

Preliminary Half Year Report of Mincor Resources NL for the Half Year Ended 31 December 2013

(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 2013
Previous Corresponding Period: Half Year ending 31 December 2012

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 2013

Results for announcement to the market

				\$'000
Revenue from ordinary activities	Down	4.6%	to	52,991
(Loss) from ordinary activities after tax attributable to members	Down	98.7%*	to	(29)*
Net (loss) for the period attributable to members	Down	98.7%*	to	(29)*
*The 2013 half year loss of \$29,000 represents a decrease of \$2,183,000 when compared to the 2012 half year loss of \$2,212,000.				
Dividends	Amount per security		Franked amount per security	
Half year ended 31 December 2013				
Final dividend	N/A		N/A	
Interim dividend	2 cents		2 cents	
Half year ended 31 December 2012				
Final dividend	N/A		N/A	
Interim dividend	2 cents		2 cents	

Dividend payments / Distributions

On 25 September 2013 the Company paid a final fully franked dividend of \$3,764,000 for the year ended 30 June 2013, comprising 2 cents per share.

On 11 February 2014 the Directors declared a fully franked interim dividend of 2 cents per share for the year ended 30 June 2014.

Date the interim 2014 dividend is payable

21 March 2014

Record date to determine entitlements to the dividend

24 February 2014

Date interim dividend was declared

11 February 2014

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 21 March 2014)	3,764	3,764
Total	3,764	3,764

Net Tangible Assets

	Current period	Previous period
Net tangible assets per ordinary security	59.1¢	74.80¢

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

	2013 \$'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

	2012 \$'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

	2013 \$'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.	-

	2012 \$'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	
	2013 %	2012 %	2013 \$'000	2012 \$'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 2013 which accompanies this Preliminary Half Year Report.

Sign here:



(Director)

Print name: David Moore

Date: 11 February 2014



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 2013

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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 2013.

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 5,618 tonnes of nickel-in-ore, 5,006 tonnes of nickel-in-concentrate for the half-year to 31 December 2013 (2012: 5,063 tonnes of nickel-in-ore, 4,516 tonnes of nickel-in-concentrate).

During the period, the Company's South Kambalda Operations produced 145,708 dry metric tonnes at an average nickel grade of 3.25% to produce 4,732 tonnes of nickel-in-ore and 4,186 tonnes of nickel-in-concentrate (2012: 105,476 dry metric tonnes at 3.15% for 3,318 tonnes of nickel-in-ore and 2,913 tonnes of nickel-in-concentrate).

The Company's North Kambalda Operations produced 24,263 dry metric tonnes at an average nickel grade of 3.65% for 885 tonnes of nickel-in-ore and 819 tonnes of nickel-in-concentrate (2012: 52,387 dry metric tonnes at 3.33% for 1,745 tonnes of nickel-in-ore and 1,603 tonnes of nickel-in-concentrate).

Exploration and Development Projects

During the half-year the consolidated entity spent \$4.2 million on exploration activities, comprising \$1.5 million on regional exploration projects, \$2.5 million on extensional exploration activities and \$0.2 million on continuing expenditure in Papua New Guinea.

Active exploration continued throughout the Kambalda District, with three underground drilling rigs and one deep-drilling surface diamond rig targeting extensions to the Miitel and Mariners ore bodies. In addition the Company carried out a RAB and percussion drilling program targeting gold in the Widgiemooltha District.

Corporate Matters

The consolidated entity incurred a loss after tax of \$0.03 million (2012: loss after tax of \$2.2 million) for the half-year.

On 25 September 2013 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 \$121.8 million.

On 11 February 2014 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2014.

Events Subsequent to 31 December 2013

On 11 February 2014 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2014.

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

11 February 2014



Auditor's Independence Declaration

As lead auditor for the review of Mincor Resources NL for the half-year ended 31 December 2013, 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 black ink, appearing to read 'P. Dreyer', is written over a light grey circular stamp.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
11 February 2014

CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2013

	CONSOLIDATED	
	31 December 2013 \$'000	31 December 2012 \$'000
Revenue	52,991	55,527
Other income	667	-
Mining contractor costs	(3,552)	(4,118)
Ore tolling costs	(7,137)	(6,584)
Utilities expense	(4,353)	(2,993)
Mining supplies and consumables	(3,697)	(3,505)
Royalty expense	(1,927)	(1,707)
Employee benefits expense	(11,254)	(12,898)
Finance costs	(150)	(131)
Foreign exchange loss	-	(349)
Exploration costs expensed	(1,710)	(2,846)
Depreciation and amortisation expense	(14,609)	(18,242)
Other expenses from ordinary activities	(5,002)	(4,911)
Profit/(loss) before income tax	267	(2,757)
Income tax (expense)/benefit	(296)	545
Loss attributable to the members of Mincor Resources NL	(29)	(2,212)
	<u>Cents</u>	<u>Cents</u>
Loss per share	(0.0)	(1.2)
Diluted loss per share	(0.0)	(1.2)

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 2013

	CONSOLIDATED	
	31 December 2013 \$'000	31 December 2012 \$'000
Loss for the year	(29)	(2,212)
Other comprehensive (loss)/income		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges	-	(5,117)
Income tax relating these items	-	1,535
<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	(988)	661
Income tax relating these items	296	(198)
Other comprehensive loss for the half year, net of tax	(692)	(3,119)
Total comprehensive loss for the period attributable to the members of Mincor Resources NL	(721)	(5,331)

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 2013

	CONSOLIDATED	
	31 December 2013 \$'000	30 June 2013 \$'000
Current Assets		
Cash at bank and in hand	31,897	34,269
Term deposits	25,000	25,392
Trade and other receivables	18,247	17,345
Inventory	3,352	3,437
Derivative financial instruments	67	-
Total Current Assets	78,563	80,443
Non-Current Assets		
Other financial assets at fair value through other comprehensive income	516	1,224
Property, plant and equipment	38,288	38,890
Exploration, evaluation and development expenditure	13,263	13,248
Deferred tax assets	918	915
Total Non-Current Assets	52,985	54,277
TOTAL ASSETS	131,548	134,720
Current Liabilities		
Trade and other payables	10,546	9,477
Provisions	3,743	3,785
Total Current Liabilities	14,289	13,262
Non-Current Liabilities		
Provisions	5,944	5,813
Total Non-Current Liabilities	5,944	5,813
TOTAL LIABILITIES	20,233	19,075
NET ASSETS	111,315	115,645
Equity		
Contributed equity	23,663	23,663
Reserves	310	847
Retained earnings	87,342	91,135
TOTAL EQUITY	111,315	115,645

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 2013

	Notes	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
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
Balance at 1 July 2013		23,663	847	91,135	115,645
Loss for the half-year		-	-	(29)	(29)
Other comprehensive loss for the half-year		-	(692)	-	(692)
Total comprehensive loss for the half-year		-	(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)
Balance at 31 December 2013		23,663	310	87,342	111,315

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 2013

	Notes	CONSOLIDATED	
		31 December 2013 \$'000	31 December 2012 \$'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		56,793	56,312
Payments to suppliers and employees (inclusive of GST)		(40,840)	(40,380)
		15,953	15,932
Interest received		635	593
Other revenue		17	153
Net Cash Inflow from Operating Activities		16,605	16,678
Cash Flows from Investing Activities			
Payments for other financial assets at fair value through other comprehensive income		-	(454)
Payments for acquisition of exploration properties		(15)	-
Payments for property, plant and equipment		(13,747)	(12,767)
Payments for exploration, evaluation and development expenditure		(1,873)	(5,720)
Repayment of loans		-	81
Proceeds from sale of property, plant and equipment		30	-
Net Cash Outflow from Investing Activities		(15,605)	(18,860)
Cash Flows from Financing Activities			
Dividends paid		(3,764)	(3,763)
Net Cash Outflow from Financing Activities		(3,764)	(3,763)
Net Decrease in Cash and Cash Equivalents		(2,764)	(5,945)
Cash and Cash Equivalents at the Beginning of the Half-Year		59,661	75,898
Cash and Cash Equivalents at the End of the Half-Year	6	56,897	69,953

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 2013

NOTE 1

Summary of significant accounting policies

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2013 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 2013 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
Dividends

	CONSOLIDATED	
	31 December 2013	31 December 2012
	\$'000	\$'000
Dividends provided for or paid during the half-year	3,764	3,763
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 (2012: 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 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 11 February 2014 the Directors declared a fully franked interim dividend of 2.0 cents per share in respect of the year ending 30 June 2014.

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

	31 December 2013	31 December 2012
	\$'000	\$'000
Cash at bank and in hand	31,897	49,788
Term deposits	25,000	20,165
Balance per statement of cash flows	56,897	69,953

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 2013 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

11 February 2014



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 2013, the income statement, 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 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 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 2013 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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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 entity's financial position as at 31 December 2013 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*.

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

PricewaterhouseCoopers

A stylized handwritten signature in black ink, consisting of a large, bold letter 'P' followed by a horizontal line.

Pierre Dreyer
Partner

Perth
11 February 2014