Preliminary Half Year Report of Mincor Resources NL for the Half Year Ended 31 December 2011

(ABN 42 072 745 692)

This Preliminary Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A

Current Reporting Period: Half Year ending 31 December 2011

Previous Corresponding Period: Half Year ending 31 December 2010

The information set out in this Preliminary Half Year Report should be read in conjunction with the annual report for the year ended 30 June 2011

Results for announcement to the market

				$'000
Revenue from ordinary activities	Down	22.3%	to	62,444
Profit/(loss) from ordinary activities after tax attributable to members	Up	116.3%	to	348
Net profit/(loss) for the period attributable to members	Up	116.3%	to	348

Dividends	**Amount per security**	**Franked amount per security**
Half year ended 31 December 2011		
Final dividend	N/A	N/A
Interim dividend	2 cents	2 cents
Half year ended 31 December 2010		
Final dividend	N/A	N/A
Interim dividend	2 cents	2 cents

Dividend payments / Distributions

On 27 September 2011 the Company paid a final fully franked dividend of $3,959,000 for the year ended 30 June 2011, comprising 2 cents per share.

On 14 February 2012 the Directors declared a fully franked interim dividend of 2 cents per share for the year ended 30 June 2012.

Date the interim 2012 dividend is payable	23 March 2012
Record date to determine entitlements to the dividend	29 February 2012
Date interim dividend was declared	14 February 2012

Total dividend per security (interim)

	Current period	Previous corresponding period
Ordinary securities – Interim dividend	2 cents	2 cents

Total dividends paid or payable on all securities

	Current period $'000	Previous period $'000
Ordinary securities (payable on 23 March 2012)	3,917	4,012
Total	3,917	4,012

Net Tangible Assets

	Current period	Previous period
Net tangible assets per ordinary security	82.80¢	95.03¢

Details of Entities Over Which Control Has Been Gained or Lost

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A

	2011 $'000
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities before tax during the period, from the date of gaining control.	N/A

	2010 $'000
Net profit/(loss) of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

Loss of control of entities

Name of entity (or group of entities)	N/A
Date control lost	N/A

	2011 $'000
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, up to the date of losing control.	-

	2010 $'000
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities for the whole of the previous corresponding period.	-

Details of Associates and Joint Venture Entities

Name of Entity	Ownership Interest		Contribution to net profit	
	2011 %	2010 %	2011 $'000	2010 $'000
Associates	-	-	-	-
Joint Venture Entities	-	-	-	-
Aggregate Share of Profits/(Losses)	-	-	-	-

Other Information

Except for the matters noted above, all the disclosure requirements pursuant to ASX Listing Rule 4.2A are contained within Mincor Resources NL's Half Year Financial Report for the period ended 31 December 2011 which accompanies this Preliminary Half Year Report.

Sign here:

(Director)

Print name: David Moore

Date: 14 February 2012

MINCOR RESOURCES NL

(ACN 072 745 692)

HALF-YEAR FINANCIAL REPORT

31 December 2011

TABLE OF CONTENTS

DIRECTORS' REPORT 1

AUDITOR'S INDEPENDENCE DECLARATION 3

CONSOLIDATED INCOME STATEMENT 4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 7

CONSOLIDATED STATEMENT OF CASH FLOWS 8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 9

DIRECTORS' DECLARATION 11

INDEPENDENT REVIEW REPORT 12

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Mincor Resources NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2011.

DIRECTORS

The following persons were Directors of Mincor Resources NL ("the Company") during the whole of the half-year and up to the date of this report:

Name	Particulars
DJ Humann	Non-Executive Director and Chairman
DCA Moore	Managing Director
JW Gardner	Non-Executive Director
IF Burston	Non-Executive Director

REVIEW OF OPERATIONS

Mining Operations

The Company produced 5,184 tonnes of nickel in ore, 4,632 tonnes of nickel in concentrate for the half-year to 31 December 2011 (2010: 5,553 tonnes of nickel in ore, 4,900 tonnes of nickel in concentrate).

During the period, the Company's South Kambalda Operations produced 99,061 dry metric tonnes at an average nickel grade of 3.11% to produce 3,084 tonnes of nickel in ore and 2,716 tonnes of nickel in concentrate (2010: 121,017 dry metric tonnes at 2.26% for 2,732 tonnes of nickel in ore and 2,310 tonnes of nickel in concentrate).

The Company's North Kambalda Operations produced 67,362 dry metric tonnes at an average nickel grade of 3.12% for 2,100 tonnes of nickel in ore and 1,915 tonnes of nickel in concentrate (2010: 85,917 dry metric tonnes at 3.28% for 2,821 tonnes of nickel in ore and 2,590 tonnes of nickel in concentrate).

Exploration and Development Projects

During the half-year the consolidated entity spent $7.8 million on exploration activities, comprising $2.2 million on regional exploration projects, $2.1 million on extensional exploration activities and $3.5 million on exploration activities in Papua New Guinea.

Exploration and development drilling continued throughout the period, with considerable success at Mariners Nickel Mine, Miitel Nickel Mine and McMahon Nickel Mine and the Company completed a major airborne survey at its May River project in Papua New Guinea. The Company has committed to an aggressive exploration program targeting nickel and other base metals on its tenements throughout Australia and in Papua New Guinea.

Corporate Matters

The consolidated entity generated a profit after tax of $0.3 million (2010: loss after tax of $2.1 million) for the half-year.

On 27 September 2011 the Company paid a fully franked annual dividend of 2.0 cents per share to shareholders, bringing the Company's total dividend payments to date to $106.6 million.

On 14 February 2012 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2012.

On 21 June 2011 the Company announced its intention to conduct an on-market buy-back of up to 20,018,000 shares, being approximately 10% of the Company's share capital. To date, the Company has bought back and cancelled 4.84 million of its own shares at a total cost of $3.9 million, representing 2.4% of its share capital before the start of the buy-back.

Events Subsequent to 31 December 2011

On 14 February 2012 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2012.

Auditor Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.

DCA Moore
Director
PERTH

14 February 2012

pwc

Auditor's Independence Declaration

As lead auditor for the review of Mincor Resources NL for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mincor Resources NL and the entities it controlled during the period.

David J Smith
Partner
PricewaterhouseCoopers

Perth
14 February 2012

CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2011

	CONSOLIDATED	
	31 December 2011 $'000	31 December 2010 $'000
Revenue	62,444	80,382
Other income – foreign exchange gain	2,463	-
Mining contractor costs	(8,861)	(19,308)
Ore tolling costs	(6,718)	(8,034)
Utilities expense	(4,536)	(4,803)
Mining suppliers and consumables	(4,379)	(3,061)
Royalty expense	(1,939)	(2,764)
Employee benefits expense	(13,768)	(12,897)
Finance costs	(9)	(165)
Foreign exchange loss	-	(7,586)
Exploration costs expensed	(2,199)	(3,275)
Depreciation and amortisation expense	(15,976)	(16,272)
Other expenses from ordinary activities	(5,818)	(5,374)
Profit/(loss) before income tax	704	(3,157)
Income tax (expense)/benefit	(356)	1,020
Profit/(loss) attributable to the members of Mincor Resources NL	348	(2,137)
	Cents	Cents
Earnings/(loss) per share	0.2	(1.1)
Diluted earnings/(loss) per share	0.2	(1.1)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2011

	CONSOLIDATED	
	31 December 2011 $'000	31 December 2010 $'000
Profit/(loss) for the year	348	(2,137)
Other Comprehensive (Loss)/ Income		
Changes in the fair value of available-for-sale financial assets	(3,361)	667
Changes in the fair value of cash flow hedges	359	(1,532)
Income tax relating to components of other comprehensive income	901	260
Other comprehensive (loss) for the half year, net of tax	(2,101)	(605)
Total comprehensive (loss)/ income for the half year attributable to the members of Mincor Resources NL	(1,753)	(2,742)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	CONSOLIDATED	
	31 December 2011 $'000	30 June 2011 $'000
Current Assets		
Cash and cash equivalents	75,136	87,342
Trade and other receivables	16,566	22,201
Inventory	4,585	3,921
Current tax asset	2,779	3,783
Derivative financial instruments	10,957	8,159
Total Current Assets	110,023	125,406
Non-Current Assets		
Available-for-sale financial assets	3,283	1,644
Property, plant and equipment	62,532	68,093
Exploration, evaluation and development expenditure	16,319	12,898
Derivative financial instruments	1,805	2,845
Total Non-Current Assets	83,939	85,480
TOTAL ASSETS	193,962	210,886
Current Liabilities		
Payables	14,250	19,785
Provisions	3,926	3,980
Derivative financial instruments	-	2,053
Total Current Liabilities	18,176	25,818
Non-Current Liabilities		
Provisions	4,943	4,943
Deferred tax liabilities	8,702	9,278
Total Non-Current Liabilities	13,645	14,221
TOTAL LIABILITIES	31,821	40,039
NET ASSETS	162,141	170,847
Equity		
Contributed equity	28,885	32,753
Reserves	8,143	9,370
Retained profits	125,113	128,724
TOTAL EQUITY	162,141	170,847

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2011

	Notes	Contributed equity $'000	Reserves $'000	Retained profits $'000	Total $'000
Balance at 1 July 2010		32,394	4,495	168,164	205,053
Loss for the half-year		-	-	(2,137)	(2,137)
Other comprehensive (loss) for the half-year		-	(605)	-	(605)
Total comprehensive (loss) for the half-year		-	(605)	(2,137)	(2,742)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		359	-	-	359
Dividends provided for or paid		-	-	(12,036)	(12,036)
Employee share options		-	14	-	14
		359	14	(12,036)	(11,663)
Balance at 31 December 2010		32,753	3,904	153,991	190,648
Balance at 1 July 2011		32,753	9,370	128,724	170,847
Profit for the half-year		-	-	348	348
Other comprehensive (loss) for the half-year		-	(2,101)	-	(2,101)
Total comprehensive (loss) for the half-year		-	(2,101)	348	(1,753)
Transactions with owners in their capacity as owners:					
Buy-back of shares, net of tax		(3,868)	-	-	(3,868)
Dividends provided for or paid		-	-	(3,959)	(3,959)
Employee share options		-	874	-	874
		(3,868)	874	(3,959)	(6,953)
Balance at 31 December 2011		28,885	8,143	125,113	162,141

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2011

	CONSOLIDATED	
	31 December 2011 $'000	31 December 2010 $'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	70,788	77,601
Payments to suppliers and employees (inclusive of GST)	(55,996)	(60,518)
	14,792	17,083
Interest received	1,177	1,865
Other revenue	490	619
Interest paid	-	(34)
Income tax received/(paid)	972	(9,689)
Net Cash Inflow from Operating Activities	17,431	9,844
Cash Flows from Investing Activities		
Payment for available-for-sale financial assets	(5,000)	-
Payments for property, plant and equipment	(11,522)	(20,824)
Payments for exploration, evaluation and development expenditure	(5,312)	(3,119)
Proceeds from sale of property, plant and equipment	24	13
Net Cash Outflow from Investing Activities	(21,810)	(23,930)
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	359
Payments for shares bought back	(3,868)	-
Dividends paid	(3,959)	(12,036)
Finance lease payments	-	(944)
Net Cash Outflow from Financing Activities	(7,827)	(12,621)
Net Decrease in Cash and Cash Equivalents	(12,206)	(26,707)
Cash and Cash Equivalents at the Beginning of the Half-Year	87,342	126,797
Cash and Cash Equivalents at the End of the Half-Year	75,136	100,090

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2011

NOTE 1
Summary of significant accounting policies

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Mincor Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

NOTE 2
Segment information

Description of segments

The Company has one reportable operating segment being nickel mining operations.

In determining operating segments the Company has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources. The Chief Executive Officer (CEO) is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Company. The CEO assesses and reviews the business using a total Group nickel business approach and utilises an executive team consisting of the General Manager - Operations, Operations Manager, Chief Financial Officer, General Manager – Corporate Development and Exploration Manager to assist with this function. The CEO assesses the performance of the operating segment based on a measure of net profit after tax.

NOTE 3
Dividends

	CONSOLIDATED	
	31 December 2011 $'000	31 December 2010 $'000
Dividends provided for or paid during the half-year	3,959	12,036
Dividends not recognised at the end of the half-year		
Since the end of the half-year the Directors declared a fully franked interim dividend of 2 cents (2010: 2 cents) per fully paid ordinary share.		
Interim dividend expected to be paid out of retained profits at the end of the half-year, but not recognised as a liability	3,917	4,012

NOTE 4
Contributed Equity

Share Buy-Back

On 21 June 2011 the Company announced its intention to conduct an on-market buy-back of up to 20,018,000 shares, being approximately 10% of the Company's share capital. In accordance with the Listing Rules of the Australian Securities Exchange and the *Corporations Act 2001,* the buy-back commenced on 5 July 2011 and will continue for up to 12 months.

During the half-year to 31 December 2011 the Company purchased and cancelled 4,748,000 ordinary shares on-market in order to enhance shareholder value. The shares were acquired at an average price per share of 81 cents, with prices ranging from 68 cents to 99 cents. The total cost of $3,868,000, including $10,000 of after tax transaction costs, was deducted from shareholder equity.

NOTE 5
Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 6
Events Subsequent to Reporting Date

On 14 February 2012 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2012.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 4 to 10 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Mincor Resources NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

DCA Moore
Director

PERTH

14 February 2012

Independent auditor's review report to the members of Mincor Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mincor Resources NL, which comprises the statement of financial position as at 31 December 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Mincor Resources NL (the consolidated entity). The consolidated entity comprises both Mincor Resources NL (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mincor Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
QV1, 250 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

pwc

Independent auditor's review report to the members of Mincor Resources NL (cont'd)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mincor Resources NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

David J Smith
Partner

14 February 2012