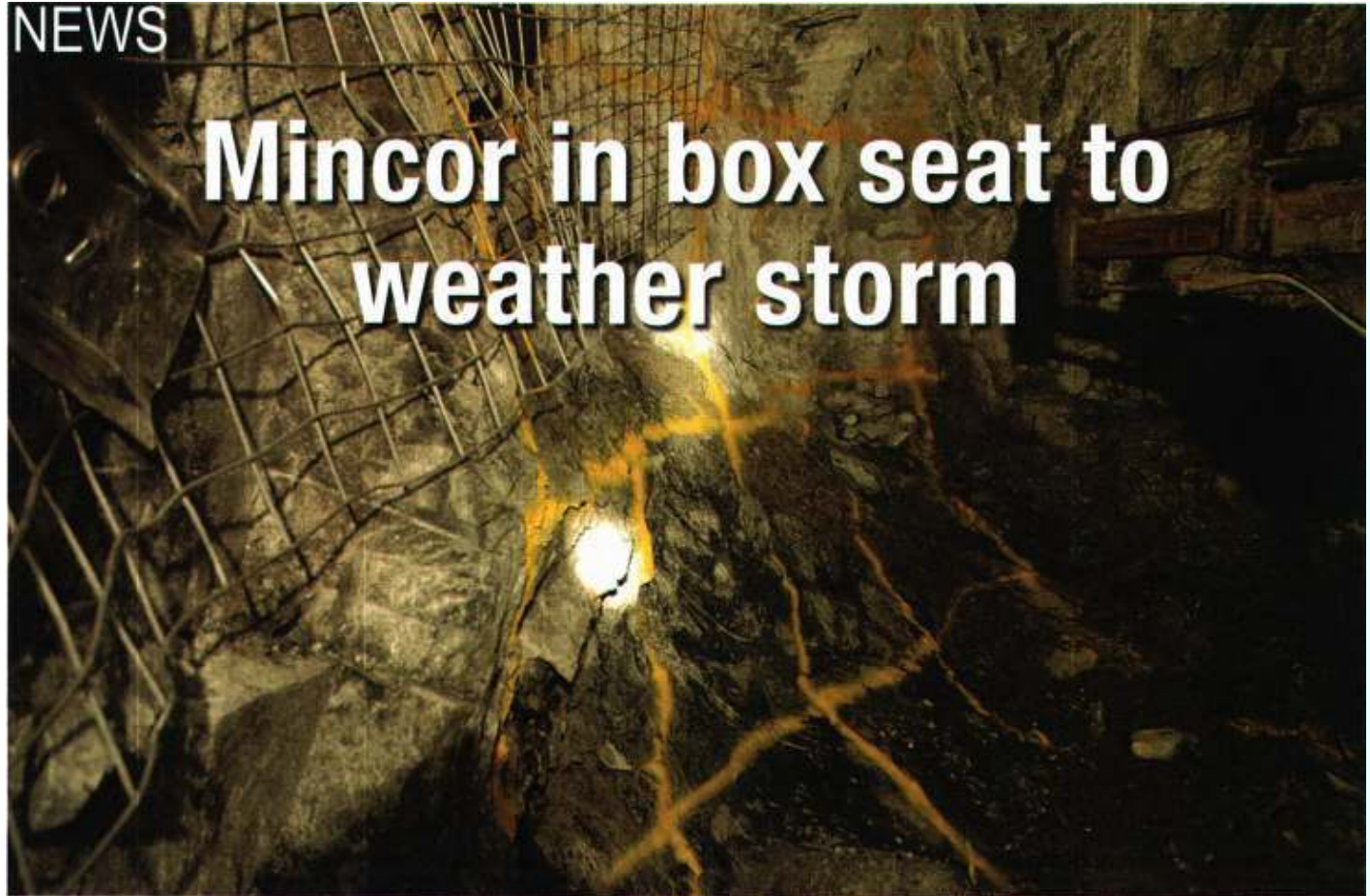


NEWS

Mincor in box seat to weather storm



An ore face at Mincor's Otter Juan mine at its North Kambalda operations

Despite announcing its first loss since the company began producing in 2001, Australian nickel Mincor Resources NL has demonstrated its confidence in the future with the board declaring an interim dividend in February.

The record date for the 2c per share fully franked interim dividend was February 27 2009 and it will be payable on March 27.

The net loss of \$22.7 million for the six months to end-December came despite record production and the company's best cost performance in more than two years. Those achievements could not cover the sharp falls in the nickel price during the period and a 39% fall in gross revenues was largely to blame for the overall loss.

The result included a provisional pricing adjustment charge of \$9.3 million from the previous financial year and a one-off, non-cash asset impairment charge of \$17.3 million.

In accordance with its standard accounting practice, Mincor has also written off exploration costs incurred during the period, amounting to \$6.7 million.

However, the strength of Mincor's business – and the effectiveness of its response to the falls in commodity prices during October and November – was reflected in solid operating earnings of \$28.6 million and the capacity to

declare an interim dividend.

The net result was struck on gross revenues of \$100 million for the half year from the sale of a record 8,976t of nickel-in-concentrate.

Mincor mined 354,052t @ 2.87% nickel for 10,155t of nickel in ore. The average realised price for the period was \$7.99/lb, down from \$14.05/lb in the previous corresponding period.

"We have reduced costs by suspending higher cost production. Due to the unique flexibility of our operations, we have been able to do this without damaging the suspended operations or their ore reserves, and without reducing our production capacity," managing director David Moore said.

"Since November, production has been flexed downwards to a robust core of three low-cost mines, cash costs have been reduced, and group cash flows substantially increased.

"For the half year as a whole, and even before these operational changes came into affect, our business generated substantial operating earnings. This is a significant point given that few nickel mining companies will report a profit for this half year, and many global nickel mines were forced to shut down during the period.

"It is the strength of these operating earnings that gives us the ability to sustain the capital

and exploration investments that are vital for Mincor's future growth, while still maintaining our unbroken record of dividend payments.

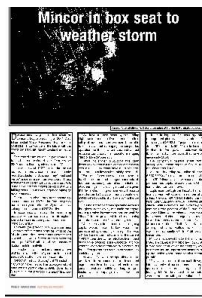
"Our objective is to ensure that ongoing capital, exploration and dividend expenditures are covered by operating earnings. This was not the case in the first quarter of the current financial year due to the retrospective impact of the nickel price collapse in October and November, which meant that capital expenditures for the first quarter had been (in retrospect) unsustainably high.

"However, following the operational measures taken in the second quarter, investment expenditures have been wound back to sustainable levels compatible with long-term production at the company's revised production rate."

Under the impetus of Mincor's operational management plan, cash costs reduced from an average of \$6.52/lb of payable nickel in the June 2008 quarter to \$5.61/lb in the December 2008 quarter. Average cash costs were \$5.76/lb for the first half, the lowest they have been since early 2006.

The company's balance sheet remains strong, with working capital of \$72 million at end-December 2008.

Mincor is budgeting production of between 6,500-7,500t of nickel in ore in the second half



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of the 2009 financial year, with sustainable exploration and capital expenditures of \$15 million funded from cash flows.

Exploration through the second half of the financial year will focus on a number of core areas: The down-plunge potential of the Mariners, Otter Juan and Carnilya Hill nickel mines, where initial indications are extremely positive; the strong potential of the Burnett Shoot

at North Miitel, where mineralisation has now been extended along plunge by nearly 1km beyond ore reserves; and the search for "ultra-sized nickel orebodies" in the North Kambalda area, guided by the results of the seismic survey carried out jointly with BHP Billiton Ltd in December.

Mincor's suspended operations, primarily Miitel, are capable of a rapid and low-cost re-

turn to production, giving the company what it described as "an unparalleled ability to ramp up production when economic circumstances permit".

"Given the strength of our cash flows, the latent capacity of our suspended mines, the quality of our exploration targets and our healthy, debt-free balance sheet, we look forward to the future with great confidence."