

# Preliminary Half Year Report of Mincor Resources NL for the Half Year Ended 31 December 2014

(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 2014  
Previous Corresponding Period: Half Year ending 31 December 2013

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 2014

**Results for announcement to the market**

				\$'000
<b>Revenue from ordinary activities</b>	Down	1.9%	to	52,007
<b>(Loss) from ordinary activities after tax attributable to members</b>	Up	6,424.1%*	to	(1,892)*
<b>Net (loss) for the period attributable to members</b>	Up	6,424.1%*	to	(1,892)*
*The 2014 half year loss of \$1,892,000 represents an increase of \$1,863,000 when compared to the 2013 half year loss of \$29,000.				
<b>Dividends</b>	<b>Amount per security</b>		<b>Franked amount per security</b>	
<b>Half year ended 31 December 2014</b>				
Final dividend	N/A		N/A	
Interim dividend	2 cents		2 cents	
<b>Half year ended 31 December 2013</b>				
Final dividend	N/A		N/A	
Interim dividend	2 cents		2 cents	

**Dividend payments / Distributions**

On 24 September 2014 the Company paid a final fully franked dividend of \$3,764,000 for the year ended 30 June 2014, comprising 2 cents per share.

On 10 February 2015 the Directors declared a fully franked interim dividend of 2 cents per share for the year ended 30 June 2015.

Date the interim 2015 dividend is payable

20 March 2015

Record date to determine entitlements to the dividend

23 February 2015

Date interim dividend was declared

10 February 2015

**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 20 March 2015)	3,764	3,764
<b>Total</b>	<b>3,764</b>	<b>3,764</b>

**Net Tangible Assets**

	Current period	Previous period
Net tangible assets per ordinary security	54.2¢	59.1¢

**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

	<b>2014 \$'000</b>
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

	<b>2013 \$'000</b>
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

	<b>2014 \$'000</b>
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.	-

	<b>2013 \$'000</b>
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	
	2014 %	2013 %	2014 \$'000	2013 \$'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 2014 which accompanies this Preliminary Half Year Report.

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Sign here:

(Director)

Print name: David Moore

Date: 10 February 2015



**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 2014

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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 2014.

### 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

During the period, the Company produced 162,216 dry metric tonnes at an average nickel grade of 3.07% to produce 4,986 tonnes of nickel-in-ore and 4,395 tonnes of nickel-in-concentrate (2013: 169,971 dry metric tonnes at 3.31% for 5,618 tonnes of nickel-in-ore and 5,006 tonnes of nickel-in-concentrate).

#### Exploration and Development Projects

During the half-year the consolidated entity spent \$6.7 million on exploration activities, comprising \$3.7 million on regional exploration projects and \$3.0 million on extensional exploration activities.

Active exploration continued throughout the Kambalda District, with three surface rigs and three underground drilling rigs. Work has continued to extend ore reserves at both Miitel and Mariners mines. Success has been achieved in regional exploration with potential for two new mines identified at the Cassini and Voyce projects subject to continued drilling success and completion of a full feasibility study.

#### Corporate Matters

The consolidated entity incurred a loss after tax of \$1.89 million (2013: loss after tax of \$0.03 million) for the half-year.

On 24 September 2014 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 \$129.3 million.

### **Events Subsequent to 31 December 2014**

On 10 February 2015 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2015.

### **Auditor's 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

10 February 2015





## Auditor's Independence Declaration

As lead auditor for the review of Mincor Resources NL for the half-year ended 31 December 2014, 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.

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Pierre Dreyer  
Partner  
PricewaterhouseCoopers

Perth  
10 February 2015

**CONSOLIDATED INCOME STATEMENT**  
For the half-year ended 31 December 2014

	<b>CONSOLIDATED</b>		
	Note	31 December 2014 \$'000	31 December 2013 \$'000
<b>Revenue</b>		52,007	52,991
Foreign exchange gain		3,273	667
Mining contractor costs		(4,120)	(3,552)
Ore tolling costs		(6,949)	(7,137)
Utilities expense		(3,984)	(4,353)
Mining supplies and consumables		(4,261)	(3,697)
Royalty expense		(2,098)	(1,927)
Employee benefits expense		(10,177)	(11,254)
Finance costs		(242)	(150)
Exploration costs expensed		(3,798)	(1,710)
Depreciation and amortisation expense		(16,658)	(14,609)
Other expenses from ordinary activities		(4,454)	(5,002)
<b>(Loss)/profit before income tax</b>		(1,461)	267
Income tax expense	3	(431)	(296)
<b>Loss attributable to the members of Mincor Resources NL</b>		(1,892)	(29)
		<u>Cents</u>	<u>Cents</u>
Loss per share		(1.0)	(0.0)
Diluted loss per share		(1.0)	(0.0)

*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 2014

	CONSOLIDATED		
	Note	31 December 2014 \$'000	31 December 2013 \$'000
Loss for the year		(1,892)	(29)
Other comprehensive (loss)/income			
<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		(315)	(988)
Income tax relating these items		-	296
<b>Other comprehensive loss for the half year, net of tax</b>		(315)	(692)
<b>Total comprehensive loss for the period attributable to the members of Mincor Resources NL</b>		(2,207)	(721)

*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 2014

	CONSOLIDATED	
	31 December 2014 \$'000	30 June 2014 \$'000
<b>Current Assets</b>		
Cash at bank and in hand	28,610	25,647
Term deposits	25,000	25,000
Trade and other receivables	17,461	25,417
Inventory	3,120	3,217
Derivative financial instruments	64	-
<b>Total Current Assets</b>	74,255	79,281
<b>Non-Current Assets</b>		
Other financial assets at fair value through other comprehensive income	330	646
Property, plant and equipment	49,134	44,376
Exploration, evaluation and development expenditure	13,773	13,165
<b>Total Non-Current Assets</b>	63,237	58,187
<b>TOTAL ASSETS</b>	137,492	137,468
<b>Current Liabilities</b>		
Trade and other payables	12,262	13,524
Interest bearing liabilities	3,800	1,285
Provisions	3,289	3,241
Derivative financial instruments	-	68
<b>Total Current Liabilities</b>	19,351	18,118
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	6,374	2,400
Provisions	8,121	7,953
Deferred tax liabilities	1,669	1,238
<b>Total Non-Current Liabilities</b>	16,164	11,591
<b>TOTAL LIABILITIES</b>	35,515	29,709
<b>NET ASSETS</b>	101,977	107,759
<b>Equity</b>		
Contributed equity	23,663	23,663
Reserves	(1,485)	(1,359)
Retained earnings	79,799	85,455
<b>TOTAL EQUITY</b>	101,977	107,759

*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 2014

	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
<b>Balance at 1 July 2013</b>	23,663	847	91,135	115,645
Loss for the half-year	-	-	(29)	(29)
Other comprehensive loss for the half-year	-	(692)	-	(692)
<b>Total comprehensive loss for the half-year</b>	-	(692)	(29)	(721)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	-	-	(3,764)	(3,764)
Employee share options	-	14	-	14
Employee performance rights	-	141	-	141
	-	155	(3,764)	(3,609)
<b>Balance at 31 December 2013</b>	23,663	310	87,342	111,315
<b>Balance at 1 July 2014</b>	23,663	(1,359)	85,455	107,759
Loss for the half-year	-	-	(1,892)	(1,892)
Other comprehensive loss for the half-year	-	(315)	-	(315)
<b>Total comprehensive loss for the half-year</b>	-	(315)	(1,892)	(2,207)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	-	-	(3,764)	(3,764)
Employee share options	-	14	-	14
Employee performance rights	-	175	-	175
	-	189	(3,764)	(3,575)
<b>Balance at 31 December 2014</b>	23,663	(1,485)	79,799	101,977

*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 2014

	Note	CONSOLIDATED	
		31 December 2014 \$'000	31 December 2013 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers (inclusive of GST)		68,514	56,793
Payments to suppliers and employees (inclusive of GST)		(41,752)	(40,840)
		26,762	15,953
Interest received		557	635
Other revenue		46	17
Interest paid		(115)	-
<b>Net Cash Inflow from Operating Activities</b>		27,250	16,605
<b>Cash Flows from Investing Activities</b>			
Payments for acquisition of exploration properties		(721)	(15)
Payments for property, plant and equipment		(15,140)	(13,747)
Payments for exploration, evaluation and development expenditure		(3,698)	(1,873)
Proceeds from sale of property, plant and equipment		134	30
<b>Net Cash Outflow from Investing Activities</b>		(19,425)	(15,605)
<b>Cash Flows from Financing Activities</b>			
Dividends paid		(3,764)	(3,764)
Lease payments		(1,098)	-
<b>Net Cash Outflow from Financing Activities</b>		(4,862)	(3,764)
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		2,963	(2,764)
Cash and Cash Equivalents at the Beginning of the Half-Year		50,647	59,661
<b>Cash and Cash Equivalents at the End of the Half-Year</b>	7	53,610	56,897

*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 2014

### **NOTE 1**

#### **Summary of significant accounting policies**

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 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 2014 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 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 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**

#### **Income Tax Expense**

The tax expense of \$0.43 million has arisen as a result of the reversal of a deferred tax asset (\$0.83 million) pertaining to an earlier anticipated capital gains tax event. Since the Group does not intend to trade the asset in the near term, the Board no longer considers it probable that this tax asset will be realised and has therefore derecognised the deferred tax asset previously raised.

**NOTE 4  
 Dividends**

	CONSOLIDATED	
	31 December 2014	31 December 2013
	\$'000	\$'000
Dividends provided for or paid during the half-year	3,764	3,764
<b>Dividends not recognised at the end of the half-year</b>		
Since the end of the half-year the Directors declared a fully franked interim dividend of 2 cents (2013: 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	3,764

**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 10 February 2015 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2015.

**NOTE 7  
 Reconciliation of Cash at the end of the Half-Year**

	31 December 2014	31 December 2013
	\$'000	\$'000
Cash at bank and in hand	28,610	31,897
Term deposits	25,000	25,000
Balance per statement of cash flows	53,610	56,897



## 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 2014 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

10 February 2015



## **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 (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Mincor Resources Group (the consolidated entity). The consolidated entity comprises 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 Australian 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 2014 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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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Brookfield Place, 125 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](http://www.pwc.com.au)

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*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 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Pierre Dreyer', written in a cursive style.

Pierre Dreyer  
Partner

Perth  
10 February 2015