

28 May 2020

## UNDERGROUND MINING CONTRACT EXECUTED WITH KALGOORLIE-BASED PIT N PORTAL AND EARLY CAPITAL WORKS AT CASSINI COMPLETED ON BUDGET

**Award of landmark underground mining contract marks another key milestone towards nickel restart**

### Highlights

- **Contract encompasses underground mining operations at Cassini and the Northern Operations**
- **Pit N Portal was recently acquired by Emeco Holdings Limited (ASX: EHL), providing additional resources and capabilities with a significant portfolio of mining equipment**
- **Pit N Portal are experienced underground miners with a Kalgoorlie-based leadership team which includes several management and personnel who have previously worked at Mincor's Kambalda nickel mines**
- **Contract award is consistent with Mincor's commitment to support local businesses and communities, and the generation of local indigenous employment opportunities**
- **Targeting commencement of mining in 2H 2020, subject to a Final Investment Decision (FID)**
- **Early Works Contract at Cassini completed, and project financing discussions progressing well**

Mincor Resources NL (ASX: MCR, "Mincor" or "the Company") is pleased to announce the award of the underground mining contract for its 100%-owned Kambalda Nickel Operations in Western Australia to Kalgoorlie-based underground mining services and equipment hire group Pit N Portal ("PNP").

The contract encompasses a 5-year underground mining contract for the new Cassini Nickel Mine, where early surface works were recently completed, and a 3-year contract (plus one 2-year option) at the Northern Operations (the brownfields Durkin North and Long Nickel Mines).

The contract was awarded following the completion of a highly competitive tender process and an extensive due diligence process led by Mincor's Chief Operating Officer, Dean Will, examining safety, Kambalda underground experience and performance, capabilities, equipment availability and cost.

All key components of the contract are in line with the parameters set out in the Nickel Restart Definitive Feasibility Study (DFS) completed in March 2020, which was based on an initial 5-year operation from two production centres with all ore processed at BHP Nickel West's ("BHP") Kambalda Nickel Concentrator and the resulting nickel concentrate sold to BHP.

Mincor has executed a binding contract with PNP subject to a Notice to Proceed ("the Notice") being issued by Mincor before 31 March 2021. Should the Notice not be issued by 31 March 2021, either party can terminate the contract, or the time period can be extended by mutual agreement. After receiving the Notice, PNP will have up to 60 calendar days to plan and mobilise for commencement of the contract.

Mincor is targeting the commencement of mining operations at Kambalda in the second half of CY2020, subject to Board approval and a Final Investment Decision on its Nickel Restart Plan. The parties are cognisant that COVID-19 has the potential to impact certain aspects of mining operations in the future and have an agreed process in place should enduring changes to operations materialise.

TEL 08 9476 7200  
FAX 08 9321 8994  
EMAIL [mincor@mincor.com.au](mailto:mincor@mincor.com.au)  
WEBSITE [www.mincor.com.au](http://www.mincor.com.au)  
ACN 072 745 692

POSTAL ADDRESS  
PO Box 1810  
West Perth WA 6872  
Australia

REGISTERED OFFICE  
Ground Floor, 9 Havelock Street  
West Perth WA 6005  
Australia

Established in Kalgoorlie in 2002, PNP has expanded its capacity and capability to encompass total, whole-of-mine solutions across Australia, and has significant underground mining contracts in Western Australia and Queensland.

With a workforce of more than 300 people and a strong customer base ranging from top-tier to junior miners, PNP has over 120 pieces of specialised underground mining equipment including tele-remote control and auto-guidance equipment, over 300 items of infrastructure equipment and significant centralised planning, condition monitoring and asset management capabilities.

PNP was acquired by ASX-listed mining services and equipment hire group Emeco Holdings Limited (ASX: EHL) earlier this year, giving it access to the financial support and technical systems of a major national group.

Mincor's Managing Director, Mr David Southam, said the award of the contract to a Kalgoorlie-based business was consistent with the Company's commitment to maximise local content, to support local businesses and communities, and to create opportunities for a residential workforce wherever possible.

*"We selected Pit N Portal based on a wide range of criteria including safety, performance, contract cost, experience and capability, ability to meet our mobilisation timelines and the size and quality of their contract fleet," he said.*

*"Their equipment fleet suits our proposed style of mining and, as one of Australia's largest hard-rock underground mining equipment solutions providers, we will have access to a large range of equipment options and high-class maintenance and rebuild capacity – giving us significant operational and strategic flexibility, which is important when operating a number of underground mines.*

*"This includes having access to the Emeco operating system (EOS), which could add significant value to future operations, as well as having a contracting partner that is willing to embrace the very latest in mining technology and data management and usage, including the proposed use of underground EVs which we have already trialled.*

*"This will be a cornerstone contract for PNP, ensuring we will have access to their highly-experienced Kalgoorlie-based leadership team, several members of whom worked previously at Mincor's Kambalda nickel mines.*

*"The contract award also encompasses a joint commitment to support indigenous employment, consistent with the principles of the Native Title Mining Agreement which we signed recently with the Ngadju People.*

*"The award of this contract fulfils another commitment we made to shareholders as part of our capital raising last year and puts us in a strong position as we move into the advanced stages of project financing.*

*"In this regard, the project financing process is progressing well with several global and domestic banks and resource specialist financiers now short-listed following evaluation of indicative terms sheets. We have also started preparing the organisation for operational readiness, having recently identified preferred candidates for the position of General Manager for each of our operational centres. These appointments will be formalised shortly prior to, or post, FID."*

### **Update on Cassini Early Works Contract**

Mincor is also pleased to advise that all works associated with the Early Works Contract at the Cassini Project (refer ASX announcement, 10 February 2020) have now been completed on budget.

This works included clearing of the Cassini site area, excavation of the box-cut, construction of the site office pad, magazine and waste areas and construction of the surface settling dams and haul road.



Aerial view of the Cassini site layout



Cassini box-cut and portal location

**Future performance:** *This announcement contains certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of MCR and which are subject to change without notice and could cause the actual results, performance or achievements of MCR to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. Nothing contained in this announcement nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of MCR.*

**- ENDS -**

**Approved by:**

**Board of Mincor Resources NL**

**For further details, please contact:**

David Southam

Managing Director

Mincor Resources NL

Email: [d.southam@mincor.com.au](mailto:d.southam@mincor.com.au)

Tel: (08) 9476 7200

[www.mincor.com.au](http://www.mincor.com.au)

**Media Inquiries:**

Nicholas Read

Read Corporate

Tel: (08) 9388 1474