MINCOR RESOURCES NL

2012 Full Year
Financial Results

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2012 Highlights

- Profit turn-around despite 19% reduction in average realised nickel price;
- Net Profit after Tax of **$0.24M** (pcp loss of $23.4M), after writing off $4.01M in exploration expenditures;
- Turn-around reflects success of operational re-structuring, which delivered a 27% improvement in cash costs;
- EBITDA up 99% to **$32.43M** (2011: $16.29)
- Earnings from Operations were **$42.31M** (2011: $40.83M) (revenue less cash costs before provisional pricing adjustment);
- Strong cashflows from Operations funded:
  - returns to shareholders of **$17M** in dividends and share buy-back expenditures;
  - options for future growth via **$15.65M** in mine capital expenditures and **$12.5M** in exploration expenditures;
- Year-end balance sheet remains strong with **$75.9M** cash and no debt;
- Board declares **2 cents per share fully-franked final dividend** – maintaining an unbroken dividend payment record that now spans a decade.

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Outlook for 2013 and Beyond

- Kambalda production targeted at 9,000 tonnes of nickel-in-ore for FY 2012/13 at targeted cash cost of $5.20/lb payable nickel, before royalties;
- Nickel mining environment remains **extremely challenging**, with a further 10% drop in nickel prices since the start of the new Financial Year;
- However, Mincor is confident of its ability to manage the downturn;
- $15M committed to Kambalda growth, including capital development and drill-out of emerging new high-grade discoveries at Mariners and Miitel;
- A further $15M set aside for high-quality exploration in Australia and PNG:
  - Drilling has commenced at the high-grade Edie Creek gold prospect in PNG;
  - Drilling within months at the exciting Mons and Cassini nickel prospects in Kambalda;
  - Drilling of massive Bolobip porphyry Cu-Au target in PNG planned for later in year;
  - Geochemical surveys commencing at the high-quality Bohemia Zinc Project in the Lennard Shelf.

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Key Operational Results

	2012	2011	2010	2009	2008
Ore Delivered (tonnes)	332,877	395,979	371,159	573,124	722,615
Nickel Grade	3.09%	2.61%	3.18%	3.08%	2.63%
Nickel-in-Concentrate (tonnes)	9,179	9,056	10,673	15,768	16,562
Pounds payable Nickel	13,138,073	12,796,138	15,186,423	22,513,131	23,733,581
Average Ni Price (A$/lb)	8.89*	10.95	11.11	8.39	13.53
Average Cash Cost (A$/lb)	5.78	7.95	5.66	5.37	6.40
Average Cash Margin (A$/lb)	3.11	3.00	5.45	3.02	7.13

*Excludes the impact of negative sales adjustments on the establishment of final nickel prices for April, May and June 2011 ($1.88 million). Based on price estimates pending the fixing of the nickel price for the months of April, May and June 2012– see explanation on following pages.

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Headline Earnings

	2012	2011	2010	2009	2008
Revenues ($M)	121.55	152.11	184.03	191.87	329.30
EBITDA ($M)	32.43	16.30	77.62	45.16	140.81
Net Profit/(Loss) After Tax ($M)	0.24	(23.39)	28.10	(16.66)	64.04
Earnings/(Loss) per Share (CPS)	0.0	(11.7)	14.0	(8.40)	32.10
Dividends per Share (CPS)	4.0	4.0	9.0	6.0	12.0

*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 2012 full year accounts for the production months of April, May and June 2012 must be estimated. The Company's policy is to base this estimate upon the 3 month forward nickel price at the end of the month of delivery. Revenue for April, May and June 2012 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 2011. As a result Mincor has recognised a negative sales revenue adjustment of $1.88 million attributable to those production months. This adjustment is incorporated in the above figures.

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Analysis of Earnings

	2012	2011	2010	2009	2008
Earnings from Operations (Revenue less Cash Costs) ($M)*	**42.31**	**40.83**	**83.10**	**67.15**	**171.15**
Less: Exploration Costs Expensed ($M)	(4.01)	(9.92)	(6.31)	(10.13)	(12.82)
Less: Corporate Overheads ($M)	(5.65)	(5.80)	(4.96)	(4.58)	(5.59)
Less: Foreign Exchange Gain/(Loss) ($M)	2.68	(8.37)	(0.53)	(1.54)	(2.01)
Add: Net Other Income/(costs) ($M)	(1.10)	1.02	0.58	1.13	-
EBITDA before recognition of provisional pricing adjustments ($M)	**34.23**	**17.76**	**72.41**	**53.57**	**152.74**
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2011($M)	(1.80)	(1.47)	5.21	(8.41)	(11.93)
EBITDA ($M)	**32.43**	**16.29**	**77.62**	**45.16**	**140.81**
Depreciation and Amortisation ($M)	(33.62)	(28.13)	(40.17)	(57.11)	(55.64)
Impairment Loss ($M)	-	(24.99)	-	(17.86)	-
EBIT ($M)	**(1.19)**	**(36.83)**	**37.45**	**(29.81)**	**85.17**
Net Interest Income ($M)	2.30	3.42	2.48	3.50	6.77
Income Tax Benefit/(Expense) ($M)	(0.87)	10.02	(11.83)	9.65	(27.90)
Net Profit/(Loss) after Tax ($M)	**0.24**	**(23.39)**	**28.10**	**(16.66)**	**64.04**

*Excludes the impact of provisional pricing adjustments.

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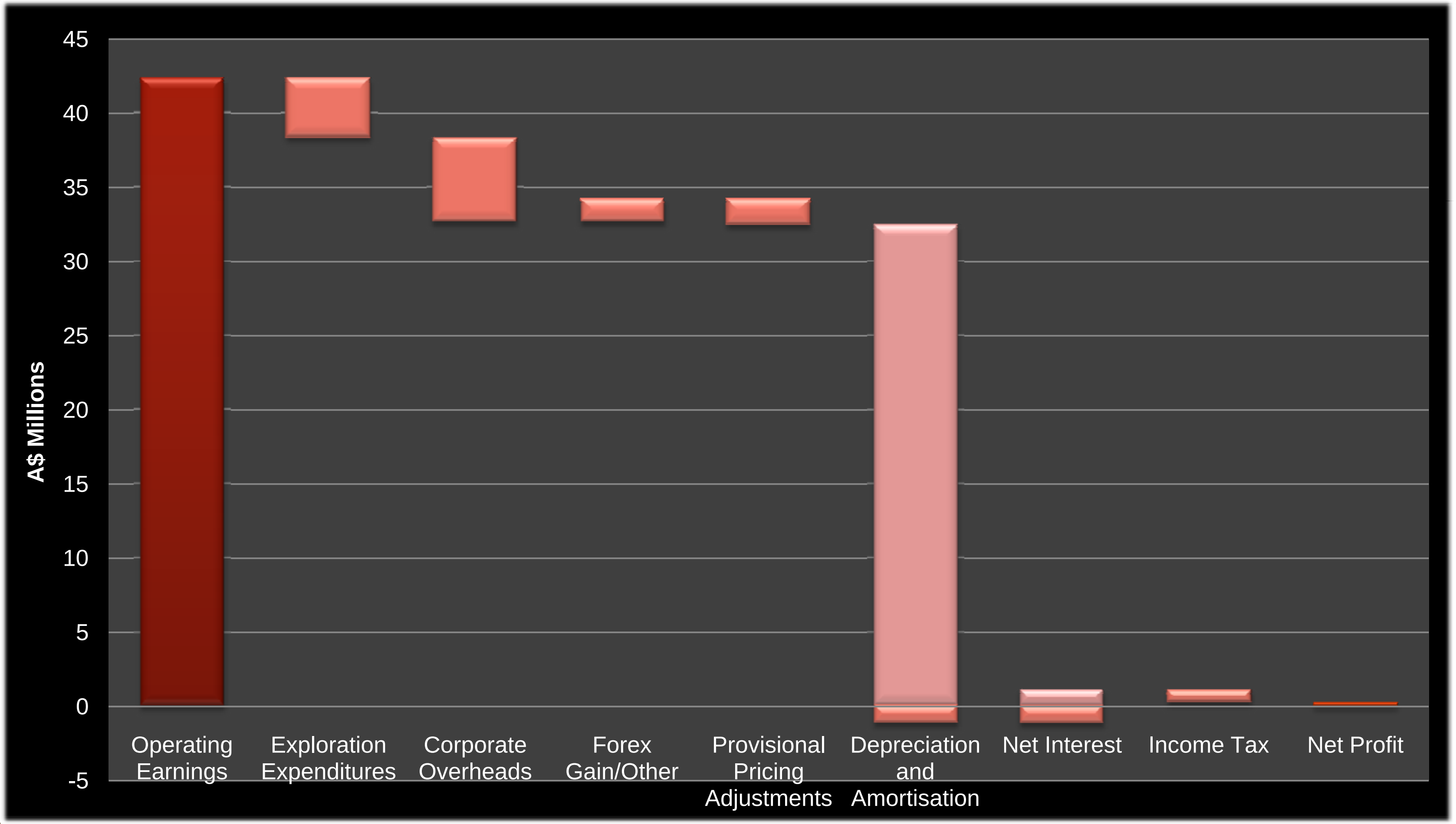
Analysis of Earnings



Balance Sheet

	2012	2011	2010	2009	2008	2007
Assets ($M)	179.66	210.89	260.43	251.20	328.96	310.77
Liabilities ($M)	29.95	40.04	55.38	51.87	90.47	160.51
Shareholder's Equity ($M)	**146.13**	**164.79**	**203.07**	**187.91**	**219.43**	**177.66**
Return on Equity	N/A	N/A	14%	N/A	29%	57%

Note: Shareholder's Equity has been adjusted (by $3.58 million) to remove the impact of cashflow hedges. Under Australian International Financial Reporting Standards (AIFRS), hedges must be fair valued with mark to market adjustments made against equity. As this fair value fluctuates with nickel and currency prices, the adjustment has been removed in the above table to allow comparisons with previous years.

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Analysis of Cash Flows

	2012 $000	2011 $000	2010 $000	2009 $000	2008 $000
Net Operating Cashflow before recognition of provisional pricing adjustments	41,055	37,908	95,273	51,933	159,575
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2012	(1,803)	(1,469)	5,208	(8,418)	(11,928)
Net Operating Cash Inflow	**39,252**	**36,439**	**100,481**	**43,515**	**147,647**
Income Tax (Paid)/Received	1,357	(10,238)	(990)	(3,662)	(53,809)
Payment for Acquisition of GMM	-	-	(1,561)	(6,575)	(55,074)
Payment for On-market Share Buy-Back	(9,090)	-	-	-	-
Capital Expenditure (including near-mine exploration)	(21,209)	(39,163)	(28,370)	(43,674)	(37,398)
Exploration and Development Expenditure	(9,110)	(9,873)	(5,171)	(9,634)	(35,331)
Dividends Paid	(7,854)	(16,049)	(14,012)	(15,911)	(23,722)
Proceeds from Issue of Shares	-	359	1,002	149	1,763
Payment for Investment	(5,000)	-	-	-	-
Other	210	(930)	(383)	(906)	(1,144)
Net Cash Inflow/(Outflow)	**(11,444)**	**(39,455)**	**50,996**	**(36,698)**	**(57,068)**
Cash at 30 June 2012	75,898	87,342	126,797	75,801	112,499

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Analysis of Cash Flows