

MINCOR RESOURCES NL

Half-Year 2009/10
(31 December 2009)

FINANCIAL RESULTS

Highlights of the Half Year to December 2009

- Return to profitability on strong operating performance and nickel price recovery
- First half profit of **\$14.17 million** on EBITDA of **\$39.9 million**
- Profit turn-around built on **8%** improvement in cash costs and **32%** increase in nickel price
- Increase in profit despite lower production demonstrating operational flexibility and production optionality
- Strong balance sheet: cash at **\$99 million**, working capital at **\$107 million**, no debt
- Board lifts **interim dividend by 50% to 3cps** (fully franked)
- **Outstanding near-term growth options** – Exploration expenditure guidance lifted 30%, to \$16 million, due to continued Kambalda exploration success, strong regional exploration outlook

Operational Results for the Half Year to December 2009

	Dec Half '09	Dec Half '08	Dec Half '07	Dec Half '06	Dec Half '05
Ore Delivered (tonnes)	188,878	354,052	345,369	319,991	262,945
Nickel Grade	3.27%	2.87%	2.70%	2.50%	2.93%
Nickel-in-Ore (tonnes)	6,175	10,155	9,321	8,003	7,712
Nickel-in-Concentrate (tonnes)	5,611	8,976	8,196	6,888	6,754
Pounds Payable Nickel	8,013,193	12,843,094	11,744,863	9,870,435	9,678,414
Average Nickel Price (A\$/lb)	10.59*	7.99	14.05	14.26	7.74
Average Cash Cost (A\$/lb)	5.29	5.76	6.26	6.15	4.81
Average Cash Margin (A\$/lb)	5.30	2.23	7.79	8.11	2.93

*Excludes the impact of positive prior period nickel sales adjustment on the establishment of final nickel prices for April, May and June 2009 (\$5.34 million). Based on estimates of the nickel price for October, November and December 2009; see explanation on following page.

Earnings for the Half Year to December 2009

	Dec Half '09	Dec Half '08	Dec Half '07	Dec Half '06	Dec Half '05
Revenues (\$M)	94.36*	100.39	164.87	147.05	79.65
EBITDA (\$M)	39.88	11.56	71.14	67.84	27.13
Net Profit/(Loss) After Tax (\$M)	14.17	(22.71)	31.31	37.18	10.02
Earnings/(Loss) per Share (CPS)	7.1	(11.4)	15.6	19.0	5.1
Interim Dividend per Share (CPS)	3.0	2.0	6.0	6.0	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 2009 half-year accounts for the production months of October, November and December 2009 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 2009. As a result Mincor has recognised a positive sales revenue adjustment of \$5.3 million attributable to those production months. This positive adjustment is incorporated in the above figures.

Balance Sheet at 31 December 2009

	31 Dec 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006	31 Dec 2005
Assets (\$M)	248.46	280.34	303.09	224.36	121.73
Liabilities (\$M)	51.47	73.10	97.39	143.23	52.26
Shareholder's Equity (\$M)	195.41	184.44	197.75	123.48	74.65
Return on Equity (annualised)	15%	N/A	32%	60%	27%

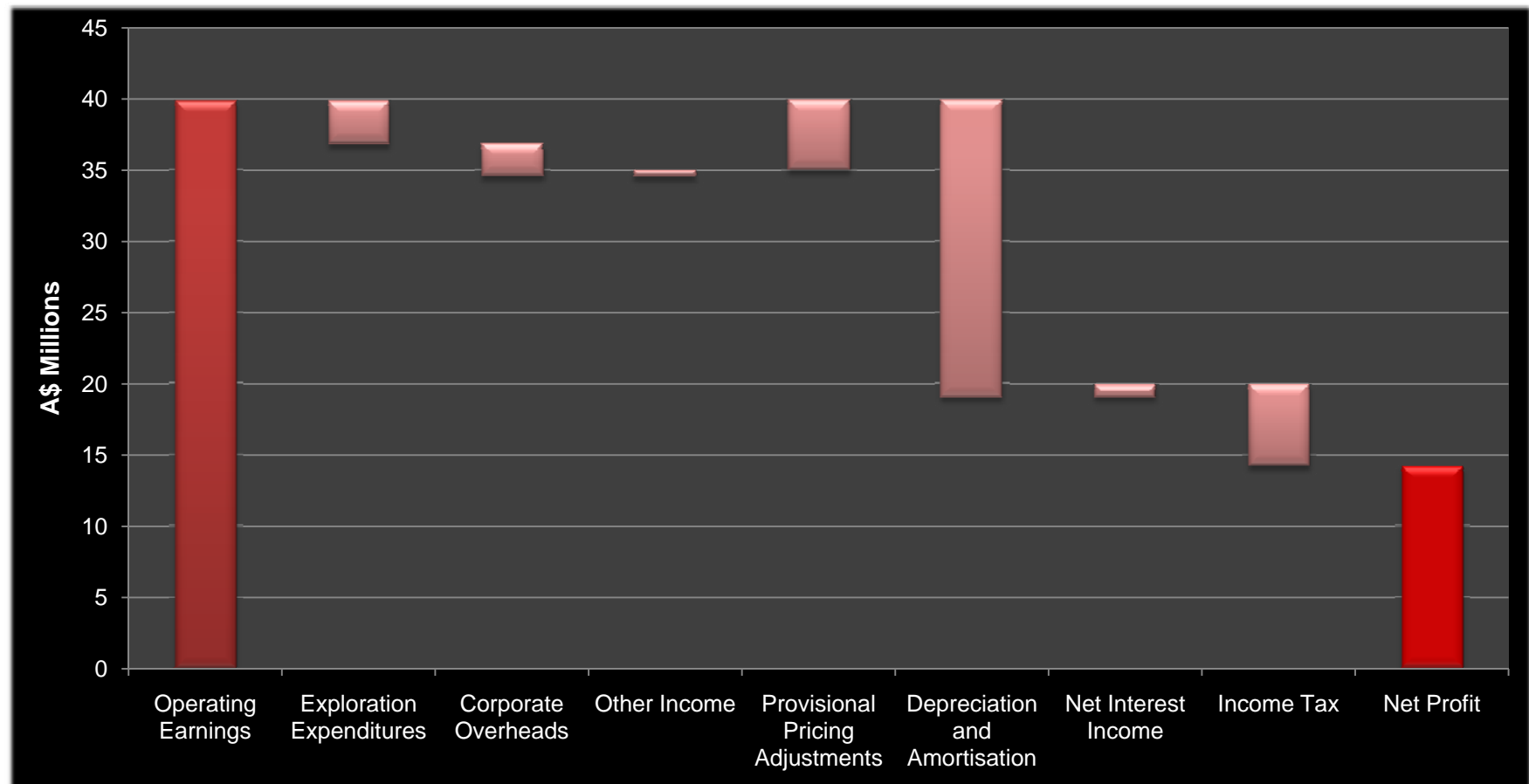
Note: Shareholder's Equity has been adjusted (by \$1.58 million) to remove the impact of cash flow hedges. Under the current AIFRS rules hedges must be fair valued with mark to market adjustments made against equity. As this fair value adjustment fluctuates with nickel and currency prices and has no 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 2009

	Dec Half '09	Dec Half '08	Dec Half '07	Dec Half '06	Dec Half '05
Operating Earnings (Revenue less Cash Costs) (\$M)*	39.79	28.60	91.91	76.29	30.44
Less: Exploration Costs Expensed (\$M)	(2.99)	(6.73)	(6.26)	(5.92)	(2.03)
Less: Corporate Overheads (\$M)	(2.30)	(2.38)	(2.58)	(2.53)	(1.28)
Add: Other Income	0.47	0.48	-	-	-
EBITDA before recognition of provisional pricing adjustments (\$M)	34.97	19.97	83.07	67.84	27.13
Add/(less) : Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2009 (\$M)	4.91	(8.41)	(11.93)	-	-
EBITDA (\$M)	39.88	11.56	71.14	67.84	27.13
Depreciation and Amortisation (\$M)	(20.86)	(32.04)	(30.41)	(16.65)	(14.42)
Impairment Loss (\$M)	-	(17.29)	-	-	-
EBIT (\$M)	19.02	(37.77)	40.73	51.19	12.71
Net Interest Income (\$M)	0.90	2.58	4.27	1.43	0.12
Income Tax Benefit/(Expense) (\$M)	(5.75)	12.48	(13.70)	(15.44)	(2.81)
Net Profit/(loss) after Tax (\$M)	14.17	(22.71)	31.30	37.18	10.02

*Excludes the impact of provisional pricing adjustments.

Analysis of Earnings – Half Year to December 2009



Analysis of Cash Flows – Half Year to December 2009

	2009 \$'000	2008 \$'000	2007 \$'000	2006 \$'000	2005 \$'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	45,911	23,664	82,529	75,095	14,485
Add/(less): Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2009	4,915	(8,418)	(11,928)	-	-
Net Operating Cash Inflow	50,826	15,246	70,601	75,095	14,485
Income Tax Paid	(1,490)	(13,818)	(37,109)	(8,385)	(3,173)
Payment for Acquisition of GMM	(1,671)	(6,196)	(50,323)	-	-
Capital Expenditure (including near-mine exploration exp.)	(14,955)	(31,957)	(25,455)	(13,690)	(12,057)
Exploration Expenditure	(2,134)	(7,966)	(5,428)	(5,592)	(2,450)
Dividends Paid	(8,007)	(11,933)	(11,854)	(5,840)	(3,893)
Proceeds from Issue of Shares	1,002	-	705	609	-
Other	(13)	(27)	135	70	127
Net Cash Inflow/(Outflow)	23,558	(56,651)	(58,728)	42,267	(6,961)
Cash at 31 December 2009	99,359	55,848	110,839	87,402	11,244

Analysis of Cash Flows – Half Year to December 2009

