

Preliminary Half Year Report of Mincor Resources NL for the Half Year Ended 31 December 2012

(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 2012
Previous Corresponding Period: Half Year ending 31 December 2011

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 2012

Results for announcement to the market

				\$'000
Revenue from ordinary activities	Down	11.1%	to	55,527
(Loss)/profit from ordinary activities after tax attributable to members	Down	735.6%*	to	(2,212)*
Net (loss)/profit for the period attributable to members	Down	735.6%*	to	(2,212)*
*The 2012 half year loss of \$2,212,000 represents a decrease of \$2,560,000 when compared to the 2011 half year profit of \$348,000.				
Dividends	Amount per security		Franked amount per security	
Half year ended 31 December 2012				
Final dividend	N/A		N/A	
Interim dividend	2 cents		2 cents	
Half year ended 31 December 2011				
Final dividend	N/A		N/A	
Interim dividend	2 cents		2 cents	

Dividend payments / Distributions

On 26 September 2012 the Company paid a final fully franked dividend of \$3,763,000 for the year ended 30 June 2012, comprising 2 cents per share.

On 12 February 2013 the Directors declared a fully franked interim dividend of 2 cents per share for the year ended 30 June 2013.

Date the interim 2013 dividend is payable

22 March 2013

Record date to determine entitlements to the dividend

27 February 2013

Date interim dividend was declared

12 February 2013

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 22 March 2013)	3,764	3,895
Total	3,764	3,895

Net Tangible Assets

	Current period	Previous period
Net tangible assets per ordinary security	74.80¢	82.80¢

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

	2012 \$'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

	2011 \$'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

	2012 \$'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.	-

	2011 \$'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	
	2012 %	2011 %	2012 \$'000	2011 \$'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 2012 which accompanies this Preliminary Half Year Report.

Sign here:



(Director)

Print name: David Moore

Date: 12 February 2013



M I N C O R

R E S O U R C E S N L

MINCOR RESOURCES NL

(ACN 072 745 692)

HALF-YEAR FINANCIAL REPORT

31 December 2012

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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 2012.

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:

<u>Name</u>	<u>Particulars</u>
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 5,063 tonnes of nickel in ore, 4,516 tonnes of nickel in concentrate for the half-year to 31 December 2012 (2011: 5,184 tonnes of nickel in ore, 4,632 tonnes of nickel in concentrate).

During the period, the Company's South Kambalda Operations produced 105,476 dry metric tonnes at an average nickel grade of 3.15% to produce 3,318 tonnes of nickel in ore and 2,913 tonnes of nickel in concentrate (2011: 99,061 dry metric tonnes at 3.11% for 3,084 tonnes of nickel in ore and 2,716 tonnes of nickel in concentrate).

The Company's North Kambalda Operations produced 52,387 dry metric tonnes at an average nickel grade of 3.33% for 1,745 tonnes of nickel in ore and 1,603 tonnes of nickel in concentrate (2011: 67,362 dry metric tonnes at 3.12% for 2,100 tonnes of nickel in ore and 1,915 tonnes of nickel in concentrate).

Exploration and Development Projects

During the half-year the consolidated entity spent \$8.4 million on exploration activities, comprising \$2.8 million on regional exploration projects, \$2.3 million on extensional exploration activities and \$3.3 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 the Cassini Nickel Prospect. The Company commenced a major drilling program at its Edie Creek project in Papua New Guinea testing for high-grade extensions to epithermal gold-silver veins. 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 including an IP Geophysical Survey at its copper/gold Bolobip Project in Papua New Guinea.

Corporate Matters

The consolidated entity generated a loss after tax of \$2.2 million (2011: profit after tax of \$0.3 million) for the half-year.

On 26 September 2012 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 \$114.2 million.

On 12 February 2013 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2013.

Events Subsequent to 31 December 2012

On 12 February 2013 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2013.

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

12 February 2013



Auditor's Independence Declaration

As lead auditor for the review of Mincor Resources NL for the half year ended 31 December 2012, 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.

A handwritten signature in blue ink, appearing to read 'David J Smith', with a stylized flourish at the end.

David J Smith
Partner
PricewaterhouseCoopers

Perth
12 February 2013

CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2012

	CONSOLIDATED	
	31 December 2012 \$'000	31 December 2011 \$'000
Revenue	55,527	62,444
Other income – foreign exchange gain	-	2,463
Mining contractor costs	(4,118)	(8,861)
Ore tolling costs	(6,584)	(6,718)
Utilities expense	(2,993)	(4,536)
Mining supplies and consumables	(3,505)	(4,379)
Royalty expense	(1,707)	(1,939)
Employee benefits expense	(12,898)	(13,768)
Finance costs	(131)	(9)
Foreign exchange loss	(349)	-
Exploration costs expensed	(2,846)	(2,199)
Depreciation and amortisation expense	(18,242)	(15,976)
Other expenses from ordinary activities	(4,911)	(5,818)
(Loss)/profit before income tax	(2,757)	704
Income tax benefit/(expense)	545	(356)
(Loss)/profit attributable to the members of Mincor Resources NL	(2,212)	348
	<u>Cents</u>	<u>Cents</u>
(Loss)/earnings per share	(1.2)	0.2
Diluted (loss)/earnings per share	(1.2)	0.2

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 2012

	CONSOLIDATED	
	31 December 2012 \$'000	31 December 2011 \$'000
(Loss)/profit for the year	(2,212)	348
Other Comprehensive (Loss)/ Income		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of available-for-sale financial assets	-	(3,361)
Changes in the fair value of cash flow hedges	(5,117)	359
Income tax relating these items	1,535	901
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of other financial assets at fair value through other comprehensive income	661	-
Income tax relating these items	(198)	-
Other comprehensive (loss) for the half year, net of tax	(3,119)	(2,101)
Total comprehensive (loss) for the period attributable to the members of Mincor Resources NL	(5,331)	(1,753)

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 2012

	CONSOLIDATED	
	31 December 2012 \$'000	30 June 2012 \$'000
Current Assets		
Cash at bank and in hand	49,788	75,898
Term deposits	20,165	-
Trade and other receivables	19,937	16,397
Inventory	4,007	3,926
Current tax asset	-	1,042
Derivative financial instruments	3,007	8,509
Total Current Assets	96,904	105,772
Non-Current Assets		
Other financial assets at fair value through other comprehensive income	3,070	1,954
Property, plant and equipment	47,676	53,515
Exploration, evaluation and development expenditure	21,723	18,415
Total Non-Current Assets	72,469	73,884
TOTAL ASSETS	169,373	179,656
Current Liabilities		
Payables	16,029	14,387
Provisions	3,521	3,605
Total Current Liabilities	19,550	17,992
Non-Current Liabilities		
Provisions	5,691	5,658
Deferred tax liabilities	3,374	6,298
Total Non-Current Liabilities	9,065	11,956
TOTAL LIABILITIES	28,615	29,948
NET ASSETS	140,758	149,708
Equity		
Contributed equity	23,663	23,663
Reserves	1,958	4,933
Retained profits	115,137	121,112
TOTAL EQUITY	140,758	149,708

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 2012

	Notes	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
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
Balance at 1 July 2012		23,663	4,933	121,112	149,708
(Loss) for the half-year		-	-	(2,212)	(2,212)
Other comprehensive (loss) for the half-year		-	(3,119)	-	(3,119)
Total comprehensive (loss) for the half-year		-	(3,119)	(2,212)	(5,331)
Transactions with owners in their capacity as owners:					
Dividends provided for or paid		-	-	(3,763)	(3,763)
Employee share options		-	144	-	144
		-	144	(3,763)	(3,619)
Balance at 31 December 2012		23,663	1,958	115,137	140,758

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 2012

	Notes	CONSOLIDATED	
		31 December 2012 \$'000	31 December 2011 \$'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		56,312	70,788
Payments to suppliers and employees (inclusive of GST)		(40,380)	(55,996)
		15,932	14,792
Interest received		593	1,177
Other revenue		153	490
Income tax received		-	972
Net Cash Inflow from Operating Activities		16,678	17,431
Cash Flows from Investing Activities			
Payment for available-for-sale financial assets		-	(5,000)
Payments for other financial assets at fair value through other comprehensive income		(454)	-
Payments for property, plant and equipment		(12,767)	(11,522)
Payments for exploration, evaluation and development expenditure		(5,720)	(5,312)
Repayment of loans		81	-
Proceeds from sale of property, plant and equipment		-	24
Net Cash Outflow from Investing Activities		(18,860)	(21,810)
Cash Flows from Financing Activities			
Payments for shares bought back		-	(3,868)
Dividends paid		(3,763)	(3,959)
Net Cash Outflow from Financing Activities		(3,763)	(7,827)
Net Decrease in Cash and Cash Equivalents		(5,945)	(12,206)
Cash and Cash Equivalents at the Beginning of the Half-Year		75,898	87,342
Cash and Cash Equivalents at the End of the Half-Year	6	69,953	75,136

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 2012

NOTE 1

Summary of significant accounting policies

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2012 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 2012 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, except as set out below.

Early adoption of standards

The consolidated entity has elected to apply Phase 1 of AASB 9 *Financial Instruments* (as issued in December 2009), AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* from 1 July 2011 because the new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows. In accordance with the transitional provisions of AASB 9, comparative figures have not been restated.

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 Managing Director (MD) 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 MD assesses and reviews the business using a total Group nickel business approach and utilises an executive team consisting of the General Manager - Operations, Chief Financial Officer, General Manager – Corporate Development and Exploration Manager to assist with this function. The MD assesses the performance of the operating segment based on a measure of net profit after tax.

**NOTE 3
 Dividends**

	CONSOLIDATED	
	31 December 2012 \$'000	31 December 2011 \$'000
Dividends provided for or paid during the half-year	3,763	3,959
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 (2011: 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		
	3,764	3,917

**NOTE 4
 Contingent Liabilities**

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

**NOTE 5
 Events Subsequent to Reporting Date**

On 12 February 2013 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2013.

**NOTE 6
 Reconciliation of Cash at the end of the Half-Year**

	31 December 2012 \$'000	31 December 2011 \$'000
Cash at bank and in hand	49,788	75,136
Term deposits	20,165	-
Balance per statement of cash flows	69,953	75,136

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 2012 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

12 February 2013



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 2012, 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 internal 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 a 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 2012 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*.

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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 2012 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*.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'David J Smith' in a cursive script.

David J Smith
Partner

Perth
12 February 2013