MINCOR ANNOUNCES HALF-YEAR RESULTS

Maintains unbroken dividend record despite lowest realised nickel price since 2005

- Mincor delivers healthy EBITDA of **$14.36M** (1HFY13: 14.77M) with a strong operating performance and continued focus on cost control offsetting a 15% drop in nickel prices.
- First-half loss of **$0.03M** (1HFY13: $2.2M loss) after Depreciation & Amortisation charges of $14.61M represents an essentially break-even result, despite the lowest global nickel prices since 2009 and Mincor's lowest average realised nickel price since 2005.
- This performance has allowed the Directors to maintain Mincor's outstanding record of dividend payments, declaring a fully-franked interim dividend of **2 cents per share** (1HFY13: 2c)
- First-half production of **5,618t** nickel-in-ore at cash costs of **A$4.46/lb** payable nickel – with Mincor on track to meet its full-year production target of **8,500-9,000t** of nickel-in-ore and outperform its cost target of A$5.30/lb.
- Net operating cash flow of **$16.59M** (1HFY13: $16.53M), set against capital development and nickel exploration costs of **$13.75M**, regional exploration expenditure of **$1.71M** and **$3.76M** in dividend payments.
- Mincor's balance sheet remains strong, with no debt and **$64.67M** in cash and receivables, net of creditors and accruals, at 31 December 2013 (30 June 2013: $67.53M).
- Aggressive near-mine nickel exploration and Kambalda-regional gold exploration continues.

Kambalda nickel miner Mincor Resources NL (**ASX: MCR**) has maintained its track record of delivering returns to shareholders, with a 2 cents per share fully-franked interim dividend, after reporting solid operating earnings and a near break-even bottom-line result for the half-year to 31 December 2013.

The strong performance – which was achieved despite the lowest global nickel prices since 2009, and the lowest average nickel price actually realised by the Company (after hedging) since 2005 – has reaffirmed Mincor's position as a highly efficient junior miner with outstanding leverage to a recovery in nickel prices.

The excellent result was underpinned by a strong operating performance, with Mincor producing 5,618 tonnes of nickel-in-ore at cash costs of A$4.46 per pound of payable nickel. This strong performance reflects the implementation of numerous improvement initiatives, including the move to a continuous roster from July last year.

Operational cash flows of **$16.59 million** covered capital development costs and near-mine exploration expenditures of $13.75 million, as well as regional exploration expenditures of $1.71 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) were **$14.36 million** (1HFY13: $14.77 million) on sales revenue of **$52.99 million** (1HFY13: $55.5 million). Operating earnings (revenue less cash costs) were **$18.26 million** for the half (1HFY13: $20.6 million).

The average nickel price realised by the Company was A$7.01/lb, 15% lower than that received in the previous corresponding period (1HFY13: A$8.26/lb).

Mincor produced **169,971** tonnes of ore grading **3.31%** nickel for **5,618** tonnes of nickel-in-ore for the half-year (1HFY13: 157,863 @ 3.21% Ni for 5,063t Ni). The Company is well on-track to meet its full-year production target of 8,500 to 9,000 tonnes nickel-in-ore, and to outperform its cost target of A$5.30/lb.

Commenting on the first half results, Mincor's Managing Director David Moore said:

"Mincor has again been able to weather the storms of market volatility and low commodity prices by delivering strong operating earnings and reporting essentially a break-even bottom line result.

"This is a good result and a great credit to our operating team considering that our average realised nickel price fell to the lowest levels since 2005.

"The strong operating performance is a result of our continued focus on doing things better, which over the reporting period included shifting our mines to continuous roster and numerous other changes.

"In parallel with the operational drive, we have intensified our focus on Kambalda exploration – for both nickel and gold – and we see considerable emerging potential, both at our mines and in the broader region.

"At Miitel, we are considering the development of a dedicated drill-drive which would allow the next 500 metres of the strike of the South Miitel mineralisation to be drilled out, and at Mariners we think we are close to confirming the presence of another high-grade ore zone below our current workings.

"Elsewhere in the Kambalda District we have a raft of projects, ranging from near-development, resource-level projects, to early stage high-potential exploration plays, all under active examination.

"In summary, despite the current low nickel price environment Mincor has been able to reward its shareholders with another dividend and continues to provide substantial self-funded exploration upside in an exceptionally well-endowed and low-risk jurisdiction.

"With some indication that the nickel price may now have seen its lows for this cycle, and with our strong balance sheet and healthy cash flows, we believe the Company is well-placed for the future."

Mincor, which is listed on the Australian Securities Exchange, is a leading Australian nickel producer and self-funded exploration company. Mincor operates two mining centres in the world-class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.

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MINCOR RESOURCES NL

Half-Year 2013/14
(31 December 2013)

FINANCIAL RESULTS

M I N C O R

Financial Highlights of the Half-Year to December 2013

- First half loss of **$0.03M** (1HFY13: $2.21M Loss) driven by the low nickel price;
- However, strong operating performance generates healthy EBITDA of **$14.36M**, consistent with pcp ($14.77M) despite 15% lower nickel price;
- Operational cash flows of **$16.59M**, well in excess of nickel exploration and capital development costs of $13.75M;
- Robust operating performance allows directors to declare a **2 cps** fully franked interim dividend;
- Other major expenditures included $1.71M in regional exploration and $3.76M in dividends;
- Strong balance sheet maintained, with no debt and $64.67M in cash and receivables net of creditors and accruals (30 June 2013: $67.53M).

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Operational Highlights of the Half-Year to December 2013

- Production of 169,971 tonnes of ore grading 3.31% nickel for 5,618 tonnes of nickel-in-ore, at cash costs of A$4.46/lb payable nickel;
- Strong operating performance, the result of numerous improvement initiatives, including the move to a continuous roster in July 2013;
- Mincor on track to meet its full-year production target and outperform its cost target;
- Exciting exploration results highlight continued upside at both Miitel and Mariners Mines;
- Active regional exploration programs underway for nickel and gold.

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Operational Results for the Half-Year to December 2013

	Dec Half' 13	Dec Half' 12	Dec Half' 11	Dec Half '10	Dec Half '09
Ore Delivered (tonnes)	169,971	157,863	166,423	206,934	188,878
Nickel Grade	3.31%	3.21%	3.12%	2.68%	3.27%
Nickel-in-Ore (tonnes)	5,618	5,063	5,184	5,553	6,175
Nickel-in-Concentrate (tonnes)	5,006	4,516	4,632	4,900	5,611
Pounds Payable Nickel	7,173,165	6,471,311	6,626,096	7,003,043	8,013,193
Average Nickel Price (A$/lb)	7.01*	8.26	9.20	11.01	10.59
Average Cash Cost (A$/lb)	4.46	5.07	6.05	7.24	5.29
Average Cash Margin (A$/lb)	2.55	3.19	3.15	3.77	5.30

*Excludes the impact of negative prior period nickel sales adjustment on the establishment of final nickel prices for April, May and June 2013 ($0.45 million). Based on estimates of the nickel price for October, November and December 2013; see explanation on following page. This is the price realised by Mincor after taking into account Mincor's hedging.

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Earnings for the Half-Year to December 2013

	Dec Half' 13	Dec Half' 12	Dec Half' 11	Dec Half '10	Dec Half '09
Revenues ($M)	52.99*	55.53	62.44	80.38	94.36
EBITDA ($M)	14.36	14.77	15.50	11.40	39.88
Net Profit/(Loss) After Tax ($M)	(0.03)	(2.21)	0.35	(2.14)	14.17
Earnings/(Loss) per Share (CPS)	(0.0)	(1.2)	0.2	(1.1)	7.1
Interim Dividend per Share (CPS)	2.0	2.0	2.0	2.0	3.0

*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 2013 half-year accounts for the production months of October, November and December 2013 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 2013. As a result Mincor has recognised a negative sales revenue adjustment of $0.45 million attributable to those production months. This negative adjustment is incorporated in the above figures.

Balance Sheet at 31 December 2013

	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Assets ($M)	131.55	169.37	193.96	247.57	248.46
Liabilities ($M)	20.23	28.62	31.82	56.92	51.47
Shareholder's Equity ($M)	**111.32**	**140.75**	**155.83**	**189.74**	**195.41**
Return on Equity (annualised)	0%	N/A	0.4%	N/A	15%

Note: Shareholder's Equity has been adjusted to remove the impact of cash flow hedges. The adjustment for 31 December 2013 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.

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Analysis of Earnings – Half-Year to December 2013

	Dec Half' 13	Dec Half' 12	Dec Half' 11	Dec Half '10	Dec Half '09
Operating Earnings (Revenue less Cash Costs) ($M)*	**18.26**	**20.62**	**20.84**	**25.72**	**42.94**
Less: Exploration Costs Expensed ($M)	(1.71)	(2.85)	(2.20)	(3.28)	(2.99)
Less: Corporate Overheads ($M)**	(2.27)	(2.56)	(2.98)	(2.61)	(2.30)
Less: Foreign Exchange Gain/(Loss)	0.67	(0.35)	2.46	(7.59)	(3.15)
Add: Other Income/Expenses	(0.18)	0.84	(0.60)	0.63	0.47
EBITDA before recognition of provisional pricing adjustments ($M)	**14.77**	**15.70**	**17.52**	**12.87**	**34.97**
Add/(less) : Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2013 ($M)	(0.41)	(0.93)	(2.02)	(1.47)	4.91
EBITDA ($M)	**14.36**	**14.77**	**15.50**	**11.40**	**39.88**
Depreciation and Amortisation ($M) Impairment Loss ($M)	(14.61)	(18.24) -	(15.98) -	(16.27) -	(20.86) -
EBIT ($M)	**(0.25)**	**(3.47)**	**(0.47)**	**(4.87)**	**19.02**
Net Interest Income ($M)	0.52	0.71	1.18	1.71	0.90
Income Tax Benefit/(Expense) ($M)	(0.3)	0.55	(0.36)	1.02	(5.75)
Net Profit/(loss) after Tax ($M)	**(0.03)**	**(2.21)**	**0.35**	**(2.14)**	**14.17**

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

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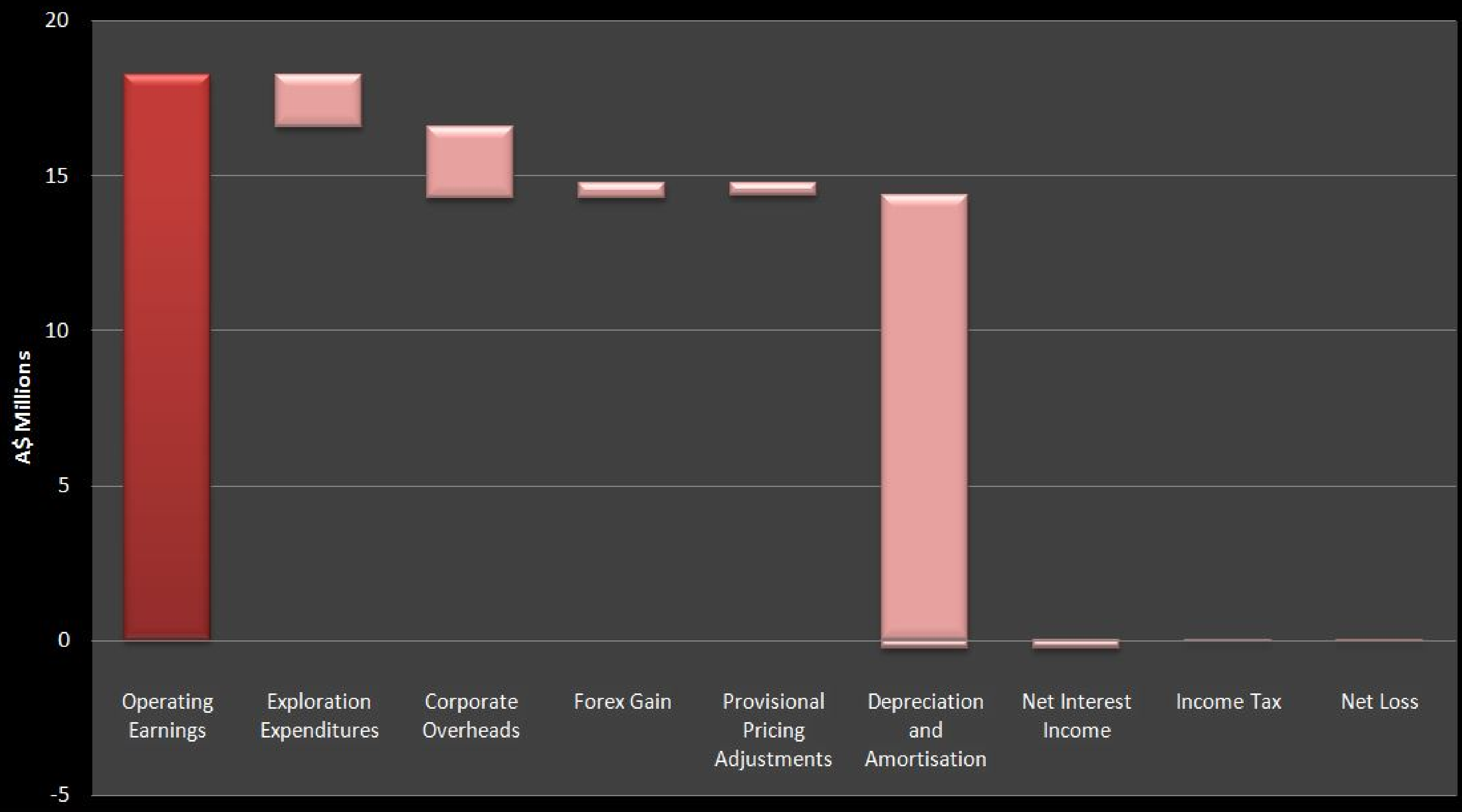
Analysis of Earnings – Half-Year to December 2013



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Analysis of Cash Flows – Half-Year to December 2013

	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	16,998	17,457	17,984	20,417	45,911
Add/(less): Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2013	(410)	(932)	(2,015)	(1,469)	4,915
Net Operating Cash Inflow	**16,588**	**16,525**	**15,969**	**18,948**	**50,826**
Income Tax (Paid)/Received	-	-	972	(9,689)	(1,490)
Payment for Acquisition of GMM	-	-	-	-	(1,671)
Payment for Investment	-	(454)	(5,000)	-	-
Capital Expenditure (including near-mine exploration exp.)	(13,747)	(12,767)	(11,522)	(20,824)	(14,955)
Exploration Expenditure	(1,873)	(5,720)	(5,312)	(3,119)	(2,134)
Dividends Paid	(3,764)	(3,763)	(3,959)	(12,036)	(8,007)
Proceeds from Issue of Shares	-	-	-	359	1,002
Payment for On-market Share Buy-Back	-	-	(3,868)	-	-
Other	32	234	514	(346)	(13)
Net Cash Inflow/(Outflow)	**(2,764)**	**(5,945)**	**(12,206)**	**(26,707)**	**23,558**
Cash at 31 December 2013	56,897*	69,953	75,136	100,090	99,359

*Cash includes Cash and Cash Equivalents ($31,897k) and Term Deposits ($25,000k)

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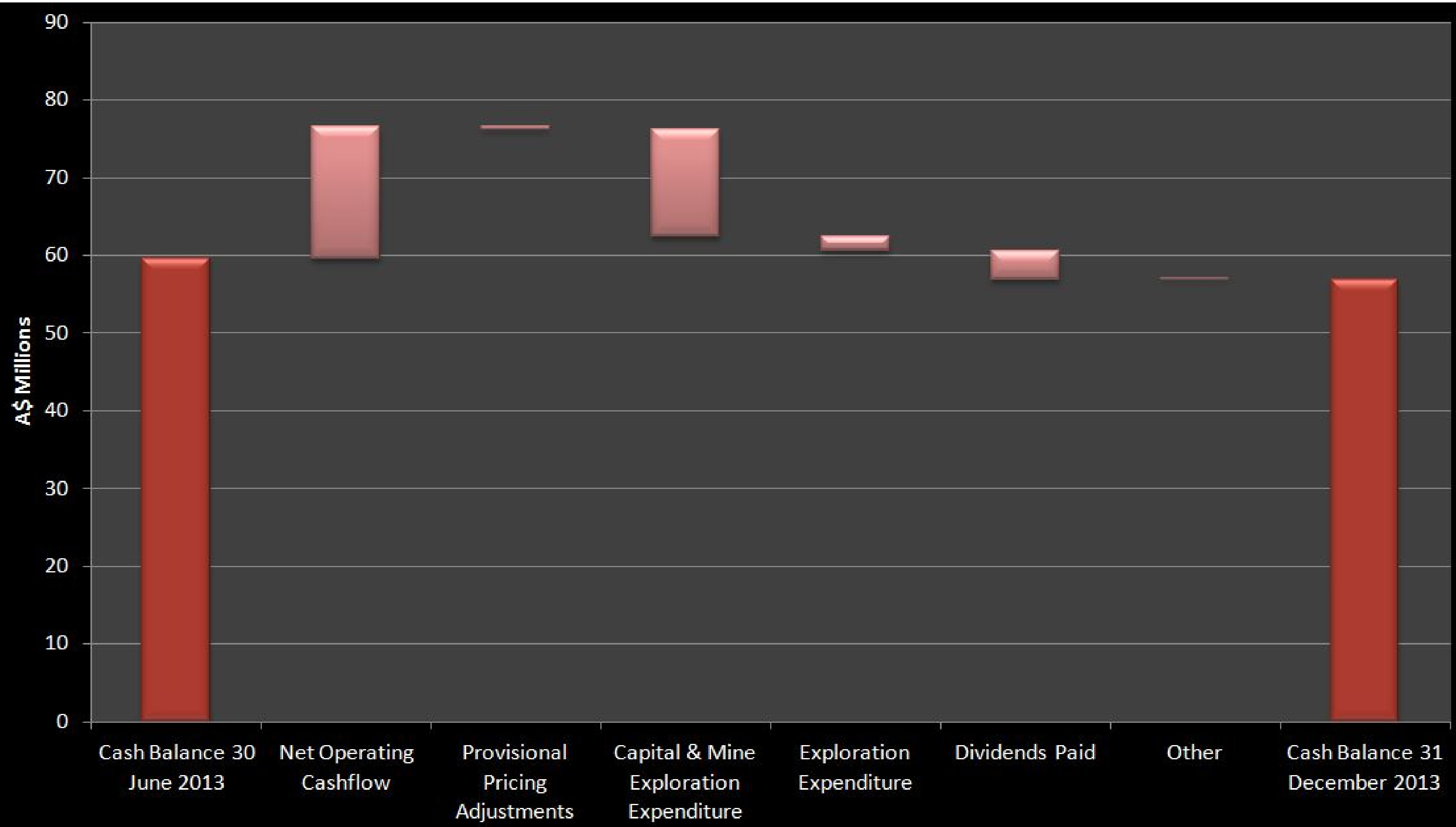
Analysis of Cash Flows – Half-Year to December 2013



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