



Mincor jumps back to black



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KAMBALDA nickel miner Mincor Resources has announced a \$14.2 million net profit after tax for the first half of the financial year.

The result underlines its return to profitability with a \$36.9 million turnaround in earnings from the \$22.7 million loss incurred last year because of the impact on nickel prices of the Global Financial Crisis. The company said robust operating and financial performance had enabled directors to declare a substantially increased interim dividend, maintaining Mincor's outstanding track record of returning profits to its shareholders.

The first-half profit continues the turnaround in Mincor's earnings that started in the second half of the 2009 financial year, with the company successfully maintaining the substantial reductions in operating costs achieved at its Kambalda Nickel Operations last year.

The strong result was struck on sales revenues of \$94.4 million and production of 6175 tonnes of nickel-in-ore for 5611 tonnes of nickel-in-concentrate.

The result reflects the outstanding cost and production flexibility of Mincor's Kambalda Operations, which achieved an 8 per cent reduction in cash operating costs over the previous corresponding period, to \$5.29/lb of payable nickel.

Apart from minor leasing commitments, Mincor has no debt, providing a strong foundation for the company's continued growth and success.

Mincor's exploration expenditures produced excellent returns over the past 12 months, with the emerging discovery of three new Kambalda nickel sulphide ore bodies, at South Miitel and the N10 and N11 at Mariners, as well as substantial exploration progress at the Bluebush Line and elsewhere in Kambalda.

The company continues to operate its successful Otter Juan, McMahon, Mariners and Carnilya Hill nickel mines and retains the option of its flagship Miitel Nickel Mine, which is on care and maintenance but is capable of a rapid and low-cost return to production.

Mincor managing director David Moore said it was a good financial result which that reflected the benefits of a disciplined and focused response to last year's financial crisis.

"We adjusted our cost base in response to the crisis and have been able to preserve these benefits into the recovery period, enabling us to take full advantage of the improvement in nickel prices seen during the first half," he said.

"This has resulted in a strong financial performance while still preserving the valuable production optionality inherent in our operations.

"That gives us the flexibility to quickly ramp up production in response to market conditions."

● *Mine Talk pages 11-18*