

MINCOR RESOURCES NL

**2010 Full Year
Financial Results**

2010 Highlights

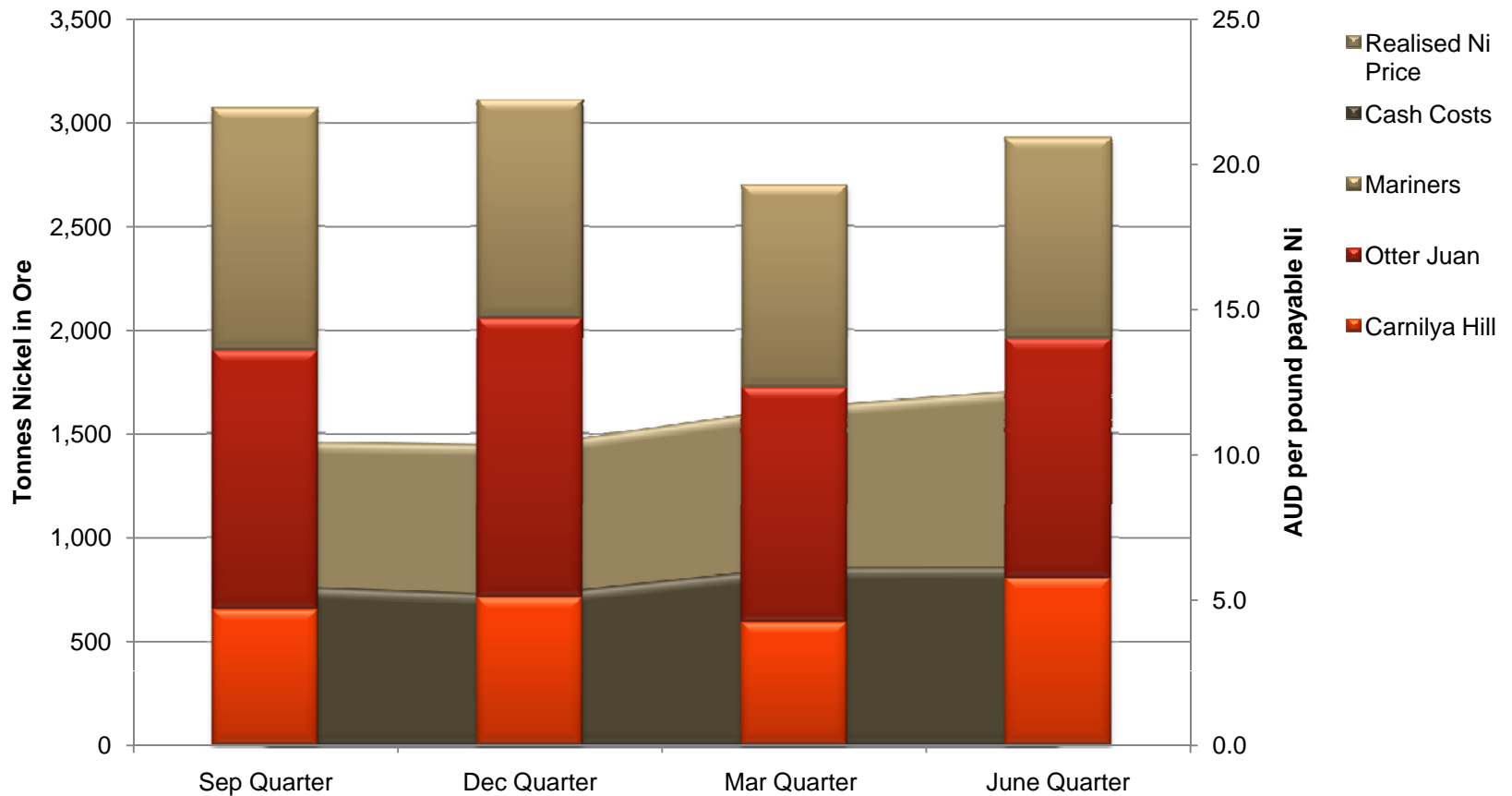
- Profit of \$28.1M for the year, a \$44.76M turnaround from 2009
- Strong profit result achieved on a 32% reduction in nickel volumes reflecting the success of Mincor's operational strategy through the volatility of the global financial crisis
- Strong Earnings from Operations of **\$83.1M** (2009: \$67.15M) (revenue less cash costs before provisional pricing adjustments)
- EBITDA of \$77.62M; a 72% improvement on the \$45.16M achieved for 2009
- Strong balance sheet: Cash at **\$126.8M**; working capital at **\$119.6M**; no debt
- Board declares **6 cents per share fully-franked final dividend**
- **Excellent operational and financial performance, outstanding exploration results and the re-start of Miitel Mine provide the platform for Mincor's next phase of growth**

Key Operational Results

	2010	2009	2008	2007	2006
Ore Delivered (tonnes)	371,159	573,124	722,615	616,230	540,897
Nickel Grade	3.18%	3.08%	2.63%	2.46%	2.85%
Nickel-in-Concentrate (tonnes)	10,673	15,768	16,562	12,927	13,496
Pounds payable Nickel	15,186,423	22,513,131	23,733,581	18,524,774	19,339,120
Average Nickel Price (A\$/lb)	11.11*	8.39	13.53	17.28	8.69
Average Cash Cost (A\$/lb)	5.66	5.37	6.40	6.59	5.11
Average Cash Margin (A\$/lb)	5.45	3.02	7.13	10.69	3.58

*Excludes the impact of positive sales adjustments on the establishment of final nickel prices for April, May and June 2009 (\$5.34 million). Based on price estimates pending the fixing of the nickel price for the months of April, May and June 2010 – see explanation on following pages.

Quarterly Production by Mine with Cash Costs and Realised Nickel Price



Headline Earnings

	2010	2009	2008	2007	2006
Revenues (\$M)	184.03*	191.87	329.30	334.51	175.26
EBITDA (\$M)	77.62	45.16	140.81	175.67	70.63
Net Profit/(Loss) After Tax (\$M)	28.10	(16.66)	64.04	101.33	29.31
Earnings/(Loss) per Share (CPS)	14.0	(8.40)	32.10	51.30	15.10
Dividends per Share (CPS)	9.0	6.0	12.0	12.0	5.0

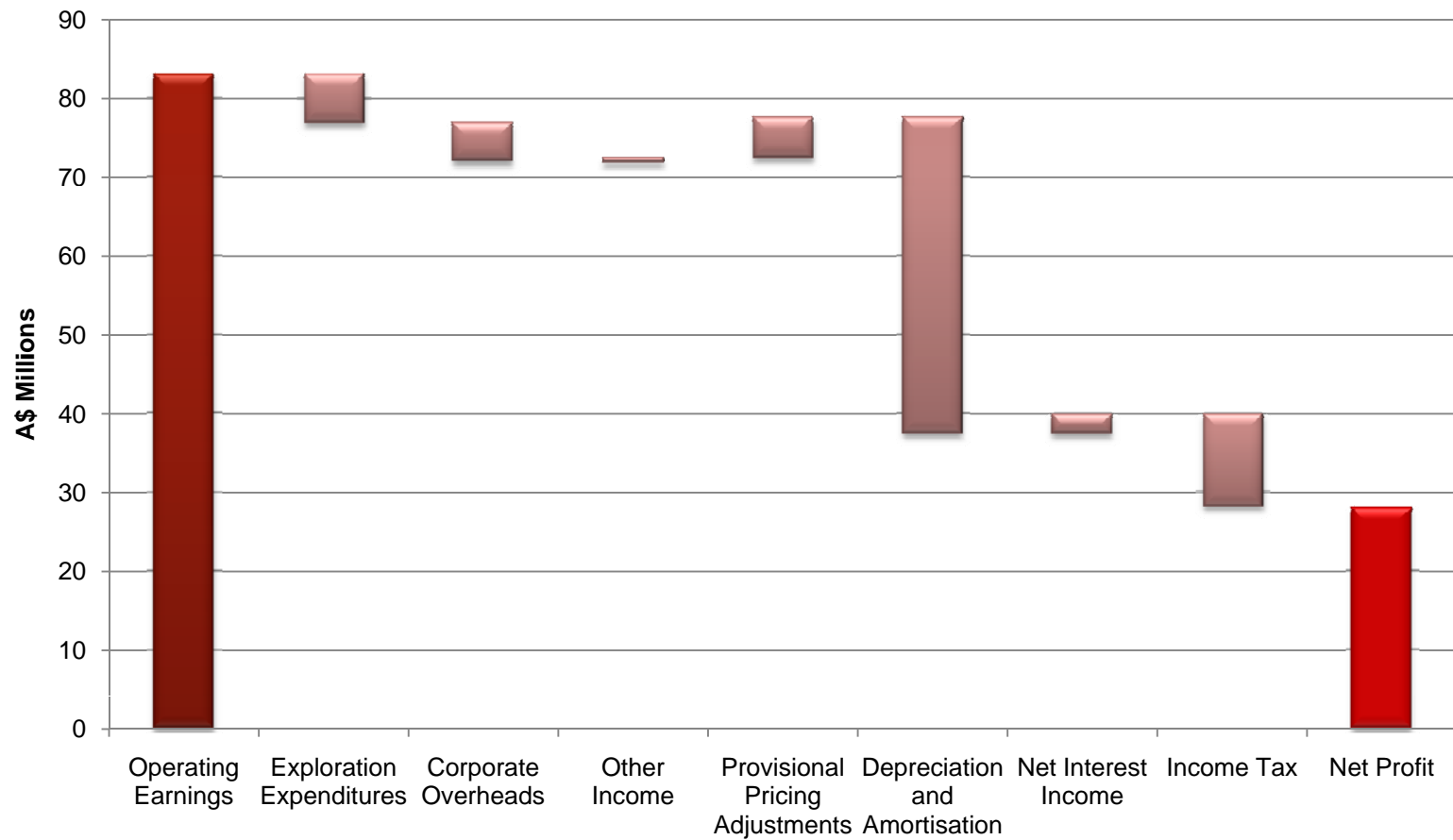
*The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. Therefore the nickel price in the June 2010 full year accounts for the production months of April, May and June 2010 must be estimated. The Company's 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 2010 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 2009. As a result Mincor has recognised a positive sales revenue adjustment of \$5.3 million attributable to those production months. This adjustment is incorporated in the above figures.

Analysis of Earnings

	2010	2009	2008	2007	2006
Earnings from Operations (Revenue less Cash Costs) (\$M)*	83.10	67.15	171.15	191.36	78.50
Less: Exploration Costs Expended (\$M)	(6.31)	(7.59)	(12.82)	(10.33)	(4.98)
Less: Corporate Overheads (\$M)	(4.96)	(4.58)	(5.59)	(5.36)	(3.06)
Less: Previously Capitalised Exploration Costs now written off	-	(2.54)	-	-	-
Add: Net Other Income	0.58	1.13	-	-	-
EBITDA before recognition of provisional pricing adjustments (\$M)	72.41	53.57	152.74	175.67	70.46
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2009 (\$M)	5.21	(8.41)	(11.93)	-	-
EBITDA (\$M)	77.62	45.16	140.81	175.67	70.46
Depreciation and Amortisation (\$M)	(40.17)	(57.11)	(55.64)	(35.00)	(30.23)
Impairment Loss (\$M)	-	(17.86)	-	-	-
EBIT (\$M)	37.45	(29.81)	85.17	140.67	40.23
Net Interest Income (\$M)	2.48	3.50	6.77	4.34	0.37
Income Tax Benefit/(Expense) (\$M)	(11.83)	9.65	(27.90)	(43.68)	(11.29)
Net Profit/(Loss) after Tax (\$M)	28.10	(16.66)	64.04	101.33	29.31

*Excludes the impact of provisional pricing adjustments.

Analysis of Earnings



Balance Sheet

	2010	2009	2008	2007	2006	2005
Assets (\$M)	260.43	251.20	328.96	310.77	169.93	125.01
Liabilities (\$M)	55.38	51.87	90.47	160.51	98.81	59.77
Shareholder's Equity (\$M)	203.07	187.91	219.43	177.66	90.78	65.24
Return on Equity	14%	N/A	29%	57%	27%	31%

Note: Shareholder's Equity has been adjusted (by \$1.98 million) to remove the impact of cashflow hedges. Under 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. In addition, the 2006 ROE figure has been adjusted to reflect underlying earnings before significant items, again to allow comparison with previous years.

Analysis of Cashflows

	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000	2006 \$'000
Net Operating Cashflow before recognition of provisional pricing adjustments	95,273	51,933	159,575	205,750	55,705
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2009	5,208	(8,418)	(11,928)	-	-
Net Operating Cash Inflow	100,481	43,515	147,647	205,750	55,705
Income Tax Paid	(990)	(3,662)	(53,809)	(13,592)	(3,671)
Payment for Acquisition of GMM	(1,561)	(6,575)	(55,074)	(11,750)	-
Capital Expenditure	(28,370)	(43,674)	(37,398)	(28,764)	(28,282)
Exploration and Development Expenditure	(5,171)	(9,634)	(35,331)	(10,549)	(4,394)
Dividends Paid	(14,012)	(15,911)	(23,722)	(17,596)	(7,786)
Proceeds from Issue of Shares	1,002	149	1,763	2,168	(339)
Receipt on Sale of Investment - TCC	-	-	-	-	15,697
Other	(383)	(906)	(1,144)	(1,235)	-
Net Cash Inflow/(Outflow)	50,996	(36,698)	(57,068)	124,432	26,930
Cash at 30 June 2010	126,797	75,801	112,499	169,567	45,135

Analysis of Cashflows

