

Quarterly Report

For the period ended 30 September 2015



HIGHLIGHTS

- **Strong Quarterly production of 1,550 tonnes nickel-in-ore** at cash costs of A\$6.38/lb. Mincor on track to meet its half-yearly production target of 2,000 to 3,000 tonnes nickel-in-ore.
- **Revised Mining Plan** delivers sharp reduction in costs (down 18% qoq) and strong ore production at improved nickel grades.
- Next stage of **Restructuring for Growth Strategy** will see further cost reductions and lower production volumes as Mincor finalises two important feasibility studies:
 - **Burnett Project** – detailed feasibility study into the development of an integrated operation at Miitel, including the Mineral Resources at Burnett and the undeveloped ore reserves at South Miitel.
 - **Durkin North Project** – detailed feasibility study into the development of this newly upgraded North Kambalda resource – Mincor’s largest and highest grade undeveloped Mineral Resource.
- **Both feasibility studies** are being carried out by highly-regarded independent consulting group Entech, in close consultation with Mincor. Results are expected by Christmas.
- **Updated Mineral Resource Statement** at 30 June 2015 reflects Mincor’s outstanding exploration success through the year, with 40% of mining depletion replaced at the Mineral Resource level, and Ore Reserves depleted by mining.
- Mincor now has an estimated **117,700 tonnes of nickel metal in Mineral Resources**. At a grade of 3.6% this is one of the highest grade Mineral Resource inventories in the Australian nickel industry. Ore Reserves stand at 14,900 tonnes of nickel. Significantly, these numbers do not yet reflect any contribution from Mincor’s exciting new discovery at Cassini.
- After regional exploration expenditures of **\$0.65 million**, redundancy payments of **\$0.77 million** and negative provisional pricing adjustments of **\$1.30 million**, Mincor had Quarter-end cash at bank of **\$31.40 million** (end-June: \$32.96 million) and working capital (cash and receivables minus creditors and accruals) of **\$29.75 million** (end-June: \$33.12 million).

Kambalda Dome – View over Durkin Headframe (photo courtesy of Tanh Doan)



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

Mincor operates two mines
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 30 September 2015

	Unified Operations (Miitel & Mariners) Total for September 2015 Quarter	Preceding Quarter (June 2015) Total
Ore Tonnes Treated (DMT)	51,247	68,645
Average Nickel Grade (%)	3.03	2.50
Nickel-in-Concentrate Sold (tonnes)	1,354.3	1,468.1
Copper-in-Concentrate Sold (tonnes)	130.4	134.2
Cobalt-in-Concentrate Sold (tonnes)	25.2	27.2
Sales Revenue* (A\$)	13.69M	15.60M
Direct Operating Costs** (A\$)	12.54M	16.5M
Royalty Costs (A\$)	0.55M	0.61M
Operating Surplus (loss)*** (A\$)	0.60M	(1.51M)
Capital Costs****	0.04M	2.86M
Payable Nickel Produced (lbs)	1,940,747	2,103,698
Mining Costs (A\$/lb)	3.71	5.03
Milling Costs (A\$/lb)	1.16	1.44
Ore Haulage Costs (A\$/lb)	0.29	0.35
Other Mining/Administration (A\$/lb)	1.30	1.02
Royalty Cost (A\$/lb)	0.28	0.29
By-product Credits (A\$/lb)	(0.36)	(0.35)
Cash Costs (A\$/lb nickel)	6.38	7.78
Cash Costs (US\$/lb nickel) ⁽¹⁾	4.63	6.06

(1) Average September 2015 Quarter RBA settlement rate of US\$0.72584; (June Quarter 2015: US\$0.7789).

(2) Organisational restructure implemented in late July to mine both mines as a single operation.

* 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, exclude depreciation, amortisation and tax. Excludes redundancy payments of \$0.77 million.

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

Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. For period-end reporting the Company determines provisional prices based on the three-month forward nickel price at the end of each month of delivery. This estimate is subject to an adjustment (up or down) when the final nickel price is known. During the September Quarter, Mincor established the final nickel prices for the production months of April, May and June. As a result Mincor recognised a negative sales revenue adjustment of **\$1.30 million** attributable to those production months. This adjustment **has not** been included in the sales revenue figures disclosed in Table 1 above.

For the September 2015 Quarter the Company recorded an average provisional AUD nickel selling price of \$14,767/t (\$6.70/lb).

MINING – KAMBALDA NICKEL OPERATIONS

Following the cessation of capital development in April and May, and as a consequence of continued low nickel prices, the second phase of Mincor's revised mining strategy was implemented during the September Quarter. At the end of July both mines were unified into a single operation, with one management team and one work crew. This brought about significant productivity benefits due to the great expansion of work headings available for any given set of resources, as well as substantial reductions in both fixed and variable costs.

As a consequence Mincor's operations produced a strong quarter of production, with 51,247 tonnes of ore at an average grade of 3.03% nickel, and 1,550 tonnes of nickel metal – putting it well on track to meet its half-yearly production target of between 2,000 and 3,000 tonnes of nickel-in-ore. Cash costs were down 18% over the previous Quarter and the mines achieved a small operating surplus.

At Mariners Mine stoping tonnes were sourced from the N10B ore body at the 1060, 1040 and 1020 levels and single boom jumbo development continued in the N10B and N10C ore bodies on the 1040 and 980 levels. At Miitel Mine ore was sourced from longhole stopes in the N30, N30C and N26 ore bodies, with no significant lateral development undertaken.

Table 2: Mine production – September Quarter 2015

Mine	Tonnes	Grade %	Nickel-in-ore	Nickel-in-concentrate
Miitel	19,786	2.33	461	397
Mariners	31,461	3.46	1,089	957
Total	51,247	3.03	1,550	1,354

Outlook for the Remainder of Financial Year 2016

During the December Quarter the third phase of Mincor's revised mining strategy will be implemented. This is expected to achieve further cost reductions at the price of lower overall nickel production. Unfortunately it will also involve further redundancies among Mincor's workforce. From the end of October Mincor's operations will move to a single shift basis, producing approximately 4,000 to 5,000 tonnes of ore per month, with a targeted production for the final three quarters of the financial year being approximately 1,500 tonnes of nickel metal (October 2015 to June 2016: 56,000 tonnes at 2.8% nickel).

This small-scale mining operation will enable the Company to focus its efforts on finalising the important feasibility studies that are underway now (see below), as well as the drill-out of the Cassini discovery, positioning Mincor for significant production growth once nickel prices recover.

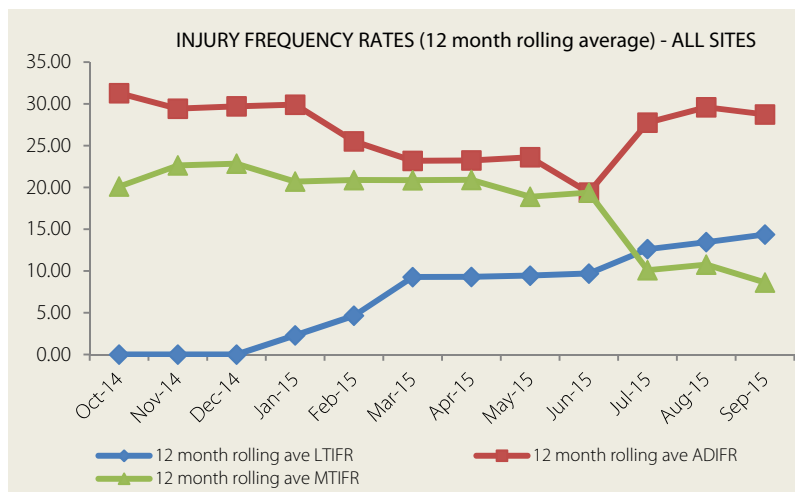
HEALTH AND SAFETY

There was one Lost Time Injury recorded for this Quarter. This is up from zero LTIs recorded in the previous Quarter.

There were four Alternative Duty Injuries recorded in this Quarter, up from one in the previous Quarter.

The following improvement strategies were undertaken during the Quarter:

- Completed fire extinguisher audit.
- Finalised and executed an Emergency Response mutual aid agreement with Metals X – Higginsville and Central Norseman Gold.
- Conducted mutual aid Emergency Response training.
- Nationally Accredited First Aid Training undertaken.
- Annual servicing of ambulance stretchers completed.
- Implemented Appointed Persons Procedure.
- Developed and implemented Technical Services personnel Safe Work Procedures.



KAMBALDA GROWTH PROJECTS

Mincor commenced two Definitive Feasibility Studies during the Quarter. The studies are being undertaken by highly-regarded consultancy group Entech, overseen on Mincor's behalf by Minero Consulting, and liaising closely with Mincor's own technical staff.

The first of these studies is focused on the **Burnett Project** at North Miitel. Pre-feasibility studies have demonstrated that an integrated operation incorporating the undeveloped ore reserves at South Miitel with the newly upgraded Mineral Resources at Burnett is capable of generating a strong production profile. The study will incorporate the B01 mineral resource at Burnett, which was substantially upgraded through drilling earlier in the year.

The second of the feasibility studies is at **Durkin North** and will incorporate the additional mineral resources added through Mincor's recent successful drilling campaign, which increased the upper Mineral Resources by about 46% in total metal content. Durkin North is currently Mincor's largest and highest grade undeveloped Mineral Resource.

Mincor's third growth project is the exciting new discovery at **Cassini**. While still at the 'exploration target' phase, initial scoping studies have demonstrated that a robust mining operation is potentially available, subject to successful drill-out of the mineralisation defined to date. The next step is to complete the drill-out in order to generate an Indicated Mineral Resource, before moving to feasibility studies. This drilling is tentatively planned for later in the current financial year.

Together these three projects provide Mincor with a strong foundation upon which to grow its future production once the nickel price recovers.

KAMBALDA NICKEL EXPLORATION

Mincor holds an outstanding suite of tenements in the Kambalda Nickel District, comprising an estimated half the total land that is prospective for nickel sulphide mineralisation. The Company has an ongoing generative program (that last year resulted in the discovery of both Cassini and Voyce) and has identified innumerable early stage targets. The most recent of these to focus attention is the Republican Hill prospect.

Republican Hill Nickel Prospect

Detailed geological mapping together with reconnaissance rock chip sampling is being carried out at Republican Hill ahead of planned RAB and RC drilling. Republican Hill is located at the southern end of Mincor’s Bluebush tenement package, a 40km long zone of prospective basal ultramafic contact.

Geological targeting and modelling of old soil geochemistry has identified coincident geological and geochemical targets within an environment where there is at least 5km of untested basal contact as well as anomalous drill hole results within areas that have been (lightly) drill tested in the past.

In addition there are known gossans that crop out at surface positions that match the likely position of the basal contact when extrapolated to surface. Very significantly, there is also a large magnetic anomaly.

The combination of these characteristics makes for a compelling nickel exploration target. Further work is underway to more accurately estimate the position of the basal contact in untested areas, to further refine conceptual geological models and to develop and rank targets for drill testing. Location and potential targets are shown in Figures 1 and 2.

Figure 1: Location of Republican Hill

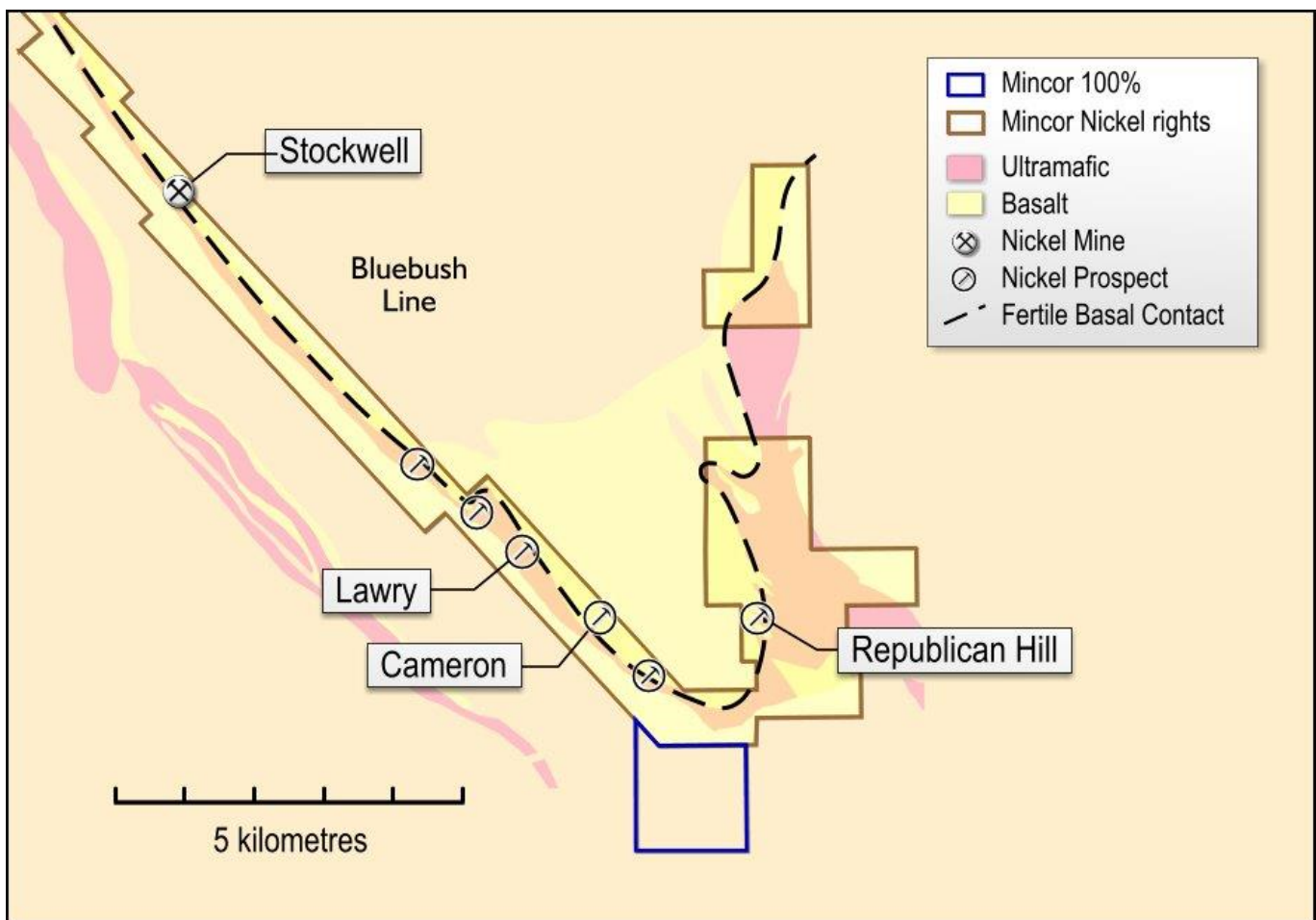
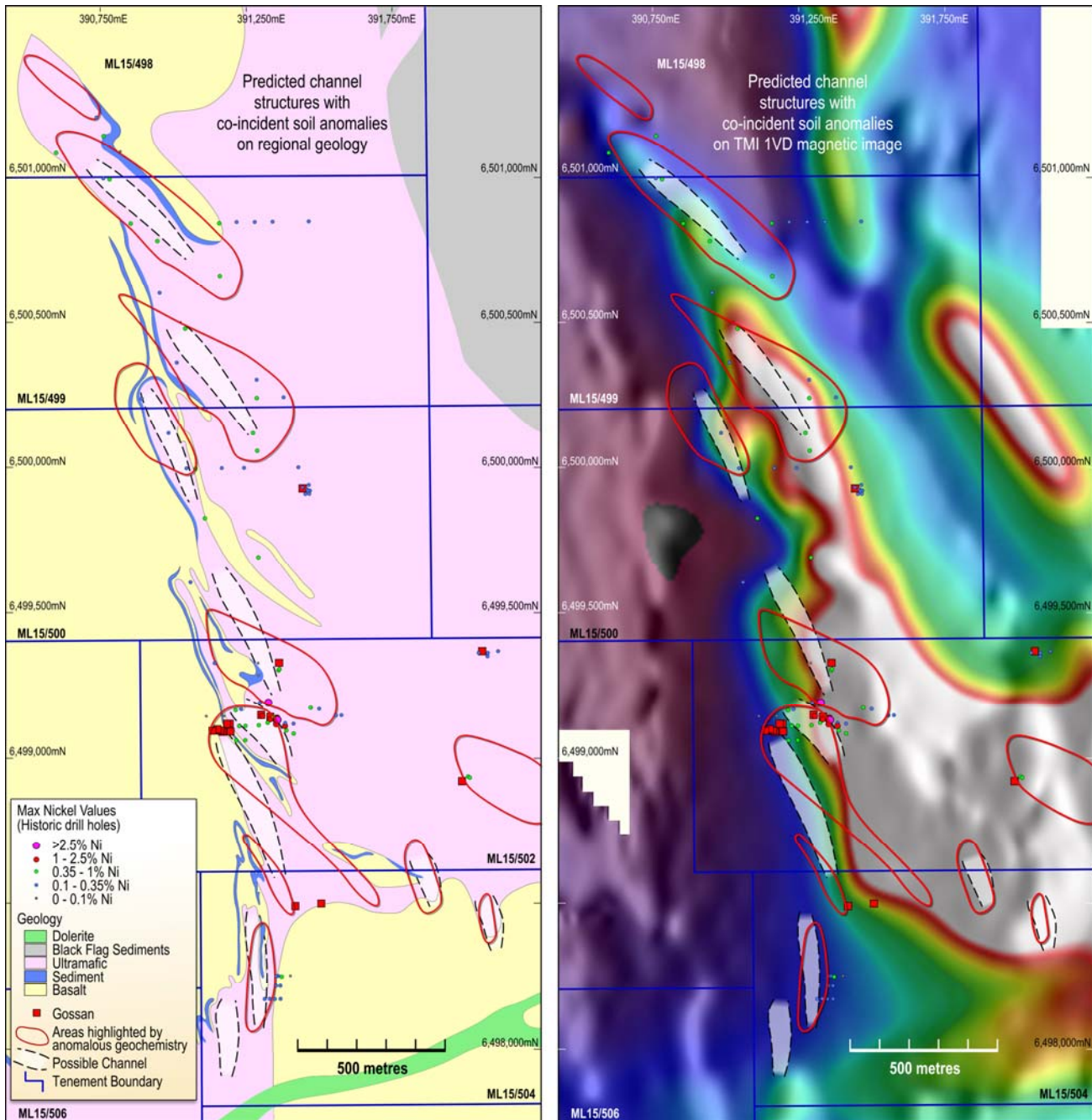


Figure 2: Republican Hill showing coincident geological and geochemical targets
 Image on right is TMI 1VD magnetics showing a significant magnetic high – yellow, red and white areas



Other Prospects

No other fieldwork was carried out. However a detailed review of Mincor's entire Kambalda landholding, including the rest of Bluebush, the northern third of the Kambalda Dome and the Widgiemooltha Dome is continuing. Much additional information has been gained from Mincor's recent exploration successes at Cassini, Burnett, Voyce and Durkin and this is now being applied on a district-wide scale.

The new discovery at Cassini especially has again highlighted the greenfields nickel prospectivity of Mincor's extensive tenement holdings whilst ongoing brownfields potential has been reinforced by the successes at Durkin and Burnett.

At Cassini the results of first pass drill-hole litho-geochemical studies are being integrated into a broader prospectivity study and exploration plan. This study, which looks at specific element ratios and trends is conceptual in nature but results to date support down plunge potential for the CS1 and CS2 surfaces beyond the extent of drilling to date. This information is being incorporated into the planning of future work, including infill and exploration drilling.

REGIONAL EXPLORATION

Tottenham Copper Project (Mincor 100%)

No fieldwork was carried out during the Quarter.

ELA 5143 covering 240 square kilometres of prospective ground between Mount Royal and Helix Resources' Collerina discovery was granted during the Quarter (see Figure 3).

Canning Zinc Project, Lennard Shelf (Mincor 100%)

No fieldwork was carried out during the Quarter.

South Australian Tenements

EL4931 (Woomera) 100% Mincor

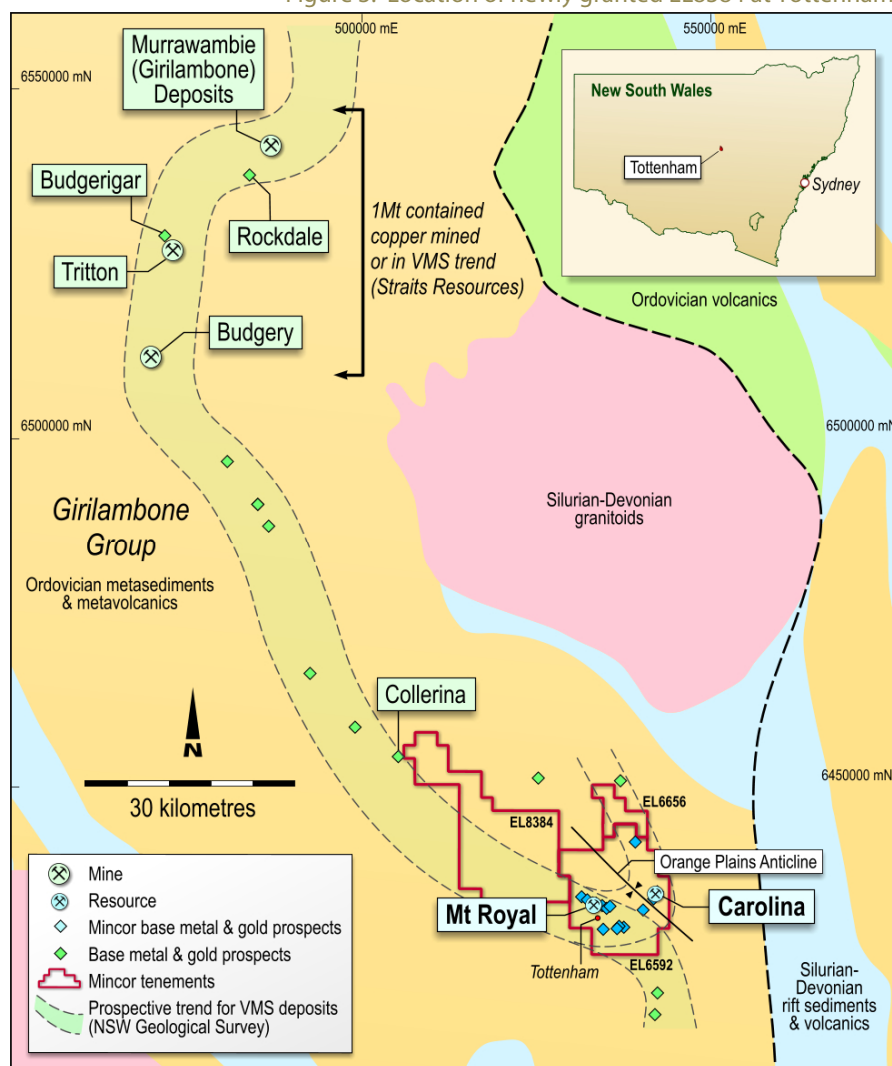
No work was carried out on EL4931 during the Quarter.

EL4932 (Eaglehawk Joint Venture) Apollo Minerals Limited earning 75%

This tenement is the subject of an earn in-joint venture with Apollo Minerals Limited and is managed by Apollo during the earn-in period. Apollo is targeting large iron oxide copper gold (IOCG) style deposits similar to the nearby Olympic Dam and Prominent Hill deposits.

No fieldwork was carried out during the Quarter.

Figure 3: Location of newly granted EL8384 at Tottenham



CORPORATE MATTERS

Hedging Arrangements

Mincor currently has no hedging in place.

Major Expenditures, Cash and Debt

Major expenditures during the Quarter included \$0.65 million in regional exploration expenditures and \$0.77 million in redundancy payments.

As at 30 September 2015, Mincor had cash of **\$31.40 million** (end-June 2015: \$32.96 million); and receivables net of creditors, accruals and current borrowings of \$1.46 million, giving a working capital position of **\$29.75 million** (end-June 2015: \$33.12 million).

During the Quarter Mincor recorded a \$1.3 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 Richard Hatfield, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hatfield is a full-time employee of Mincor Resources NL. Mr Hatfield 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 Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hatfield 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 -

APPENDIX 1: Mineral Resources as at 30 June 2015

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL		
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	2015	182,000	3.7	324,000	3.2	0	0.0	506,000	3.4	17,200
	2014	155,000	4.1	435,000	3.6	0	0.0	590,000	3.7	21,800
Redross	2015	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
	2014	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
Burnett	2015	0	0.0	241,000	4.0	0	0.0	241,000	4.0	9,700
	2014	0	0.0	141,000	4.5	99,000	2.7	240,000	3.7	9,000
Miitel	2015	184,000	3.6	418,000	2.8	27,000	4.1	629,000	3.1	19,500
	2014	123,000	4.3	600,000	3.0	61,000	3.7	785,000	3.2	25,300
Wannaway	2015	0	0.0	110,000	2.6	16,000	6.6	126,000	3.1	3,900
	2014	0	0.0	110,000	2.6	16,000	6.6	126,000	3.1	3,900
Carnilya*	2015	33,000	3.6	40,000	2.2	0	0.0	73,000	2.8	2,100
	2014	40,000	3.8	40,000	2.2	0	0.0	80,000	3.0	2,400
Otter Juan	2015	2,000	6.9	51,000	4.1	0	0.0	53,000	4.3	2,300
	2014	2,000	6.9	71,000	4.1	3,000	4.3	76,000	4.2	3,200
McMahon/Ken**	2015	25,000	2.7	103,000	3.1	105,000	4.6	234,000	3.7	8,700
	2014	32,000	2.6	105,000	3.1	105,000	4.6	242,000	3.7	8,900
Durkin	2015	0	0.0	417,000	5.3	10,000	3.8	427,000	5.2	22,400
	2014	0	0.0	385,000	5.0	26,000	3.6	411,000	5.0	20,400
Gellatly	2015	0	0.0	29,000	3.4	0	0.0	29,000	3.4	1,000
	2014	0	0.0	29,000	3.4	0	0.0	29,000	3.4	1,000
Voyce	2015	0	0.0	50,000	5.3	14,000	5.0	64,000	5.2	3,400
	2014	0	0.0	0	0.0	0	0.0	0	0.0	0
Cameron	2015	0	0.0	96,000	3.3	0	0.0	96,000	3.3	3,200
	2014	0	0.0	96,000	3.3	0	0.0	96,000	3.3	3,200
Stockwell	2015	0	0.0	554,000	3.0	0	0.0	554,000	3.0	16,700
	2014	0	0.0	554,000	3.0	0	0.0	554,000	3.0	16,700
GRAND TOTAL	2015	466,000	3.7	2,570,000	3.5	239,000	4.2	3,276,000	3.6	117,700
	2014	391,000	4.1	2,704,000	3.5	378,000	3.7	3,473,000	3.6	123,500

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

Note that Resources are inclusive of Reserves.

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

** McMahon/Ken also includes Coronet (in the 2010/11 Annual Report it was included in Otter Juan).

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

Ore Reserves as at 30 June 2015

RESERVE		PROVED		PROBABLE		TOTAL		
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	2015	56,000	3.1	2,000	2.0	58,000	3.1	1,800
	2014	60,000	4.2	291,000	2.7	351,000	3.0	10,500
Redross	2015	49,000	3.3	0	0.0	49,000	3.3	1,600
	2014	49,000	3.3	0	0.0	49,000	3.3	1,600
Miitel	2015	70,000	2.8	374,000	2.5	444,000	2.6	11,300
	2014	54,000	2.9	381,000	2.4	434,000	2.5	10,800
Otter Juan	2015	2,000	6.9	0	0.0	2,000	6.9	100
	2014	2,000	6.9	0	0.0	2,000	6.9	100
McMahon/Ken*	2015	0	0.0	3,000	2.4	3,000	2.4	100
	2014	0	0.0	3,000	2.4	3,000	2.4	100
GRAND TOTAL	2015	176,000	3.1	379,000	2.5	555,000	2.7	14,900
	2014	164,000	3.5	674,000	2.6	838,000	2.7	23,000

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

Note that Resources are inclusive of Reserves.

* McMahon/Ken also includes Coronet (in the 2010/11 Annual Report it was included in Otter Juan).

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

Full details of these Mineral Resource and Ore Reserve estimates are available in Mincor's ASX Announcements dated 24 June 2015 and 9 September 2015.