MINCOR RESOURCES NL

2015 Full Year Financial Results

2015 Highlights

- Net Loss after Tax of **$34.26M** (FY2014 profit of $1.85M), after writing off $7.8M in regional exploration costs, as per Mincor's normal practice.
- Net loss includes $18.15M in (non-cash) after tax impairment charges and the reversal of deferred tax asset.
- Cash margin **down 46% to $1.65** per pound
- Earnings from operations (revenue less cash costs) **down 56% to $17.7M**
- Earnings before Interest, Tax, Depreciation and Amortisation **down 77% to $7.3M**
- Strong operational performance, beating production targets to generate 8,623 tonnes Nickel-in-Ore (2014: 10,219t). Cash costs above target at **$5.93/lb** (2014: $4.96/lb).
- Major expenditures included a 4cps fully franked dividend ($7.5M) and investments in future production ($25.68M capex) and future growth ($12.64M exploration).
- High levels of exploration expenditure generated outstanding results, with **four significant new growth assets** identified.
- Year-end balance sheet strong with **$32.96M** cash (2014: $50.65M).
- Given the weak nickel price and Mincor's strong investment profile over the next 12 months, Directors have elected to not pay a final dividend for the current year.

MINCOR

Outlook for 2016

- Implementation of new strategy – **Restructuring for Growth**
- Strategy has two key goals:
  1. Use Mincor's production flexibility to manage through current downturn:
     - This may entail raising, lowering or suspending production during FY2016
  2. Focus on preparing Mincor's growth projects for development:
     - Feasibility studies on an integrated South Miitel and Burnett mining operation
     - Feasibility study on the development of a new mine at Durkin North
     - Feasibility study on the development of a new mine at Voyce
     - Drill-out and feasibility study on the development of a new mine at Cassini
- Under this strategy FY2016 will be a transitional year during which Mincor pivots from its long-standing reliance on Miitel and Mariners to a growth schedule underpinned by South Miitel/Burnett and rapidly augmented by production from Durkin North, Voyce and Cassini.

MINCOR

Key Operational Results

	2015	2014	2013	2012	2011
Ore Delivered (tonnes)	308,964	319,766	312,075	332,877	395,979
Nickel Grade	2.79%	3.20%	3.10%	3.09%	2.61%
Nickel-in-Concentrate (tonnes)	7,513	9,067	8,637	9,179	9,056
Pounds payable Nickel	10,766,162	12,993,110	12,376,435	13,138,073	12,796,138
Average Nickel Price (A$/lb)	7.58*	8.02	7.59	8.89	10.95
Average Cash Cost (A$/lb)	5.93	4.96	5.34	5.78	7.95
Average Cash Margin (A$/lb)	1.65	3.06	2.25	3.11	3.00

*Excludes the impact of negative sales adjustments on the establishment of final nickel prices for April, May and June 2014 ($0.70 million). Based on price estimates pending the fixing of the nickel price for the months of April, May and June 2015, see explanation on following pages.

MINCOR

Headline Earnings

	2015	2014	2013	2012	2011
Revenues ($M)	85.68*	109.67	98.58	121.55	152.11
EBITDA ($M)	7.31	31.32	8.78	32.43	16.30
Net Profit/(Loss) After Tax ($M)	(34.26)	1.85	(22.45)	0.24	(23.39)
Earnings/(Loss) per Share (CPS)	(18.20)	1.0	(11.9)	0.0	(11.7)
Dividends per Share (CPS)	2.0	4.0	4.0	4.0	4.0

*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. Therefore the nickel price in the June 2015 full year accounts for the production months of April, May and June 2015 must be estimated. The Company's policy is to base this estimate upon the most current published forward nickel price of the third month after delivery. Revenue for April, May and June 2015 in this report has been estimated in this way, and is subject to an adjustment (up or down) when the final nickel price is known. Similarly, revenues for the current year have been adjusted to take account of the final nickel prices established for April, May and June 2014. As a result Mincor has recognised a negative sales revenue adjustment of $0.70M attributable to those production months. This adjustment is incorporated in the above figures.

MINCOR

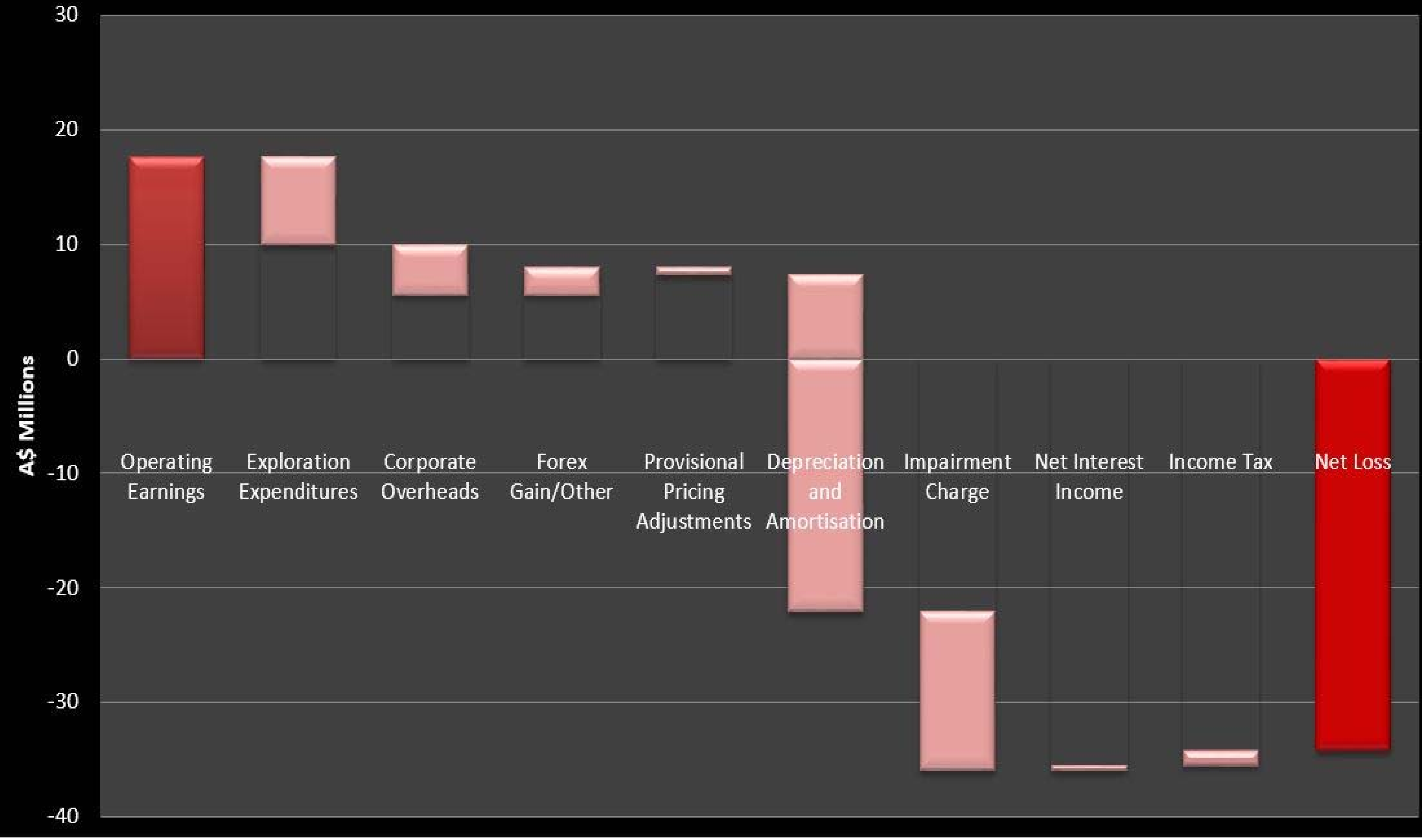
Analysis of Earnings

	2015	2014	2013	2012	2011
Earnings from Operations (Revenue less Cash Costs) ($M)*	**17.68**	**40.14**	27.88	42.31	40.83
Less: Exploration Costs Expensed ($M)	(7.76)	(3.44)	(15.51)	(4.01)	(9.92)
Less: Corporate Overheads ($M)	(4.40)	(4.67)	(5.20)	(5.65)	(5.80)
Less: Foreign Exchange Gain/(Loss) ($M)	3.82	(0.75)	2.43	2.68	(8.37)
Add: Net Other Income/(Costs) ($M)	(1.31)	0.77	(0.09)	(1.10)	1.02
EBITDA before recognition of provisional pricing adjustments ($M)	**8.03**	**32.05**	9.51	34.23	17.76
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May & June 2015 ($M)	(0.72)	(0.53)	(0.73)	(1.80)	(1.47)
EBITDA ($M)	**7.31**	**31.52**	**8.78**	**32.43**	**16.29**
Depreciation and Amortisation ($M)	(29.39)	(29.61)	(34.25)	(33.62)	(28.13)
Impairment Loss ($M)	(13.89)	-	(2.82)	-	(24.99)
EBIT ($M)	**(35.97)**	**1.91**	**(28.29)**	**(1.19)**	**(36.83)**
Net Interest Income ($M)	0.47	1.28	1.57	2.30	3.42
Income Tax Benefit/(Expense) ($M)	1.24**	(1.34)	4.27	(0.87)	10.02
Net Profit/(Loss) after Tax ($M)	**(34.26)**	**1.85**	**(22.45)**	**0.24**	**(23.39)**

*Excludes the impact of provisional pricing adjustments. ** Includes de-recognition of deferred tax assets of $8.43M

MINCOR

Analysis of Earnings



MINCOR

Balance Sheet

	2015	2014	2013	2012	2011
Assets ($M)	93.15	137.47	134.72	179.66	210.89
Liabilities ($M)	26.88	29.71	19.08	29.95	40.04
Shareholder’s Equity ($M)	66.27	107.76	115.65	146.13	164.79
Return on Equity	-31.8%	1.7%	-19.4%	0.2%	-14.2%

NOTE: Shareholder’s Equity has been adjusted to remove the impact of cash flow hedges. The adjustment for 30 June 2015 was nil. Under Australian Accounting Standards (AAS), derivatives must be fair valued. Where cash flow hedge accounting is adopted, mark to market adjustments are recognised as part of equity, until the underlying transaction occurs when they are recycled and recognised as part of that transaction. Because this fair value fluctuates with changing nickel and currency price forward estimates, the adjustments have been removed in the above table to allow comparisons with previous years.

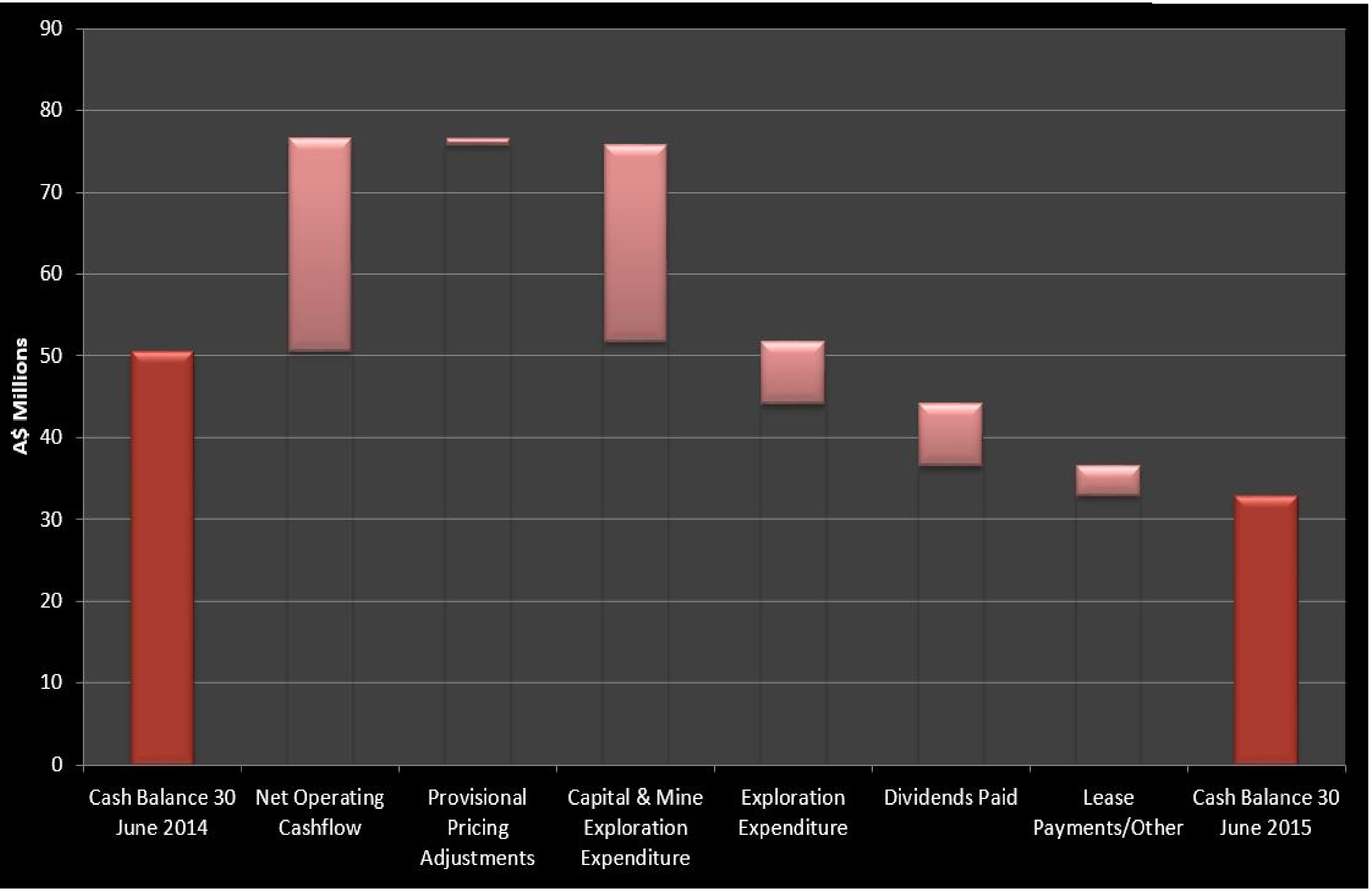
MINCOR

Analysis of Cash Flows

	2015 $000	2014 $000	2013 $'000	2012 $'000	2011 $'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	25,967	32,256	25,496	41,055	37,908
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2014	(717)	(529)	(735)	(1,803)	(1,469)
Net Operating Cash Inflow	**25,250**	**31,727**	**24,761**	**39,252**	**36,439**
Income Tax (Paid)/Received	-	-	-	1,357	(10,238)
Payment for Acquisition of GMM	-	-	-	-	-
Payment for On-market Share Buy-Back	-	-	-	(9,090)	-
Capital Expenditure (including near-mine exploration)	(24,123)	(29,319)	(22,870)	(21,209)	(39,163)
Exploration and Development Expenditure	(7,653)	(3,595)	(10,192)	(9,110)	(9,873)
Dividends Paid	(7,528)	(7,528)	(7,528)	(7,854)	(16,049)
Proceeds from Issue of Shares	-	-	-	-	359
Payment for Investment	-	-	(504)	(5,000)	-
Lease payments	(3,051)	(313)			
Other	(581)	14	96	210	(930)
Net Cash Inflow/(Outflow)	**(17,686)**	**(9,014)**	**(16,237)**	**(11,444)**	**(39,455)**
Cash at 30 June 2015	32,961	50,647	59,661	75,898	87,342

MINCOR

Analysis of Cash Flows



MINCOR