

MINCOR RESOURCES NL

Half-Year 2012/13
(31 December 2012)

FINANCIAL RESULTS

Financial Highlights of the Half Year to December 2012

- First half loss of **\$2.21M** (1HFY12: \$0.35M Profit) driven by non-cash D&A charges and the low nickel price
- However strong operating performance generates healthy EBITDA of **\$14.77M**, consistent with pcp (\$15.5M) despite 10% lower nickel price
- Mincor's best cash cost performance since the six months ending June 2009. Cash margins per pound maintained despite the lower nickel price
- Operational cashflows of **\$16.53M**, well in excess of nickel exploration and capital development costs of \$12.77M
- Robust operating performance allows directors to declare a 2 cps fully franked interim dividend
- Other major expenditures included \$6.1M in regional exploration (including \$3.3M in PNG), and \$3.76M in dividends
- Strong balance sheet maintained, with no debt and \$75.92M in cash and receivables net of creditors and accruals (June 30 2012: \$78.02M)

Operational Highlights of the Half Year to December 2012

- Strong, low-cost nickel production – Mincor on track to meet or exceed full-year production target and substantially outperform cost target
- Underground development at Mariners reaches the high grade N10B ore body, first strike drive generates 7,200 tonnes of ore grading 5.84% nickel
- Extensional exploration drilling at Kambalda highlights additional Ore Reserve potential at South Miitel, Mariners and North Miitel
- Regional Kambalda exploration generates strong new nickel exploration prospects
- In PNG drill-testing of Edie Creek underway, and preparations started on work at the exciting Bolobip porphyry copper-gold target

Operational Results for the Half Year to December 2012

	Dec Half' 12	Dec Half' 11	Dec Half '10	Dec Half '09	Dec Half '08
Ore Delivered (tonnes)	157,863	166,423	206,934	188,878	354,052
Nickel Grade	3.21%	3.12%	2.68%	3.27%	2.87%
Nickel-in-Ore (tonnes)	5,063	5,184	5,553	6,175	10,155
Nickel-in-Concentrate (tonnes)	4,516	4,632	4,900	5,611	8,976
Pounds Payable Nickel	6,471,311	6,626,096	7,003,043	8,013,193	12,843,094
Average Nickel Price (A\$/lb)	8.26*	9.20	11.01	10.59	7.99
Average Cash Cost (A\$/lb)	5.07	6.05	7.24	5.29	5.76
Average Cash Margin (A\$/lb)	3.19	3.15	3.77	5.30	2.23

*Excludes the impact of negative prior period nickel sales adjustment on the establishment of final nickel prices for April, May and June 2012 (\$0.79 million). Based on estimates of the nickel price for October, November and December 2012; see explanation on following page. This is the price realised by Mincor after taking into account Mincor's hedging.

Earnings for the Half Year to December 2012

	Dec Half' 12	Dec Half' 11	Dec Half '10	Dec Half '09	Dec Half '08
Revenues (\$M)	55.53*	62.44	80.38	94.36	100.39
EBITDA (\$M)	14.77	15.50	11.40	39.88	11.56
Net Profit/(Loss) After Tax (\$M)	(2.21)	0.35	(2.14)	14.17	(22.71)
Earnings/(Loss) per Share (CPS)	(1.2)	0.2	(1.1)	7.1	(11.4)
Interim Dividend per Share (CPS)	2.0	2.0	2.0	3.0	2.0

*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 prices used in these December 2012 half-year accounts for the production months of October, November and December 2012 are estimates. The Company's policy is to base these estimates upon the 3 month forward nickel price at the end of each month of delivery. Revenue for October, November and December 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 half year have been adjusted to take account of the final nickel prices established for April, May and June 2012. As a result Mincor has recognised a negative sales revenue adjustment of \$0.79 million attributable to those production months. This negative adjustment is incorporated in the above figures.

Balance Sheet at 31 December 2012

	31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008
Assets (\$M)	169.37	193.96	247.57	248.46	280.34
Liabilities (\$M)	28.62	31.82	56.92	51.47	73.10
Shareholder's Equity (\$M)	140.75	155.83	189.74	195.41	184.44
Return on Equity (annualised)	N/A	0.4%	N/A	15%	N/A

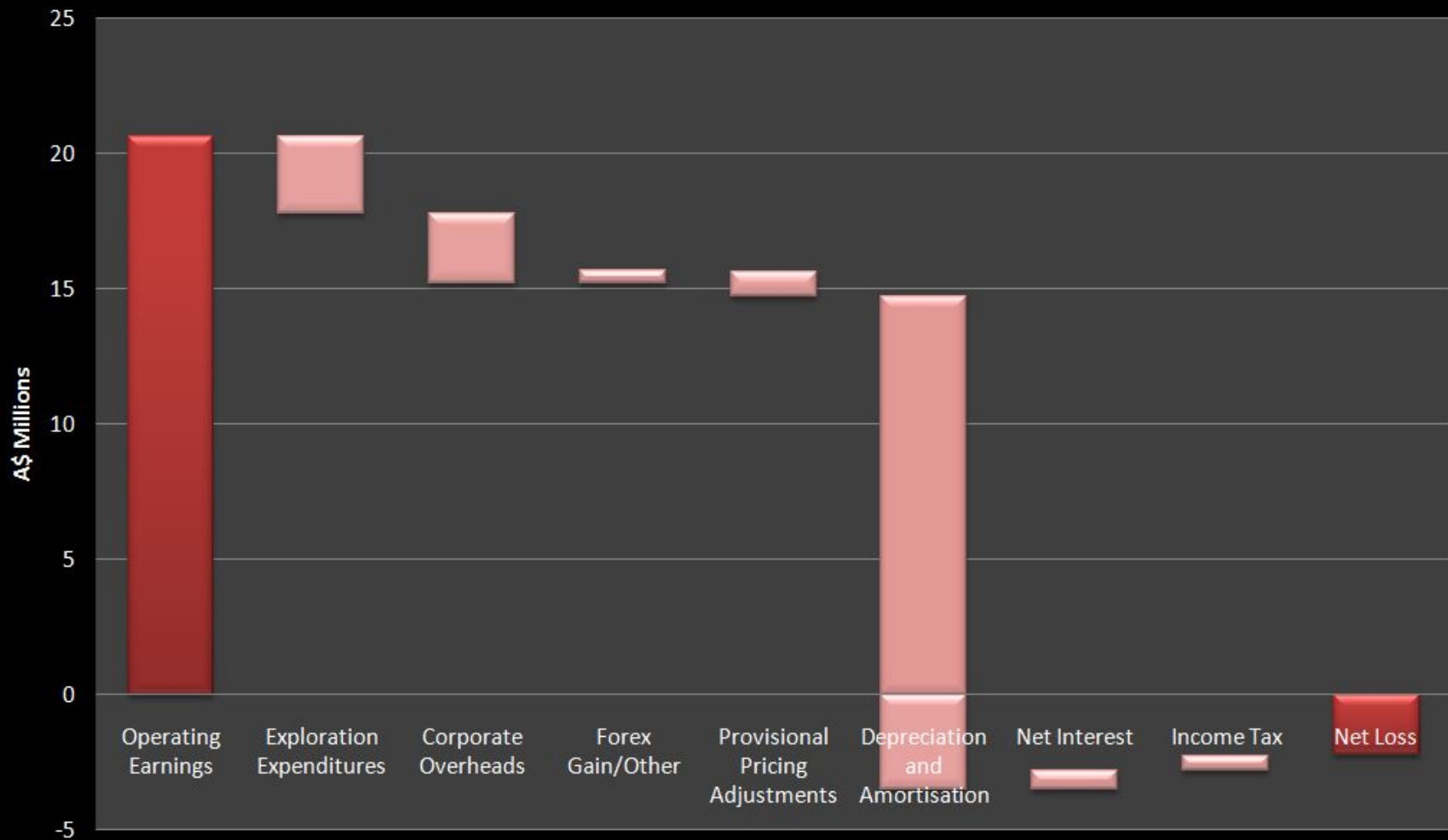
Note: Shareholder's Equity has been adjusted to remove the impact of cash flow hedges. The adjustment for 31 December 2012 was nil. Under the current AIFRS rules hedges must be fair valued with mark to market adjustments made against equity. As this fair value adjustment fluctuates with nickel and currency prices and has no impact on the Company's profit for the period, it has been removed from the above table. In addition, earnings for the half year have been annualised when calculating Return on Equity.

Analysis of Earnings – Half Year to December 2012

	Dec Half' 12	Dec Half' 11	Dec Half '10	Dec Half '09	Dec Half '08
Operating Earnings (Revenue less Cash Costs) (\$M)*	20.62	20.84	25.72	42.94	24.88
Less: Exploration Costs Expended (\$M)	(2.85)	(2.20)	(3.28)	(2.99)	(6.73)
Less: Corporate Overheads (\$M)**	(2.56)	(2.98)	(2.61)	(2.30)	(2.38)
Less: Foreign Exchange Gain/(Loss)	(0.35)	2.46	(7.59)	(3.15)	3.72
Add: Other Income/Expenses	0.84	(0.60)	0.63	0.47	0.48
EBITDA before recognition of provisional pricing adjustments (\$M)	15.70	17.52	12.87	34.97	19.97
Add/(less) : Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2012 (\$M)	(0.93)	(2.02)	(1.47)	4.91	(8.41)
EBITDA (\$M)	14.77	15.50	11.40	39.88	11.56
Depreciation and Amortisation (\$M)	(18.24)	(15.98)	(16.27)	(20.86)	(32.04)
Impairment Loss (\$M)	-	-	-	-	(17.29)
EBIT (\$M)	(3.47)	(0.47)	(4.87)	19.02	(37.77)
Net Interest Income (\$M)	0.71	1.18	1.71	0.90	2.58
Income Tax Benefit/(Expense) (\$M)	0.55	(0.36)	1.02	(5.75)	12.48
Net Profit/(loss) after Tax (\$M)	(2.21)	0.35	(2.14)	14.17	(22.71)

*Excludes the impact of provisional pricing adjustments. ** "Corporate Overheads" include New Business Development costs.

Analysis of Earnings – Half Year to December 2012



Analysis of Cash Flows – Half Year to December 2012

	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	17,457	17,984	20,417	45,911	23,664
Add/(less): Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2012	(932)	(2,015)	(1,469)	4,915	(8,418)
Net Operating Cash Inflow	16,525	15,969	18,948	50,826	15,246
Income Tax (Paid)/Received	-	972	(9,689)	(1,490)	(13,818)
Payment for Acquisition of GMM	-	-	-	(1,671)	(6,196)
Payment for Investment	(454)	(5,000)	-	-	-
Capital Expenditure (including near-mine exploration exp.)	(12,767)	(11,522)	(20,824)	(14,955)	(31,957)
Exploration Expenditure	(5,720)	(5,312)	(3,119)	(2,134)	(7,966)
Dividends Paid	(3,763)	(3,959)	(12,036)	(8,007)	(11,933)
Proceeds from Issue of Shares	-	-	359	1,002	-
Payment for On-market Share Buy-Back	-	(3,868)	-	-	-
Other	234	514	(346)	(13)	(27)
Net Cash Inflow/(Outflow)	(5,945)	(12,206)	(26,707)	23,558	(56,651)
Cash at 31 December 2012	69,953*	75,136	100,090	99,359	55,848

*Cash includes Cash and Cash Equivalents (\$49,788k) and Term Deposits (\$20,165k)

Analysis of Cash Flows – Half Year to December 2012

