from 138.7 metres (estimated true width 0.91 metre). 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) and **0.9 metres @ 1.33% nickel**, 0.12% copper from 97.1 metres (estimated true width 0.65 metre)
- BMD020: Failed to hit contact
- BMD021: Awaiting result – no nickel sulphides visible
- BMD023: No mineralisation – sediment on contact

FIGURE 5: MDD192 Massive sulphides hosted in the hanging-wall ultramafics



FIGURE 6: Voyce – Anomaly A Long Section



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. BMD022 has an inferred link to hole BMD018, BMD019, BMD015 and BMD016 and further drilling is required to confirm these relationships.

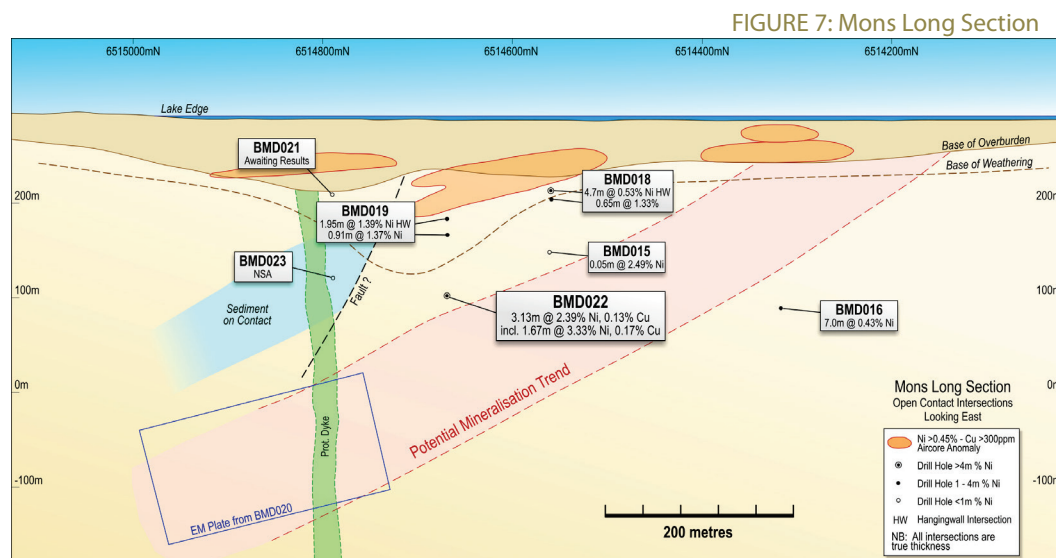
An EM plate modelled from a survey in hole BMD020 (100 metres to the north) has identified a large (100 metres by 100 metres) and well-developed EM anomaly of moderate-high strength. The position is very promising and could represent the development of massive sulphides down-plunge of BMD022. The significance of this can be seen in the long section presented in Figure 7.

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

Mons East

A 44 hole air-core drill program was completed for 1,300 metres testing the eastern of the two concealed well-developed magnetic highs at Mons.

The main aims of the program were to test a number of magnetic highs located up-dip of a previous SQUID EM anomaly and to better define the location of the basal contact in this area. Assay results are pending.



REGIONAL EXPLORATION

Tottenham Copper Project (Mincor 100%)

During the June Quarter a reconnaissance air-core drilling program consisting of 54 holes for 2,195 metres was completed at Tottenham, testing the northern extension of a concealed quartz-magnetite unit. The contact is the key stratigraphic horizon that hosts copper mineralisation in the district. The air-core program confirmed the presence of footwall basalts, quartz-magnetite units and hanging-wall metasediments consistent with the Tottenham stratigraphy. Metre re-splits have been taken and a significant reconnaissance result was returned in the southernmost section:

- TMAC003: **10 metres @ 3,706ppm copper, 666ppm zinc, 0.2ppm silver and 5ppb gold**

The intersection is within weathered basalt and a follow up program is planned.

TABLE 3: Metre re-split grades assays >0.1% copper

Hole ID	Northing	Easting	RL	From (m)	To (m)	Interval	Cu ppm	Zn ppm	Ag ppm	Au ppb
TMAC003	6445199	536887	198	35	45	10	3706	666	0.2	5

*Assays by aqua-regia digestion, ICP-MS finish

The re-assay (for gold and multi-elements) of approximately 4,000 pulps from previous Mincor soil and drill sampling was completed. Data is currently being processed and evaluated, with several new gold targets already generated. Some of these were subjected to a small infill sampling program during November and December. Assay results are awaited.

South Australian Tenements (Mincor 100%)

A preliminary field visit to the Gawler Project area was carried out in October, with the principal target being epithermal Au-Ag-Zn-Pb mineralisation within late-stage veining associated with the Mesoproterozoic Hiltaba Granite. Work along the prospective contact between the Hiltaba Granite and the Gawler Range Volcanics indicates extensive silica flooding at the contact and also along syn-post intrusive structures. XRF field measurements located anomalous As-Sn-Pb-Zn levels within quartz-tourmaline and quartz-limonite veins. Maximum values recorded were 3,954ppm Zn, 2,276ppm Sn, 2,660ppm Pb and 7,659ppm As, confirming that the epithermal veins near the contact zone are fertile, and that the area is prospective for base metals (and possibly Au-Ag) mineralisation.

Three rock chip samples were sent to ALS Chemex (Perth) for assay, with selected key elemental results as follows:

TABLE 4: Sample locations

Sample No.	Prospect	Lease	Sample type	Grid	Northing	Easting
600004	Bates	EL4826	Chips	MGA94_53	6452847	501916
600005	Bates	EL4826	Rock	MGA94_53	6452121	504891
600006	Bates	EL4826	Rock	MGA94_53	6452900	501300

TABLE 5: Sample results

Sample No.	Ag ppm	Al %	Au ppb	As ppm	Cu ppm	Fe %	K %	Mn ppm	Mo ppm	Pb ppm	Sn ppm	Zn ppm
600004	1.4	3.81	12	2490	26	10.8	0.45	4870	18	512	40	708
600005	<0.2	1.38	1	4	5	3.09	0.33	689	2	15	10	80
600006	<0.2	1.27	1	<2	3	2.12	0.57	284	2	31	<10	39

Sample 600004 confirms the anomalous As-Pb-Zn indicated by the field XRF instrument; however, the Sn values are not confirmed. Samples 600005-06 were collected from type outcrops of Gawler Range Volcanics and Hiltaba Granite to establish background values.

Following the lifting of the Department of Defence Access Moratorium associated with the Woomera Prohibited Area (WPA), an application for an Access Deed was lodged with the WPA Coordination Office in November.

The Bohemia Zn-Pb Prospect – Lennard Shelf (Mincor 100%)

A 2013 work program proposal was submitted to the Kimberley Land Council for a Heritage Impact Assessment; non-ground disturbing field work is proposed (IP, Gravity, geology, geochemistry) so Heritage Surveys will not be required. Field work, under the supervision of Gooniyandi Traditional Owners, and weather permitting, is planned for late in the second Quarter of 2013 following the northern Wet Season.

Gascoyne Uranium Prospect (Mincor 100%)

In accordance with new requirements for a Program of Works (POW) application for a uranium project in WA, Mincor has updated its Radiation Management Plan for the Gascoyne Project. An amended POW will be prepared and lodged in February 2013.

Bonaparte Zn-Pb Prospect (Mincor 100%, JOGMEC earning 40%)

No work completed during the Quarter. Applications for ELA's 80/4530-31 are progressing, and the grant is expected late in the March Quarter.

Georgina Zn-Pb Prospect (Mincor 75%, JOGMEC 25%, earning 40%)

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

Woolgangie South E15/883 (Mincor 70%)

Mincor has formally withdrawn from the project and surrendered all the tenements.

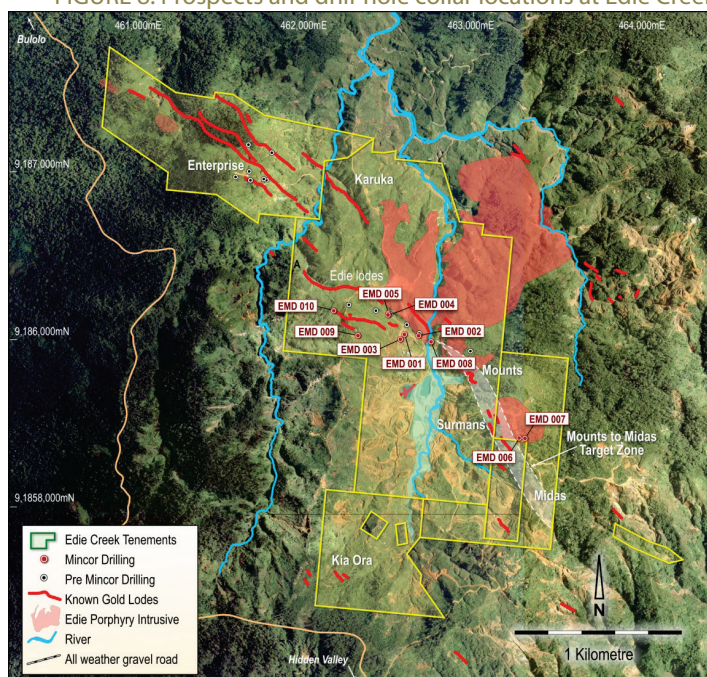
PAPUA NEW GUINEA

Edie Creek (Mincor earning up to 51%)

Drilling was severely interrupted during the quarter by regulatory delays, weather, and other local difficulties. However, drilling is currently underway.

Results have now been received for drill-holes EMD004 to EMD007, and are summarised in the table below. These holes targeted potential down-dip extensions of the main Edie Creek mine area as well as epithermal veins which crop out along the "Southeast Corridor" between Mounts Creek and Midas (Surmans). By 31 December 2012, holes EMD008 (testing a potential southern extension to the Edie Creek Lodes) and EMD009 (testing the depth extent of the

FIGURE 8: Prospects and drill-hole collar locations at Edie Creek



central portion of the Edie Creek lodes as well as adjacent parallel veins) had been completed and EMD010 (testing a possible northern plunge extension) had commenced. Collar positions are shown in Figure 8 and tabulated below – assay results are awaited.

Drilling will continue at Edie as well as at Karuka, the northern end of Surmans and at Enterprise once drill site access has been completed, as these targets are in areas of steep terrain.

TABLE 6: Updated drill-hole collar table showing recent assay results

Hole ID	WGS84 East	WGS84 North	Dip (Deg)	Azimuth (Deg)	Depth (m)	Summary gold (Au) and silver (Ag) assay results (all down-hole widths)
EMD001 and	465585.1	9186027	-63	10	240.3	1.7m @ 1.14g/t Au and 15.4g/t Ag from 40.3m 0.6m @ 2.93g/t Au and 8.2g/t Ag from 105.4m
EMD002	462671.7	9186026	-80	25	211	6m @ 1.39g/t Au and 23.7g/t Ag from 13m
EMD003	462562	9185998	-70	5	250	No significant assay
EMD004	462490	9186150	-85	80	263.4	1m @ 1.35g/t Au and 20.2g/t Ag from 25m and 0.8m @ 2.85g/t Au and 8.8g/t Ag from 114m down hole
EMD005	462490	9186152	-85	80	32.6	No significant assay
EMD006	463272.6	9185410	-60	255	200	0.41m @ 6.93g/t Au and 45.4g/t Ag from 154.09m and 0.6m @ 3.82g/t Au and 42.7g/t Ag from 186.4m down hole
EMD007	463299.6	9185413	-70	223	179.4	0.57m @ 1.34g/t Au and 270.5g/t Ag from 89.43m and 0.95m @ 1.33g/t Au and 272g/t Ag from 102.55m down hole
EMD008	462743.7	9185986	-60	36	150.1	Awaiting assay results
EMD009	462305.9	9186021	-57	20	406	Awaiting assay results
EMD010	462210	9186166	-66	25	~220	Currently drilling

Bolobip (Mincor earning up to 72%)

Meetings were held with the Bolobip landowners on site at Bolobip village throughout November and December. The path is now clear for the establishment of a field camp and commencement of field programs, preparation for which is at an advanced stage. A program of induced polarisation (IP) geophysics is planned to commence during the March Quarter and will be used to define targets for subsequent drilling. This will run concurrently with a program of creek mapping and sampling, as well as more detailed mapping and sampling of the main porphyry prospect area.

May River (Mincor earning up to 72%)

No field work was completed at May River during the Quarter. However, camp and airfield maintenance, social mapping and general community affairs work will continue for the remainder of the financial year.

CORPORATE MATTERS

Hedging arrangements

Mincor currently has no hedging in place.

Major expenditures, cash and debt

Major expenditures during the Quarter were \$7.04 million in capital and near-mine exploration costs at Mincor's Kambalda mining operations (including \$1.2 million for a new R1700 loader at the Company's South Kambalda operations) and \$3.19 million in exploration expenditures.

As at 31 December 2012, Mincor had cash of **\$70.19 million** (end Sept 2012: \$69.70 million); and receivables net of creditors and accruals of \$5.73 million, giving a working capital position of **\$75.92 million** (end Sept 2012: \$74.43 million). The Company has no debt.

During the Quarter Mincor recorded a **\$0.12 million** increase 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 2012

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	112,000	4.8	332,000	4.5	78,000	3.6	521,000	4.5	23,300
Redross	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
Burnett	-	-	121,000	4.8	98,000	2.2	219,000	3.6	7,900
Miitel	132,000	3.7	306,000	4.2	333,000	3.1	771,000	3.6	28,000
Wannaway	-	-	110,000	2.6	16,000	6.6	126,000	3.1	3,900
Carnilya Hill*	40,000	3.8	40,000	2.2	-	-	80,000	3.0	2,400
Otter Juan	18,000	4.0	114,000	4.7	79,000	2.3	211,000	3.8	8,000
McMahon/Ken**	70,000	4.5	67,000	3.3	203,000	3.4	340,000	3.6	12,400
Durkin	-	-	251,000	5.2	115,000	4.9	366,000	5.1	18,600
Gellatly	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Cameron	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	-	-	554,000	3.0	-	-	554,000	3.0	16,700
Grand total	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 includes Coronet.

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 2012

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	53,000	4.3	267,000	3.9	320,000	4.0	12,700
Redross	49,000	3.3	-	-	49,000	3.3	1,600
Miitel	91,000	2.3	161,000	3.5	251,000	3.1	7,800
Wannaway	-	-	39,000	2.9	39,000	2.9	1,100
Carnilya Hill*	-	-	-	-	-	-	-
Otter Juan	12,000	3.3	-	-	12,000	3.3	400
McMahon/Ken**	72,000	3.2	4,000	1.6	76,000	3.1	2,300
Grand total	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.
- * Reserves for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Reserve.
- ** McMahon Ken includes Coronet.

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 Brett Fowler, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fowler is a permanent employee of Mincor Resources NL. Mr Fowler 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 Fowler 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 -