

MINCOR ANNOUNCES HALF-YEAR RESULTS

Restructuring nears completion as Mincor's swift response to the falling nickel price limits operating losses and preserves balance sheet strength for future growth

- Mincor's swift and decisive response to the deteriorating nickel price has limited the operating losses incurred through the most severe downturn in nickel prices in two decades.
- Care and maintenance programs are now well advanced at both of the Company's Kambalda nickel mines – with all operations to be secured by mid-March.
- First-half net loss after tax of \$34.69M (1HFY15: \$1.89M loss), including depreciation and amortisation charges of \$9.40M, asset impairments of \$13.92M, redundancy and inventory write-down costs of \$3.45M, exploration costs expensed of \$1.11M, provision for fixed-term supply contracts of \$1.08M and negative provisional pricing adjustments from the previous period of \$1.29M;
- First-half production of 78,835 tonnes @ 2.90% nickel for 2,290 tonnes of nickel-in-ore – on budget and reflecting a rapid wind-down schedule in response to continued falls in the nickel price.
- Mincor expects that it will end the financial year in June 2016 with a healthy balance sheet, an outstanding suite of growth assets in the Kambalda District, and a clear strategy to return to production at the right time in the nickel price cycle.
- Two important Definitive Feasibility Studies, for Durkin North and Miitel/Burnett, will be completed before the end of the current quarter, providing the foundation for a comprehensive longer term growth strategy to be articulated more fully to the market in the coming weeks.

Kambalda nickel miner Mincor Resources NL (**ASX: MCR**) maintained a strong cash and working capital position through the first-half of the financial year, with its swift response to plunging nickel prices limiting operating losses and putting it in a strong position to ride out the current downturn and restart nickel production in a more favourable price environment.

As previously announced, Mincor has suspended mining at its Miitel and Mariners nickel mines, having progressively wound back operations to a single-shift basis. This has minimised operating losses and ensured that the Company's strong balance sheet position is preserved to underpin future growth.

Mincor ends the half-year to 31 December 2015 with a cash balance of \$25.49 million and net working capital of \$19.04 million. After the final round of suspension and redundancy costs associated with the cessation of production, and with its reduced cost base, the Company expects to be in a position to advance an active program of targeted exploration, resource evaluation and pre-development activities across its Kambalda portfolio for two to three years, or until the nickel price rebounds.

The Company reported a net loss after tax for the six months to 31 December 2015 of \$34.69 million. This includes full depreciation and amortisation charges of \$9.40 million, \$1.11 million of exploration expenses written off, negative provisional pricing adjustments, and a large measure of the redundancy costs associated with the wind-down of operations as well as a \$13.92 million impairment of the value of fixed and mobile assets.

The result was struck on reduced revenue of \$16.66 million, reflecting both the lower production for the half-year of 2,290 tonnes of nickel-in-ore (in line with its wind-down schedule) and the sharp drop in realised nickel prices.

Mincor's Managing Director, Mr David Moore, said the wind-down of the Company's two mines was now largely complete, with both mines expected to be fully secured by mid-March.

"I would like to pay tribute to the extraordinary professionalism of our team at this difficult time," he said. "The care and maintenance program has been implemented swiftly, efficiently and safely, despite the obvious challenges involved, and the operations have been secured for the future."

“While this has been a difficult period, it was vitally important that we acted quickly to preserve the value of our resource base and underlying assets. At the same time, the strength of our balance sheet gives us the flexibility and capability to unlock the value of these assets when the nickel price cycle turns.

“Mincor is gearing up for future growth. Two important feasibility studies will be completed during the current quarter and these will, in effect, become start-up studies, providing the trigger price at which Mincor can re-commence production. In the meantime, we are developing an active program of value creation, utilising our outstanding asset base, and we will present our strategy for growth before the end of the quarter.”

- ENDS -

Released by:
Nicholas Read
Read Corporate
Tel: (08) 9388 1474

On behalf of:
David Moore, Managing Director
Mincor Resources NL
Tel: (08) 9476 7200 www.mincor.com.au