



# Quarterly Report

For the period ended 31 March 2011

## HIGHLIGHTS

- Spectacular drill intersections upgrade the emerging Mariners "Terrace" position, including: **18.6 metres @ 11.05% nickel** (estimated true width 9.2 metres) and **13.4 metres @ 11.51% nickel** (estimated true width 7.1 metres).
- Surface drilling completed at South Miitel after successfully delineating a **700 metre strike extension** to the Miitel ore system – southernmost hole intersects **4.17 metres @ 3.05% nickel** (estimated true width 2.5 metres). Drilling continues from underground positions.
- High-grade Copper-Gold intersections highlight potential of Mincor's Tottenham Project, including: **2.18 metres @ 11.17% copper and 2.77g/t gold** (estimated true width 2.1 metres) and **3.35 metres @ 3.42% copper and 0.79g/t gold** (estimated true width 3.08 metres).
- Resource conversion drilling commences on three nickel prospects with a combined Mineral Resource of 45,900 tonnes of nickel metal – early results **highly encouraging**.
- Major new Regional Nickel Exploration Program to commence – **high-priority nickel targets** for early drill-testing.
- Mincor's joint venture partner JOGMEC **elects to continue funding** the Bonaparte Zinc Exploration Project.
- Seismic activity at Otter Juan heralds early closure of one of Kambalda's most significant operations. Group production down and cash costs up, quarter on quarter.
- Kambalda capital investment program well-advanced, with **new high-grade production sources** becoming available over the next six months.
- After dividend payments of **\$4M** and Capital and Exploration investments of **\$11.9M**, Quarter-end working capital (cash and receivables minus creditors and accruals) stands at **\$99.64M** (end-Dec 2010: \$103 million), cash at bank **\$96.13M**.

### Massive Nickel Sulphides at Mariners...



### ...and Massive Copper Sulphides at Tottenham...



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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 March 2011

	SOUTH KAMBALDA OPERATIONS <sup>(1)</sup>	NORTH KAMBALDA OPERATIONS <sup>(2)</sup>	TOTAL FOR MAR 2011 QUARTER	PRECEDING QUARTER (Dec 2010) TOTAL
Ore Tonnes Treated (DMT)	58,104	27,931	86,035	107,618
Average Nickel Grade (%)	2.29	3.35	2.63	2.71
Nickel-in-Concentrate Sold (tonnes)	1,117.8	859.8	1,977.60	2,585.6
Copper-in-Concentrate Sold (tonnes)	107.8	50.8	158.6	194.9
Cobalt-in-Concentrate Sold (tonnes)	18.0	10.2	28.2	35.3
Sales Revenue* (A\$)	19.59m	14.47m	34.06m	40.28m
Direct Operating Costs** (A\$)	15.18m	9.18m	24.36m	25.53m
Royalty Costs (A\$)	0.93m	0.48m	1.41m	1.52m
<b>Operating Surplus*** (A\$)</b>	<b>3.48m</b>	<b>4.81m</b>	<b>8.29m</b>	<b>13.23m</b>
Capital Costs****	5.52m	3.73m	9.25m	9.56m
Payable Nickel Produced (lbs)	1,601,869	1,190,918	2,792,787	3,637,819
Mining Costs (A\$/lb)	6.07	4.64	5.46	4.30
Milling Costs (A\$/lb)	1.45	0.86	1.20	1.12
Ore Haulage Costs (A\$/lb)	0.38	0.09	0.26	0.23
Other Mining/Administration (A\$/lb)	1.44	1.71	1.55	1.17
Royalty Cost (A\$/lb)	0.58	0.40	0.51	0.41
By-product Credits (A\$/lb)	(0.40)	(0.25)	(0.34)	(0.30)
Cash Costs (A\$/lb nickel)	9.52	7.45	8.64	6.93
Cash Costs (US\$/lb nickel) <sup>(3)</sup>	9.56	7.48	8.68	6.84

<sup>(1)</sup> Production from Mariners and Miitel.

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

<sup>(3)</sup> Average March 2011 quarter RBA settlement rate of US\$1.0047.

\* 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 March Quarter, Mincor established the final nickel prices for the production months of October, November and December. As a result Mincor recognised a positive sales revenue adjustment of **\$2.9 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

### Quarterly Overview

Mincor produced 1,978 tonnes of nickel in concentrate, or 2,262 tonnes of nickel-in-ore, during the March Quarter. This was 24% lower than the December Quarter.

The decreased production was primarily due to the seismic event at Otter Juan and consequent loss of production headings at that mine, and under-performance at Miitel. Mariners and Carnilya Hill performed according to expectations.

Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel	28,351	2.11	598.9	505.6
Mariners	29,753	2.45	728.8	612.2
Otter Juan	15,584	3.62	563.4	519.8
Coronet	1,367	1.90	26.0	23.9
Carnilya Hill: Mincor's 70%	10,980	3.14	345.1	316.2
<b>Totals</b>	<b>86,035</b>	<b>2.63</b>	<b>2,262.2</b>	<b>1,977.6</b>

Production at Mariners and Miitel is expected to improve during the current quarter.

## Northern Operations

Production from Otter Juan for the quarter was down 36% on the December quarter as a result of the seismic incident that occurred on the 49F3 level (see ASX Announcement dated 22 March 2011).

Following this event the six sub-levels between the 48F1 and the 50F1 were closed pending installation of remedial ground support and third party geotechnical reviews. These reviews determined that the access drives to the six sub-levels were unsupportable as a consequence of the seismic event. These sub-levels therefore remain closed and unavailable for production. Studies into their redevelopment are underway, but at this time it is unclear whether this will be technically or economically feasible.

Future production from Otter Juan is therefore likely to be constrained to the levels above the 48 Level – this will reduce production from Otter Juan by about half, and bring forward the likely closure of the mine by approximately one year, to early 2012.

Otter Juan has proved an outstandingly successful acquisition for Mincor and has substantially outperformed original expectations – generating \$131M in pre-tax cashflow to date and repaying its July 2007 acquisition cost within one year at the EBITDA level.

A number of remnant mining opportunities are being investigated and developed in order to supplement production.

Development of the McMahon decline continued and progressed 449 metres for the quarter. The development has reached the 11 level and work has commenced on the parallel vent decline. Production from the McMahon MMN3 ore body is expected to commence in the December Quarter.

Production from Carnilya Hill continued in line with expectations.

## Southern Operations

Production tonnes and grade from Mariners continued in line with expectations. Profitability will, as expected, remain muted until the high-grade N10 ore body is accessed late in the December Quarter. However, the discovery of the very high-grade Terrace ore zone creates an opportunity to replace low-grade ore with higher grade ore from the Terrace position in the near term. Access to this new ore position is targeted for late in the current quarter.

Production from Miitel was lower than the previous quarter and below plan, primarily due to severe production restrictions in March.

This was the result of an under-supply of contract personnel and low equipment availability (Mincor was obliged to bolster contractor resources with men and equipment from its own North Kambalda Operations), negative reserve reconciliations and temporary restrictions due to the installation of primary ventilation.

Miitel's performance is expected to improve through the June Quarter.

## HEALTH AND SAFETY

No Lost Time Injuries were reported for the quarter.

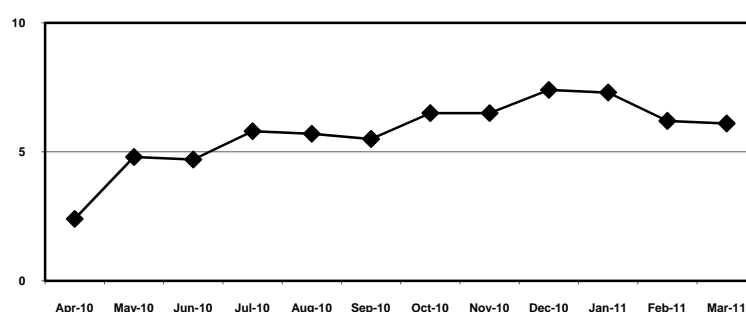
The 12 month moving average Lost Time Injury Frequency Rate for all Mincor Operations is 6.1. This is above the LTIFR 2.6 for Metalliferous Underground Nickel Mining in Western Australia.

Mincor's primary safety objective is "Zero Harm". Mincor continually investigates new improvement strategies to reduce the number of Alternative Duty Injuries and Serious Potential Incidents across all operations.

The following improvement strategies were undertaken during the quarter:

- An external Safety Management System Audit was completed at Southern Operations.
- Two-day Emergency Response Skills Training (vehicle extrication) was completed.
- An audit of Major Hazard Standard 4 (Explosive Management) was completed at Mariners and Miitel.
- Blanket Fitness for Work Testing for Alcohol and Illegal Substances was completed at Miitel, Mariners and Lake Eaton Village. No positive results obtained.
- A hazard identification and supervisor accountability program was implemented at Northern Operations.
- Whole of mine risk assessment and Safety Management Plan and OH&S Policy document reviews completed at Northern Operations.

12 Month Moving Average Lost Time Injury Frequency Rate



- External Safety Management System Audit completed at Otter Juan and Carnilya Hill.
- 27 Task Observations completed at Otter Juan on various underground disciplines.
- Updated Safety Improvement Plan developed and implemented at Northern Operations.
- The Alcohol and Illegal Substance and Fatigue Awareness Program was updated and implemented at Northern Operations.

## KAMBALDA NICKEL – EXTENSIONAL EXPLORATION

Mincor's **Extensional Exploration** program in Kambalda is aimed at the discovery of extensions to known ore bodies and at the ongoing conversion of Mincor's extensive Mineral Resource inventory into Ore Reserves.

### Mariners Ore System

Drilling at the **Mariners Nickel Mine** further upgraded the value of the recent "Terrace" discovery, with spectacular new intersections highlighting an outstanding near-term production opportunity.

Previously reported drill intersections in the Terrace position include 4.7 metres @ 7.58% nickel and 2.56 metres @ 7.29% nickel (both estimated true width). The latest intersections add substantially to both the grade and the total metal content of the ore zone:

MRDH0633: **18.59 metres @ 11.05% nickel**  
(estimated true width 9.2 metres)

MRDH0637: **13.41 metres @ 11.51% nickel**  
(estimated true width 7.1 metres)

MRDH0629: **10.48 metres @ 4.85% nickel**  
(estimated true width 4.8 metres)

MRDH0636: **7.60 metres @ 5.64% nickel**  
(estimated true width 3.1 metres)

MRDH0631: **5.94 metres @ 2.94% nickel**  
(estimated true width 2.5 metres)  
within an intersection of **21.94 metres @ 1.66% nickel** (estimated true width 9.2 metres)

MRDH0627: **1.70 metres @ 3.20% nickel** (estimated true width 0.7 metre)

Apart from the obvious value of adding more high-grade nickel to Mincor's metal inventory, two additional factors enhance the growing significance of the Terrace position:

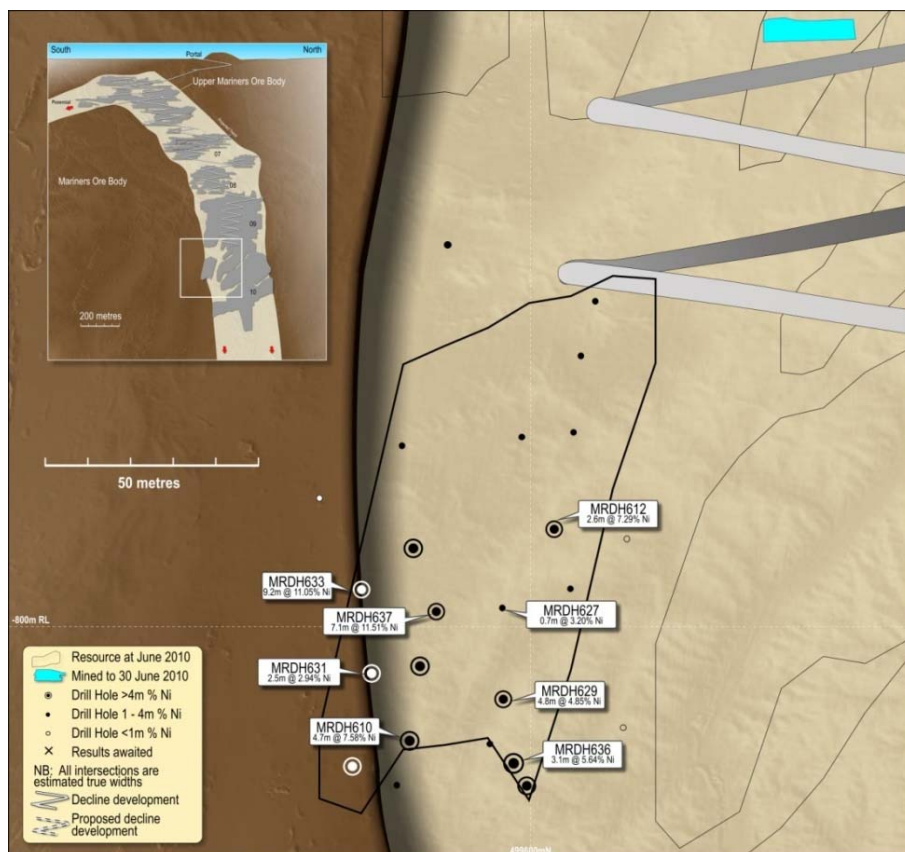
- because it lies between the current mining front and the large, high-grade N10 ore body, it has the capacity to bring forward the re-commencement of **high-grade** nickel production from Mariners, which is otherwise dependent on the timing of the main decline achieving access to the N10 ore body; and
- the location of the Terrace position, and the weight of metal now emerging there, suggests that alternative geological interpretations for the entire Mariners ore system in this area may be possible – and that this could lead to the development of new exploration targets.

### South Miitel

During the Quarter the last of the planned surface drill-holes were completed at South Miitel. With extensive underground development now becoming available following the re-start of operations, further exploration of this area will take place via lower-cost underground drilling.

The surface drilling program has successfully delineated a **massive extension** to the Miitel Ore System, outlining a 700 metre strike-extension to the channel structure.

FIGURE 1: Mariners – Long section





Mineralisation is intermittently developed over the length of the new extension, and these new ore zones will be cost-effectively delineated over the years ahead from underground positions as they become available.

The very southernmost drill-hole, completed during the March Quarter, intersected **strong mineralisation** in the lower sub-channel, some 730 metres beyond the end of current reserves.

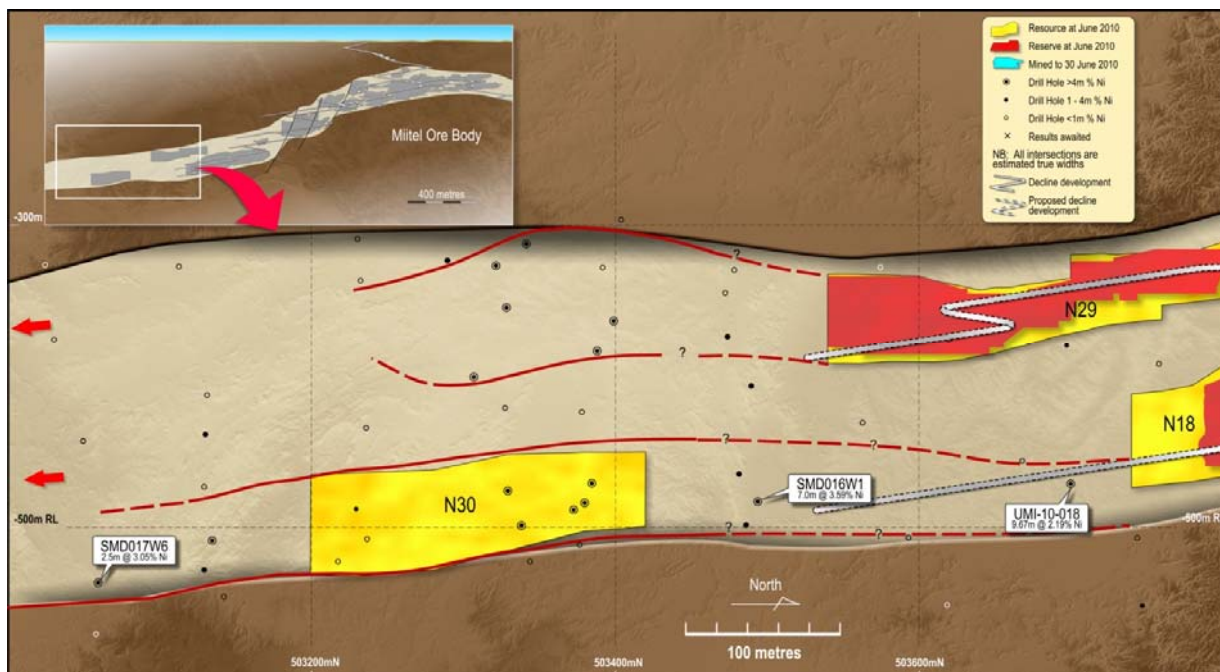
**SMD017W6: 4.17 metres @ 3.05% nickel** from 843 metres (estimated true width 2.50 metres).

This intersection confirms the Miitel Ore System as being open to the south **beyond the furthest extent of current drilling**.

Mincor's priority is now to test the lightly-drilled zone between the end of the N18 Ore Reserve and the high-grade intersection in SMD16W1 (7 metres true width at 3.59% nickel) – a strike length of approximately 220 metres, tested to date by only two drill-holes, one of which was barren (but interpreted to be an upper flank) and of which intersected a true width of 9.67 metres @ 2.19% nickel (including 2.74 metres @ 3.79% nickel).

This drilling will proceed from underground positions off the N18 Decline, and has already commenced.

FIGURE 2: South Miitel – Long section



## Otter Juan Ore System

For the past 18 months Mincor has been drilling the complex geology at the bottom of the Otter Juan mine in an attempt to discover the location of the ore body (if it exists) on the other side of the 50 Level Fault. The Fault terminates the ore body at about the 50 Level, which currently constitutes the lowermost level of the mine.

As previously advised neither the 50 Level nor the overlying 49 Level are currently in production due to geotechnical constraints.

In January 2011 Mincor announced an intersection of 3.7 metres at 9.13% nickel\*, the first high-grade intersection beyond the 50 Level Fault, and the first sign that the Otter Juan ore system may be present beyond the fault. Recent drilling has achieved two further intersections, and Mincor now believes that it has discovered the continuation of the Otter Juan ore body on the other side of the 50 Level Fault:

**JS50-15: 5.49 metres @ 3.41% nickel** (estimated true width of 3.0 metres)

**JS50-20: 0.73 metres @ 9.12% nickel** (estimated true width of 0.3 metre) (intersection partially porphyry obscured)

As with the first intersection, both these intersections have geological characteristics indicative of high-grade continuous mineralisation in a substantial channel structure – exactly what would be expected in a continuation of the Otter Juan ore system.

While the discovery of an extension to Kambalda's largest single ore system is clearly significant, it is important to understand that a seamless transition to the mining of this extension is not possible, even if a Mineral Resource is outlined.

Substantial new capital development would be required. In addition a detailed understanding of the local geology would be necessary to ensure that the stress concentrations that have closed off the six lower-most sub-levels of the existing mine are not repeated. Finally, the boundary of Mincor's lease lies only some 100 metres down-plunge beyond the deepest drill intersection.

Nevertheless, the potential new extension is the “heir” to an ore system with past production of over 300,000 tonnes of nickel metal, and hence may represent the tip of a very substantial new nickel resource. It thus remains an important and high-priority exploration target for Mincor.

*\*Subsequent check assay results have revised this intersection to: 4.5 metres @ 7.11% nickel (estimated true width).*

## Resource Conversion Drilling Program

A major new drilling program has commenced, designed to upgrade the Mineral Resources at three Kambalda projects – Burnett, Durkin North and Stockwell – which contain a **combined Mineral Resource of 45,900 tonnes of nickel metal**.

The purpose of this work is to complete Feasibility Studies in order to support possible decisions to mine in the near future. Drilling is underway at all three projects, with initial results available from Burnett.

## The Burnett Mineral Resource

The initial results from Burnett are positive, confirming the continuity of mineralisation within the resource envelope and supporting the existing geological interpretation.

Burnett lies on a faulted extension of the Miitel basal contact, and is interpreted to be the northward extension of the Miitel ore system. It presently comprises two ore surfaces, the latter of which, the B02, is the largest and highest grade.

Parent hole MDD175 and two wedges were completed on a section line between surface holes MDD170W1 and MDD173W2. All three in-fill holes demonstrate good continuity of mineralisation and confirm the modeled geology. Results are as follows:

**MDD175:** 4.74 metres @ 3.71% nickel from 753 metres (estimate true width 2.84 metres)

**MDD175W1:** 1.77 metres @ 7.98% nickel from 693 metres (estimated true width 1.26 metres)

**MDD175W2:** 1.95 metres @ 8.36% nickel from 726 metres (estimated true width 1.37 metres)

All these intersections have a thin zone of massive sulphide on the basal contact, although the intersections in MDD175W1 and MDD175W2 were partially affected by a porphyry intrusion. In-fill drilling is continuing.

FIGURE 3: Plan view of lower sections of Otter Juan Mine

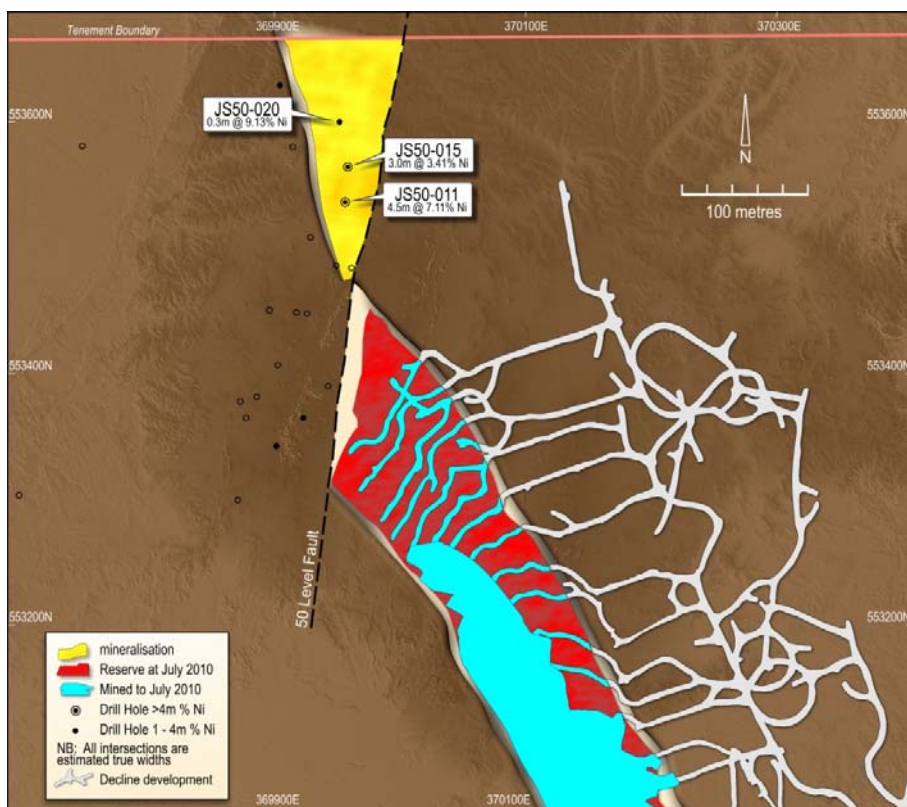
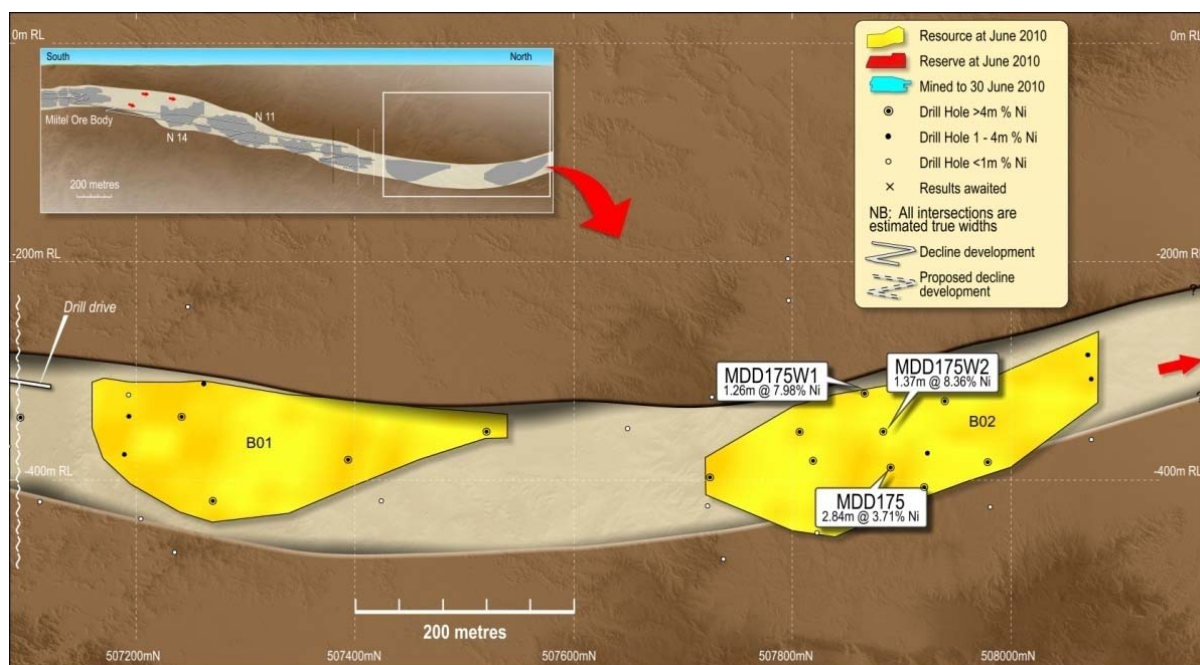


FIGURE 4:  
Burnett – Long  
section





## KAMBALDA NICKEL – REGIONAL EXPLORATION

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

Recent desk and field studies have defined an outstanding range of new targets, and planning is well-advanced for the systematic drill-testing of these promising new nickel prospects.

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

Mincor's underground US-NOB drilling program is designed to systematically test the basal contact along the eastern corridor of the Kambalda Dome. The basal contact in this area has yielded a number of nickel sulphide ore bodies containing >100,000 tonnes of nickel metal.

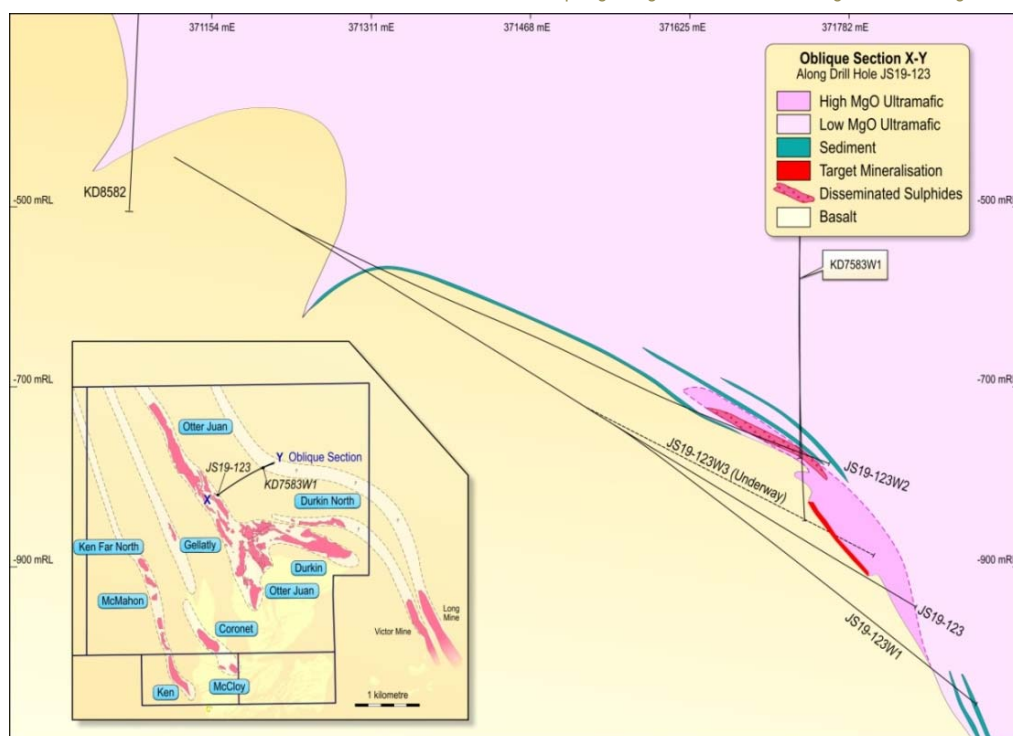
The section currently being drill-tested contains the historic surface drill hole KD7583W1, which intersected disseminated mineralisation in the hanging wall.

FIGURE 5: Oblique geological section showing US-NOB target

After the end of the quarter Mincor completed the fourth and final pierce point on the current oblique section (JS-19-123W3). Assay results have not yet been received, but no significant mineralisation is present on the basal contact. The drill-hole will be extended into the hanging-wall ultramafic rocks in order to determine possible vectors to mineralisation, and down-hole electromagnetics will be completed.

### Other Regional Nickel Targets

Recent detailed geological work has identified two untested magnetic anomalies coincident with the basal contact along the **Dordie Line**. The Dordie Line contains high-MgO ultramafic rock and preserved basal contact, and is known to host economic mineralisation.



The two magnetic anomalies lie south of the North Dordie open pit (mined by Mincor in 2007) and close to Mincor's operating Miitel Nickel Mine. Due to locally steep terrain, no drilling has ever tested these magnetic features despite coincident surface geochemical anomalism.

Magnetic highs are commonly associated with nickel sulphide ore bodies in the Kambalda District, probably due to the additional magnetism produced by the thickened basal lava flows that are genetically linked to the formation of Kambalda nickel ore bodies.

Mincor is currently carrying out a surface electromagnetic survey of these magnetic anomalies, with a view to drill-testing the resulting targets during the June Quarter.

The mineralisation at **North Dordie** itself remains largely untested below the open pit. During the Quarter two vertical Reverse Circulation (RC) holes were drilled to test this position within the interpreted primary channel structure.

MRC022 returned 4 metres @ 1.07% nickel from 190 metres at the basal contact. MRC021 intersected a porphyry obscured contact and returned a 1 metre @ 1.08% nickel from 131 metres. The mineralisation within the fertile high-MgO rocks confirms the interpreted channel location. Down-hole EM was completed in both holes and results are pending.

Along the **Bluebush Line** previous work by Mincor identified a substantial two-kilometre long magnetic anomaly, which recent air-core drilling has confirmed as containing preserved basal contact. Due to its position along a dry lakebed, this area has never been drill-tested. High-priority follow-up drilling is planned.

## REGIONAL EXPLORATION

### Tottenham Copper Project (Mincor 100%)

Mincor started drilling at Tottenham in January and has made excellent progress, achieving numerous copper-gold intersections and outlining a number of potential volcanogenic massive sulphide (VMS) systems. Updated drill results were released to the ASX on 17 February and 31 March 2011.

The section below summarises progress since drilling started. Fifteen holes have now been completed, eight at Carolina, four at Orange Plains and three at Effie's Ace. All of these targets warrant further drilling, and a further four prospects with coincident electro-magnetic anomalies have not yet been drill-tested, as well as a number of geological targets. Drilling is continuing.

FIGURE 6: Regional location of the Tottenham Copper Project and Mincor's tenement holdings (all 100% owned)

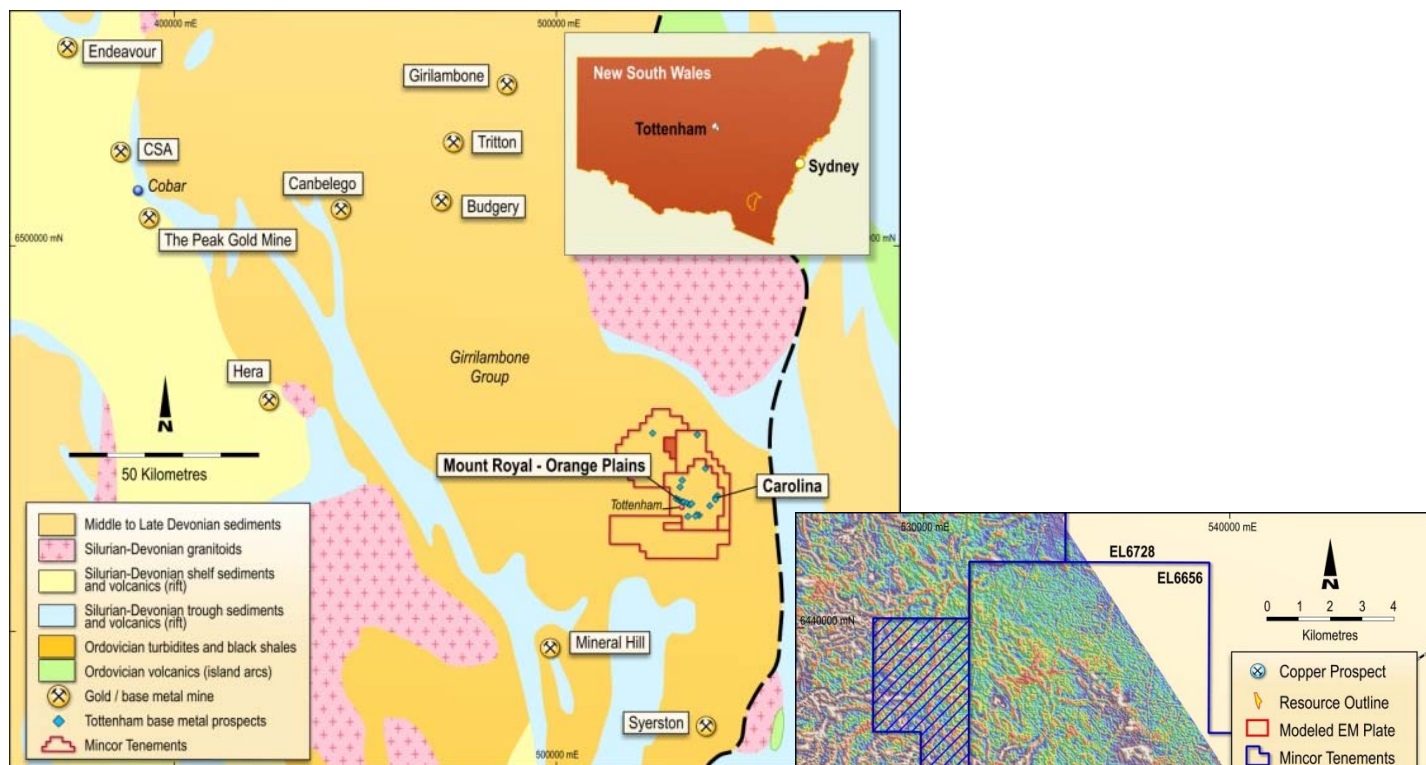


FIGURE 7: Regional magnetic image (first vertical derivative of TMI) showing prospect and anomaly locations. The prospects and anomalies can be seen lining up along magnetic high trends which correspond largely with the distribution of the prospective quartz magnetic marker zone.

### Carolina Prospect

Work to date at Carolina suggests that a zone of copper-rich massive sulphides occurs within a broader zone of iron-rich massive sulphides.

Better results to date include the following (see also drill location plan and tabulation of results below):

**TMD2:** **2.18 metres @ 11.17% copper, 2.77g/t gold, 9.47g/t silver** from 184.6 metres down-hole (estimated true width 2.00 metres)

**TMD7 (lower zone):** **3.35 metres @ 3.42% copper, 0.79g/t gold and 4.22g/t silver** from 311 metres (estimated true width 3.08 metres)

**TMD7 (upper zone):** **3.00 metres @ 1.22% copper, 1.27g/t gold and 2.05g/t silver** from 296.5 metres (estimated true width 2.76 metres)

**TMD9:** **3.85 metres @ 1.40% copper, 0.65g/t gold and 1.5g/t silver** from 164.55 metres (estimated true width 3.54 metres)



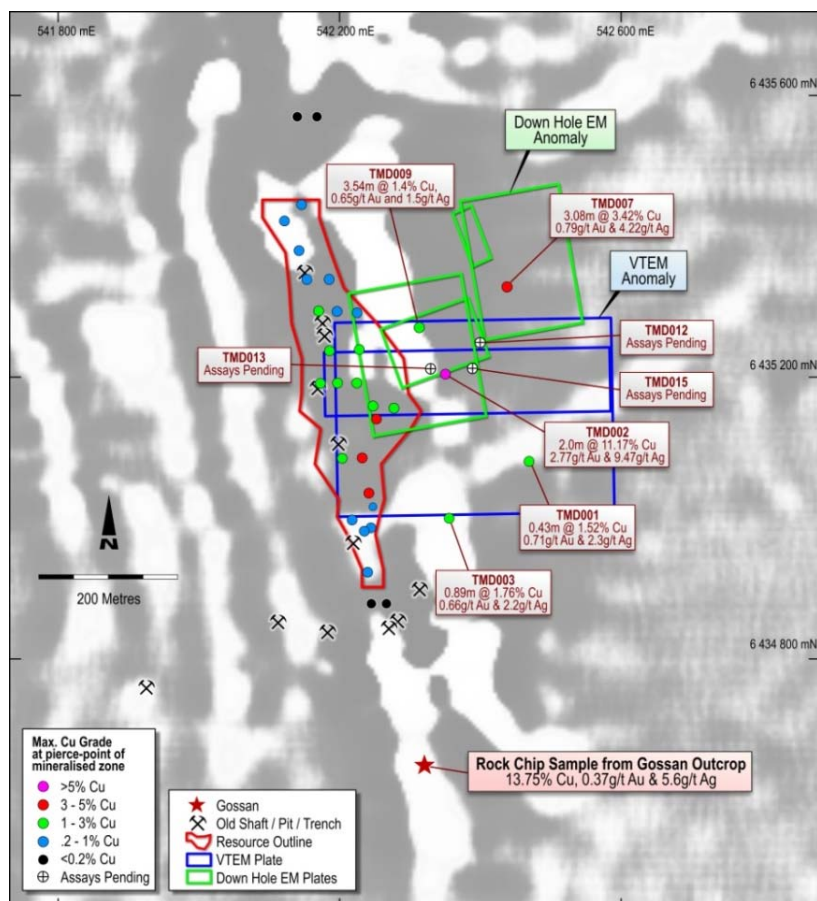


FIGURE 8: Carolina Prospect – Plan view showing drill-hole locations and EM anomalies. Note that it is the location of drill-hole intersections of the quartz-magnetite unit that are plotted, not the location of the drill-hole collars. Labelled intervals are estimated true width.

Mincor is now completing direct follow-up drilling of TMD2.

### Orange Plains Prospect

Four holes were completed at the Orange Plains prospect targeting a 500-metre long east-west trending EM anomaly located down-dip and east of old workings associated with the near-surface oxide zone. Significant mineralisation was intersected in two of the holes, both located towards the western end of the EM plate (Figure 9):

**TMD6:** 3.21 metres @ 1.54% copper, 0.47g/t gold, 6.96g/t silver from 308.79 metres (estimated true width 2.95 metres)

**TMD11:** 1.29 metres @ 2.7% copper, 0.57g/t gold, 10.72g/t silver from 255.49 metres (estimated true width 1.19 metres); and

**TMD11:** 0.75 metres @ 1.23% copper, 0.27g/t gold, 6.24g/t silver from 284.5 metres (estimated true width 0.69 metre).

Once again, the mineralisation at Orange Plains occurs along the stratigraphic horizon of the quartz-magnetite unit. The dominant sulphide in both intersections was pyrite, but the presence of significant copper and gold mineralisation suggests the possible presence of a chalcopyrite-rich zone. All three intersections also contain elevated levels of zinc, possibly further evidence of VMS-style metal zonation. Drilling is continuing. Drill-hole locations are shown in Figure 9.

### Effie's Ace Prospect

Three holes were completed at Effie's Ace, located along strike to the east of Orange Plains (Figure 9). TMD4 and TMD10 tested a broad EM anomaly similar to that at Orange Plains while TMD5 was drilled into a shallower anomaly up-dip from TMD4.

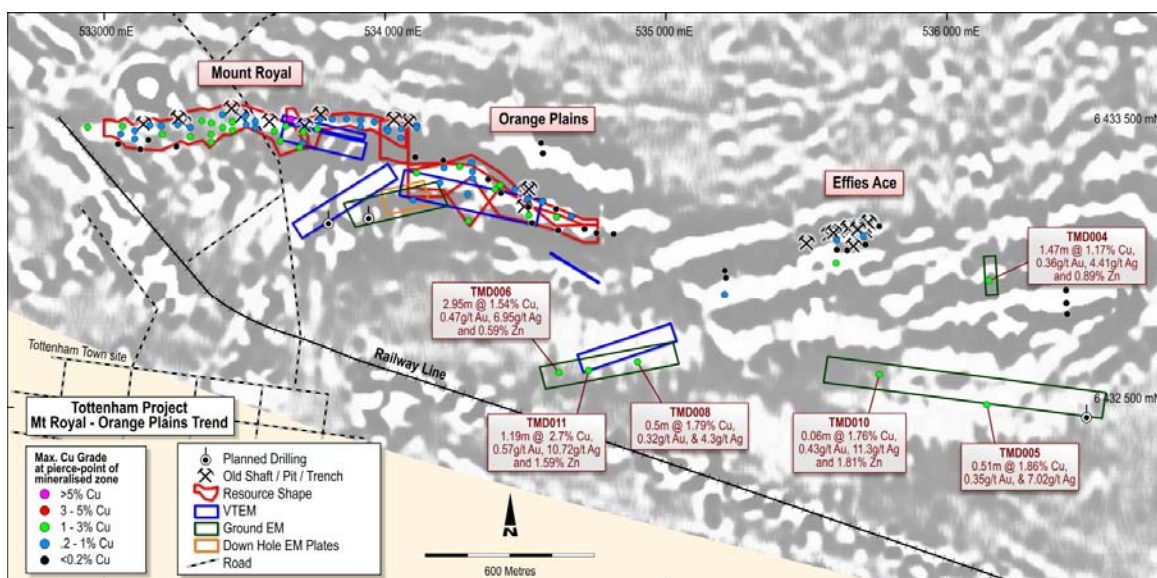
TMD4 and TMD5 intersected massive to semi-massive pyrite, highly anomalous in copper and gold:

**TMD4:** 1.60 metres @ 1.17% copper, 0.36g/t gold, 4.41g/t silver from 221.3 metres (estimated true width 1.47 metres)

**TMD5:** 0.55 metre @ 1.86% copper, 0.35g/t gold, and 7.02g/t silver from 102.97 metres (estimated true width 0.51 metre)

The results again suggest a pyrite-dominant massive sulphide system with potential for an inner zone of high-grade copper-gold mineralisation. Drill-hole locations are shown in Figure 9.

FIGURE 9: Mount Royal – Orange Plains – Effie's Ace trend – Plan view showing drill-hole locations and EM anomalies. Note that it is the location of drill-hole intersections of the quartz-magnetite unit that are plotted, not the location of the drill-hole collars. Labelled intervals are estimated true width.



## Provisional Interpretation of Mineralisation at Tottenham

Mincor's provisional interpretation posits the presence of a cluster of Volcanogenic Massive Sulphide (VMS) bodies. Like most such bodies, these are dominated by the common iron-sulphide pyrite.

Typically, copper mineralisation (+/- gold) occurs within these broad pyrite halos, where the dominant sulphide becomes chalcopyrite. The chalcopyrite zones are believed to be the areas most proximal to the source of the fluids that formed the bodies – perhaps “black smokers” erupting from the sea floor, driven by underlying igneous activity.

Mincor believes that at least two, and perhaps many more, such VMS systems are present on its Tottenham tenements. The exploration challenge is to find the core copper zones within the pyrite systems. Massive pyrite and massive chalcopyrite cannot be distinguished using geophysical techniques such as electromagnetic surveys.

Therefore, while such surveys can identify the location of the VMS bodies, the economic mineralisation within them requires intensive drilling combined with geochemical and geological studies.

Mincor's immediate drilling program is to directly follow-up the high-grade mineralisation intersected in hole TMD2, after which first-pass drilling of the four as yet untested EM targets will take place. Simultaneously geological and geochemical studies will continue, with the goal of identifying vectors to mineralisation within the sulphide bodies.

Mincor is also carrying out a detailed ground-based EM survey over the Carolina Prospect, extending to the north where a large magnetic feature is present, and to the south beyond the recently-identified outcrop of gossan which yielded rock-chip results of 13.75% copper and 0.37g/t gold (see ASX Announcement 17 February 2011).

## Tabulation of Tottenham Drill-holes (all locations are in the MGA zone 55 (GDA94) coordinate system)

Hole ID	Prospect	North (m)	East (m)	RL (m)	From (m)	To (m)	Interval (m)	Cu %	Au g/t	Ag g/t	Zn %
<b>TMD1</b>	Carolina	6435114	542581	220	275.09	275.52	0.43	1.52	0.71	2.3	0.01
<b>TMD2</b>	Carolina	6435180	542424	220	184.61	186.79	2.18	11.17	2.77	9.47	0.01
<b>TMD3</b>	Carolina	6434999	542412	220	150.52	151.59	0.97	1.76	0.66	2.20	0.02
<b>TMD4</b> including	Effie's Ace	6432471	536156	240	221.3 222.42	222.9 222.9	1.60 0.48	1.17 2.19	0.36 0.72	4.41 8.80	0.89 2.33
<b>TMD5</b> and and	Effie's Ace	6432921	536153	240	102.97 104.62 108.91	103.52 105.2 109.06	0.55 0.58 0.15	1.86 1.12 2.16	0.35 0.40 0.39	7.02 5.20 7.40	0.08 0.75 0.04
<b>TMD6</b>	Orange Plains	6432567	534601	240	308.79	312.00	3.21	1.54	0.47	6.95	0.59
<b>TMD7</b> and including	Carolina	6435326	542580	220	296.5 311.00 311.00	299.5 314.35 313.68	3.00 3.35 2.68	1.22 3.42 4.04	1.27 0.79 0.90	2.05 4.22 5.27	0.01 0.01 0.01
<b>TMD8</b>	Orange Plains	6432615	534900	240	242.9	243.4	0.5	1.79	0.32	4.3	0.01
<b>TMD9</b>	Carolina	6435268	542362	220	164.55	168.4	3.85	1.40	0.65	1.50	0.01
<b>TMD10</b>	Effie's Ace	6432560	535760	240	299.51	299.57	0.06	1.76	0.43	11.3	1.81
<b>TMD11</b> and	Orange Plains	6432570	534720	240	255.49 284.5	256.78 285.25	1.29 0.75	2.70 1.23	0.57 0.27	10.72 6.24	1.59 0.49
<b>TMD12</b>	Carolina	6435256	542533	220	Results pending						
<b>TMD13</b>	Carolina	6435195	542375	220	Results pending						
<b>TMD14</b>	Carolina	6435189	542503	220	Hole failed						
<b>TMD15</b>	Carolina	6435189	542505	220	Results pending						
<b>TMD16</b>	Carolina	6435158	542395	220	Currently drilling						

NOTE: All samples analysed by ALS-Chemex Laboratories in Orange, NSW using ME-ICP41 method (nitric aqua regia digestion with ICP-AES finish. Samples assaying >1% Cu are re-assayed using ME-OG46 method (HNO<sub>3</sub> – HCl digestion, ICP-AES finish). All gold assays by AU-AA25 method (fire assay fusion, 30g charge, AAS finish).

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

Mincor's Joint Venture partner JOGMEC has elected to continue to fund exploration at Bonaparte. Mincor and JOGMEC are 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. The Bonaparte Project is an early-stage exploration play in a highly-prospective geological setting.

JOGMEC is currently considering the continuation of its funding for the Georgina Zinc 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 a total of 2,460 tonnes of payable nickel metal to December 2012, at an average price of A\$26,697 per tonne.

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

<b>Apr 2011 to Jun 2011</b>	190 tonnes of nickel per month at a price of \$24,494/tonne
<b>Jul 2011 to Dec 2011</b>	140 tonnes of nickel per month at a price of \$27,080/tonne
<b>Jan 2012 to Jun 2012</b>	95 tonnes of nickel per month at a price of \$27,694/tonne
<b>Jul 2012 to Dec 2012</b>	80 tonnes of nickel per month at a price of \$27,459/tonne

### Cash and debt

As at 31 March, Mincor had cash of **\$96.13 million** (end Dec 2010: \$100.01 million); and receivables net of creditors and accruals of \$3.51 million, giving a working capital position of **\$99.64 million** (end Dec 2010: \$103.07 million).

During the quarter Mincor earned a **\$2.9 million** increase in revenue received (compared to revenue booked as receivables in the previous quarter) due to provisional pricing adjustments.

On 25 March 2011 Mincor paid a fully franked interim dividend of 2 cents per share totalling \$4.01 million.

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 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
<b>Grand total</b>	<b>343,000</b>	<b>4.2</b>	<b>2,923,000</b>	<b>3.6</b>	<b>782,000</b>	<b>4.0</b>	<b>4,048,000</b>	<b>3.7</b>	<b>150,700</b>

- 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
<b>Grand total</b>	<b>299,000</b>	<b>3.2</b>	<b>1,447,000</b>	<b>2.8</b>	<b>1,746,000</b>	<b>2.9</b>	<b>50,200</b>

- 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.

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