



MINCOR RESOURCES NL

ABN 42 072 745 692

FINANCIAL REPORT

30 JUNE 2017

FINANCIAL REPORT 2017

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Mincor Resources NL and its subsidiaries. The financial statements are presented in the Australian currency.

Mincor Resources NL is a company incorporated and domiciled in Australia.
Its registered office is:

Level 1, 56 Ord Street
West Perth, Western Australia, 6005
AUSTRALIA

The financial statements were authorised for issue by the Directors on 16 August 2017. The Directors have the power to amend and reissue the financial statements.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mincor Resources NL ("**the Company**") is responsible for corporate governance of the Company. The Company has established a corporate governance framework which follows the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition ("**Principles and Recommendations**").

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The key features of the Company's corporate governance framework are set out in the Corporate Governance Statement which can be viewed on Mincor's website www.mincor.com.au/corporate_profile/corporate_governance.phtml together with the following charters, policies and procedures.

CHARTERS

Board

Audit Committee

Nomination Committee

Remuneration Committee

Risk Committee

POLICIES AND PROCEDURES

Process for Performance Evaluations

Policy and Procedure for the Selection and (Re)-Appointment of Directors

Induction Program

Procedure for the Selection, Appointment and Rotation of External Auditor

Diversity Policy (summary)

Code of Conduct (summary)

Policy on Continuous Disclosure (summary)

Compliance Procedures (summary)

Shareholder Communication and Investor Relations Policy

Securities Trading Policy

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

DIRECTORS

The names and particulars of the Directors of Mincor Resources NL during the financial year ended 30 June 2017 and up to the date of this report, unless otherwise indicated, are:

Name	Particulars
<p>DJ Humann</p> <p>Appointed 30 July 1999</p>	<p>Chairman (Non-Executive/Independent)</p> <p>Mr Humann joined Mincor Resources NL on 30 July 1999 as a Non-executive Director and Chairman of the Company. Mr Humann is a fellow of the Institute of Chartered Accountants, a fellow of the Institute of Certified Practising Accountants and also a fellow of the Australian Institute of Company Directors.</p> <p>He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China firm) from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the global firm's World Executive Management Committee based in London and New York. He was formerly a member of the Australia and New Zealand firm's Executive Policy Committee. Mr Humann is a member of the boards of a number of public and private companies.</p> <p>Other current directorships Non-executive Chairman of India Resources Limited. Non-executive Director of Skin Elements Limited.</p> <p>Former directorships in last three years Chairman of Ticor Limited from 2000 to 2015.</p> <p>Special responsibilities Chairman of the Board and member of the Audit, Nomination and Remuneration Committees.</p>
<p>DCA Moore</p> <p>Managing Director</p> <p>Appointed 16 August 1999</p> <p>Resigned 29 February 2016</p> <p>Deputy Chairman Appointed 1 March 2016</p> <p>Resigned 1 July 2017</p>	<p>Deputy Chairman (Non-Executive)</p> <p>Mr Moore joined Mincor Resources NL on 16 August 1999 and was its founding Managing Director. Mr Moore retired from this position in February 2016 to become the Company's Non-executive Deputy Chairman, which he fulfilled until his retirement from the Company on 1 July 2017. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration, business development, project management and strategic planning. In 1996, he left a position as Billiton's Chief Geologist in Peru to join Iscor Australia Pty Ltd as director of business development. In that role, he established Iscor's gold and base metal exploration unit in Australasia. During 1999, he conducted the transactions that led to the creation of Mincor Resources NL and became Managing Director of that Company. In 2000 Mr Moore founded Tethyan Copper Company Ltd and as Managing Director drove that company's development, spin-off, listing and growth until its successful cash takeover by a joint venture between Antofagasta and Barrick in 2006. Mr Moore has worked extensively in South America, southern and eastern Africa and Australasia. He holds a B.Sc (Eng) (Mining Geology).</p> <p>Other current directorships None.</p> <p>Former directorships in last three years None.</p>
<p>JW Gardner</p> <p>Appointed 15 February 1996</p>	<p>Non-executive Director (Independent)</p> <p>Mr Gardner is a Non-executive Director who joined the Company on 15 February 1996. Mr Gardner graduated from the University of Melbourne in 1962 with a Bachelor of Engineering (Mechanical) degree and is a Fellow of the Institution of Engineers Australia. He also holds a Master of Business Administration degree from Curtin University, Western Australia. After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Ltd, Comsteel Vickers/ANI, Minproc Engineers Pty Ltd and Broken Hill Metals NL between 1970 and 1990, he formed his own engineering consultancy. From 1993 until 2006, he was actively involved in Canadian listed company, Guinor Gold Corporation where he was Chief Engineer, Mining Projects. Since 1996, he has developed and managed the 100,000 ounces per annum Lero gold Heap Leach Project and completed the LEFA Corridor project study and supervised the EPCM contractor constructing its 350,000 ounces per annum multiple open pit and CIP Plant project in remote Guinea, West Africa.</p> <p>Other current directorships Non-executive Chairman of Viking Mines Limited.</p> <p>Former directorships in last three years None.</p>

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

DIRECTORS (cont'd)

Name	Particulars
<p>MA Bohm Appointed 1 January 2017</p>	<p>Non-executive Director (Independent)</p> <p>Mr Bohm joined Mincor Resources NL on 1 January 2017 as a Non-executive Director. Mr Bohm is a qualified mining professional with extensive corporate, project development and mine operations experience in Australia, South-East Asia, Africa, Chile, North America and Europe. A graduate of the Western Australian School of Mines, he has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director. He has been directly involved in a number of new project developments in the gold, nickel and diamond sectors both in Australia and offshore.</p> <p>Mr Bohm's experience includes previous directorships at Argyle Diamond Mines, Sally Malay Mining Limited (now Panoramic Resources) in Australia (ASX) and Ashton Mining of Canada (TSX). He is a member of the Australian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Company Directors ("AICD").</p> <p>Other current directorships Non-executive Director of Ramelius Resources Limited and Perseus Mining Ltd.</p> <p>Former directorships in last three years Non-executive Chairman of Berkut Minerals Limited (2016-2017) and Tawana Resources NL (2015-2016).</p> <p>Special responsibilities Chairman of the Nomination and Remuneration Committees and member of the Audit Committee.</p>
<p>BT Lambert Appointed 1 January 2017</p>	<p>Non-executive Director (Independent)</p> <p>Mr Lambert is a mining engineer and experienced company director who joined the Company as a Non-executive Director on 1 January 2017. He has over 30 years' involvement in the Australian and international resources industry encompassing mining operations, project development, business development and corporate administration.</p> <p>After graduating from the Western Australian School of Mines, Mr Lambert commenced his professional career with Western Mining Corporation ("WMC") at Kalgoorlie in 1983. He progressed to a senior management position with WMC before leaving to take responsibility for the development of Herald Resources' Three Mile Hill gold mine at Coolgardie. Mr Lambert has since held senior roles with a number of junior and mid-tier resource companies, including more than 10 years at Chief Executive Officer/Managing Director level.</p> <p>Mr Lambert has served as a director of companies listed on the Australian Securities Exchange, London's Alternative Investment Market ("AIM") market, the Toronto Stock Exchange and the Stock Exchange of Thailand.</p> <p>Other current directorships Non-executive Director of Australian Potash Limited.</p> <p>Former directorships in last three years Managing Director of ABM Resources NL (2016) and Bullabulling Gold Limited (2012-2014).</p> <p>Special responsibilities Chairman of the Audit Committee and member of the Nomination and Remuneration Committees.</p>
<p>P Muccilli Appointed 30 November 2016</p>	<p>Managing Director</p> <p>Mr Muccilli is a geologist with 26 years' experience and has obtained a Geology degree from Curtin University in Perth, Western Australia. Whilst working for Mincor, he has fulfilled various roles including Exploration Manager – Kambalda, Chief Operating Officer and Chief Executive Officer prior to his appointment as the current Managing Director. Mr Muccilli has extensive experience in mining, exploration and in commissioning mines. Previous roles included working for Resolute/Samantha at its Higginsville/Chalice gold operations, for Herald Resources at the Three Mile Hill Operations in Coolgardie, and in base metals commissioning of the 2.5 million tonnes underground Pillara Zinc Mine in the Lennard Shelf of Western Australia for Western Metals.</p> <p>Other current directorships None.</p> <p>Former directorships in last three years None.</p>

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

COMPANY SECRETARY

The name of the Company Secretary of Mincor Resources NL during the financial year ended 30 June 2017 and up to the date of this report is:

Name	Particulars
G Fariss Appointed 16 January 2014	Company Secretary/General Manager Corporate Mr Fariss graduated as a civil engineer from the University of Western Australia in 1979 and added a Masters of Business Administration in 1989. He joined Mincor in May 2006 as General Manager, Corporate Development after having served as General Manager, Corporate Finance with related company, Tethyan Copper Company Limited from December 2004. Mr Fariss previously held a number of senior finance and business development positions with Clough Limited over a 15-year period which commenced in 1990, and was a non-executive independent director of LinQ Capital Limited, the responsible entity for the LinQ Resources Fund, from 2005 to 2013. Mr Fariss has a diverse range of commercial experience across the resources, construction and engineering sectors gained over a 37-year period, including significant international exposure. Mr Fariss held the position of the Chief Financial Officer until 30 November 2016. He acted in the capacity of Company Secretary for the entire financial year.

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS

Exploration and Development Projects

a) Widgiemooltha Gold Project, Western Australia

On 26 April 2017, the Company announced the results of the feasibility study for its Widgiemooltha Gold Project. The feasibility study confirmed the economic viability of a low capital start-up gold mining operation based on the extraction of shallow reserves across 10 open pits from five prospects (West Oliver, Darlek, Bass, Flinders and Hronsky), with the ore to be treated via a toll-treatment arrangement at one of the several operating mills in the region.

Key outcomes of the feasibility study include low upfront capital outlay of A\$2.8 million and forecast undiscounted pre-tax cash-flow at a flat A\$1,600/ounce gold price of A\$28.3 million, with a maximum cash drawdown of A\$7.3 million. The Project is forecast to recover a total of 65,863 ounces of gold over an initial mine life of 19 months, assuming the treatment of 60,000 tonnes of ore per month (full details of the feasibility study, refer to ASX announcement dated 26 April 2017).

Mincor can confirm all the material assumptions underpinning the feasibility study continue to apply and have not materially changed since the completion of the feasibility study.

During the year ended 30 June 2017, following the completion of two highly successful drilling programs, Mincor upgraded its gold Mineral Resources to 300,000 ounces from 238,640 ounces reported at June 2016.

The Widgiemooltha Resources remain open, and there are numerous high-quality intersections not yet captured in the Resource inventory.

The Company announced the discovery of high quality new gold intersections immediately west of Flinders orebody in the second drilling program on 28 June 2017. This new discovery, named Flinders West, further highlights the growth potential of the Project. Follow-up drilling programs commenced early in the 2018 financial year with an expectation to expand existing Mineral Resources and Reserves.

The Company is progressing with the delivery of the implementation plan, targeting first gold production at Widgiemooltha by the March 2018 quarter, subject to Board and regulatory approval. Further drilling programs are planned for the 2018 financial year, which are expected to unlock the significant growth potential of the Project.

b) North Kambalda Gold Project, Western Australia

Mincor owns all the commodity rights for its North Kambalda landholdings (comprising Location 48, Lots 11 and 12). These landholdings encompass the Otter Juan, Durkin and McMahan Nickel Mines, which comprise Mincor's North Kambalda nickel operations that are currently on care and maintenance.

North Kambalda lies within a "Tier One" regional gold corridor containing the Boulder-Lefroy Fault Complex which hosts multi-million-ounce gold camps along its path. Within the North Kambalda tenements, the Woolibar Fault is seen as a possible analogue to the Alpha Island Fault that focuses the gold at the multi-million-ounce St Ives gold camp located 9km to the south.

Much of the historical drilling on Location 48 was assayed for nickel only, with approximately 15% of the drill-holes assayed for gold. A desktop review of historical data was completed in October 2016, which revealed a prospective suite of targets.

The results of Mincor's maiden drill program for gold at North Kambalda, announced on the 15 June 2017, confirmed the presence of near-surface gold mineralisation at two prospects, Merry Hampton East and Boundary East.

Merry Hamptons East is located on the western flank of a large porphyry body and lies along an interpreted splay structure from the Wildcatters-Ringneck Shear. The Boundary East target is located at prime structural location at the intersection of two major faults (the Woolibar Fault and the Loretto Thrust). The Company is compiling a follow-up drilling program to test the potential of these highly prospective shears in the 2018 financial year.

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS (cont'd)

Exploration and Development Projects (cont'd)

c) Tottenham Joint Venture, New South Wales

Mincor's landholdings (100%) at Tottenham New South Wales, which surround the historical Tottenham copper mining camp have a geological setting directly analogous to the world-class Tritton Mine Camp (1 million tonnes of contained copper), located 120km to the north. The landholdings contain two Resource-level projects, at Carolina and Mount Royal (which includes the Orange Plains prospect), for a total Resource of 7 million tonnes @ 1.2% Cu for 85,000 tonnes of contained copper metal.

On 17 February 2017, the Company entered into an earn-in and joint venture agreement with Bacchus Resources Pty Ltd ("Bacchus") over the Tottenham Copper-Gold Project. Under the Agreement, Bacchus can earn a 30% interest in the Project by spending \$700,000 on exploration, with a minimum expenditure of \$200,000 to earn approximately 11%. Minor contributing expenditure by Mincor may dilute these percentages. Should Bacchus elect to withdraw from the project after the minimum expenditure condition has been met, the Company has a right to clawback Bacchus' equity for 50% of Bacchus' expenditure.

Bacchus commenced an initial program of air-core drilling, infilling the Burdenda prospect in February 2017 and a program of infill and extensional reverse circulation drilling at the Orange Plains prospect in July 2017, as part of its earn-in under the Tottenham Earn-In and Joint Venture Agreement.

d) Kambalda Nickel Operations, Western Australia

In the March 2016 quarter, the Company suspended its nickel mining operations pending a recovery in the nickel price. The care and maintenance programs for Miitel and Mariners continued through the financial year ended 30 June 2017. Associated activities included ongoing environmental monitoring, site security and general maintenance.

PRINCIPAL ACTIVITIES

The principal activity of the companies in the consolidated entity during the course of the year was exploration of mineral resources.

There were no significant changes in nature of the activities of the consolidated entity during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there have been no significant changes in the state of affairs of the consolidated entity during the financial year.

GROUP RESULTS

The loss of the consolidated entity for the year after income tax was \$4,203,000 (2016 loss: \$41,968,000).

DIVIDENDS

The Directors recommend that no dividend to be declared or paid (2016: Nil).

MEETINGS OF DIRECTORS'

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2017, and the number of meetings attended by each Director were:

	Directors Meetings		Committee Meetings					
	Number attended	Number available	Audit		Remuneration		Nomination	
			Number attended	Number available	Number attended	Number available	Number attended	Number available
DJ Humann	7	8	3	4	1	1	1	1
DCA Moore	8	8	4	4	1	1	1	1
JW Gardner	8	8	4	4	-	-	-	-
MA Bohm	4	4	2	2	1	1	1	1
BT Lambert	4	4	2	2	1	1	1	1
P Muccilli ¹	4	4	2	2	-	-	-	-

1) Mr Muccilli was the Company's Chief Executive Officer until his appointment as the Managing Director on 30 November 2016. The above meetings are his attendance in the capacity as the Managing Director.

FUTURE DEVELOPMENTS

Details of important developments occurring in this financial year have been covered in the Review of Operations. The Company will continue to actively explore for minerals, and any significant information or data will be released to the market and the shareholders pursuant to the Continuous Disclosure rules as and when they are to hand.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

REMUNERATION REPORT

This Remuneration Report, which forms part of the Director's Report, sets out the information about the remuneration of the key management personnel of the consolidated entity for the financial year ended 30 June 2017. The information in the Remuneration Report has been prepared in accordance with Section 300A of the *Corporations Act 2001* (Cth) and has been audited as required by Section 308 (3C) of the *Corporations Act 2001*.

The Remuneration Report is set out under the following main headings:

- Key Management Personnel
- Remuneration Policy and Link to Performance
- Principles Used to Determine the Nature and Amount of Remuneration
- Relationship between Compensation and Company Performance
- Details of Remuneration
- Service Agreements
- Share-based Payments
- Shareholdings of Key Management Personnel
- Other Transactions with Key Management Personnel

a) Key Management Personnel

The Remuneration Report details the remuneration arrangements for key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purpose of this report, the term 'Executive' encompasses the Managing Director and senior executives.

The key management personnel of the consolidated entity during the financial year and up to the date of this report included:

DIRECTORS		NAMED EXECUTIVES	
Name	Position	Name	Position
DJ Humann	Non-executive Chairman	GL Fariss	General Manager Corporate/Company Secretary ⁵
DCA Moore	Non-executive Deputy Chairman ¹	R Hatfield	Exploration Manager ⁶
JW Gardner	Non-executive Director	C Sun	Chief Financial Officer ⁷
MA Bohm	Non-executive Director ²		
BT Lambert	Non-executive Director ³		
P Muccilli	Managing Director ⁴		

- Mr D Moore resigned effective 1 July 2017.
- Mr MA Bohm was appointed effective 1 January 2017.
- Mr BT Lambert was appointed effective 1 January 2017.
- Mr P Muccilli was appointed Managing Director effective 30 November 2016.
- Mr GL Fariss ceased as Chief Financial Officer effective 1 December 2016.
- Mr R Hatfield left the Company effective the 31 August 2016.
- Ms C Sun was appointed effective 1 December 2016.

b) Remuneration Policy and Link to Performance

Mincor Resources NL's remuneration strategy is designed to provide rewards that:

- attract, retain, motivate and reward executives;
- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- link rewards with the strategic goals and performance of the Company;
- provide remuneration arrangements that are competitive by market standards;
- align executive interests with those of the Company's shareholders;
- comply with applicable legal requirements and appropriate standards of governance.

As part of the Company's "Restructure for Growth Strategy" since the nickel operations were placed on care and maintenance in early 2016, a number of key management personnel changes were made during the financial year ended 30 June 2017. The changes have resulted in a 36% reduction in executive salaries since the 2016 financial year.

The key elements of Mincor Resources NL's remuneration policy for executives are outlined in the table below:

Remuneration component	Vehicle	Purpose	Link to performance
Fixed remuneration	Base salary. Superannuation contributions. Other benefits.	Provide competitive remuneration with reference to role and responsibilities, market and experience, to attract high calibre people.	Executive performance and remuneration packages are reviewed at least annually by the Board and the Remuneration Committee. The review process includes consideration of individual performance in addition to the overall performance of the consolidated entity.
Performance based Long-term incentive ("LTI")	Employee Share Option Plan and Performance Rights Plan	Provide reward to executives for their continued service and their contribution to achieving corporate objectives set by the Board to ensure the long-term growth of the Company.	Award of LTI linked directly to achievement of strategic Company objectives.

REMUNERATION REPORT (cont'd)

c) Principals Used to Determine the Nature and Amount of Remuneration

The Company's remuneration policy is overseen by the Remuneration Committee on behalf of the Board. The Remuneration Committee is responsible for making recommendations to the Board on the:

- Company's remuneration policy and framework;
- Remuneration for non-executive directors;
- Remuneration for executives;
- Terms and conditions of employee incentive schemes.

The Remuneration Committee Charter is approved by the Board and is published on the Company's website.

Remuneration levels of executives are set by reference to other similar-sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the Company.

Remuneration levels for executives are determined by the Board based upon recommendations from the Remuneration Committee. Remuneration of Non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to Non-executive Directors.

The Company's remuneration practices are designed to attract, retain, motivate and reward high calibre individuals capable of delivering the strategic objectives of the business.

The Company's key management personnel remuneration framework aligns their remuneration with the achievement of strategic objectives and the creation of value for shareholders. The Remuneration Committee ensures that the remuneration of key management personnel is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance. The structure and level of remuneration for key management personnel is reviewed annually by the Remuneration Committee relative to the Company's circumstances and performance.

Remuneration of Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board periodically reviews whether to obtain advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market.

Directors' fees

Fees for the Chairman and Non-executive Directors are determined within an aggregate directors fee pool limit of \$350,000, which has remain unchanged since last approved by shareholders in 2006. The Chairman's, Deputy Chairman's and Non-executive Directors' remuneration is inclusive of committee fees.

All Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Non-executive Directors are not provided with retirement benefits other than statutory superannuation.

Remuneration of executives

The Company's remuneration policy for Executive Directors and senior executives is designed to promote superior performance and long-term commitment to the Company.

The intention of the Company's pay and reward framework is to ensure reward structures are aligned with shareholders' interests by:

- being market competitive to attract and retain high calibre individuals;
- rewarding high individual performance;
- recognising the contribution of each key management personnel to the continued growth and success of the Company; and
- linking long-term incentives to shareholder value.

To achieve these objectives, the remuneration of executives comprises a fixed salary component and performance incentives.

i) Fixed remuneration – base salary

The fixed remuneration for each executive is influenced by the nature and responsibilities of each role and the knowledge, skills and experience required for each position. Fixed remuneration comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Base salary for each executive is reviewed annually by the Remuneration Committee. The review process includes a review of Company and individual's performance, relevant Company information and internal and independent external information.

There is no guaranteed base pay increase included in any key management personnel contract.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

ii) Long term performance incentives

Long term performance incentives have been provided to executives via the Executive Share Option Scheme ("ESOP") from 2016. Prior to the ESOP, long term performance incentives were provided via the Performance Rights Plan. Both plans have been designed to motivate and incentivise executives to increase shareholder value. The issue of options and performance rights as remuneration represents cost-effective consideration to executives for their commitment and contribution to the Company and are used as a strategic tool to recruit and retain high calibre personnel. Information on the ESOP and Performance Rights Plan is set out in Note 25 to the financial statements.

iii) Share trading policy

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy. Executives are prohibited from entering into any hedging arrangements over unvested rights under the Company's employee incentive plans.

d) Relationship Between Compensation and Company Performance

In considering the consolidated entity's performance, due regard is given to shareholder wealth creation including dividends paid, movements in the market value of the Company's shares and any return of capital to shareholders.

The consolidated entity's performance is impacted not only by market factors, by also by employees' performance. However, as the projects of the consolidated entity are currently in exploration, evaluation or care and maintenance phases, the annual profit performance is not a relevant measure of the Company's performance and hence remuneration levels for individual key management personnel are not directly linked to the annual profit or loss result.

e) Details of Remuneration

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

2017 Name	Short-term Employee Benefits				Post-employment Benefits	Long-term Benefits	Share-based Payments (LTI)		Total \$	% of compensation linked to LTI
	Directors fees \$	Salary \$	Bonus \$	Other \$	Super-annuation \$	Long service leave \$	Performance rights \$	Options \$		
Non-executive Directors										
DJ Humann (Chairman)	110,000	-	-	-	-	-	-	-	110,000	-
DCA Moore (Deputy Chairman)	55,000	-	-	-	35,000	-	-	-	90,000	-
JW Gardner	50,228	-	-	-	4,772	-	-	-	55,000	-
MA Bohm ¹	25,114	-	-	-	2,386	-	-	-	27,500	-
BT Lambert ²	25,114	-	-	-	2,386	-	-	-	27,500	-
Subtotal	265,456	-	-	-	44,544	-	-	-	310,000	-
Executive Directors										
P Muccilli ³	-	269,180	-	588	19,616	4,435	(7,878)	99,255	385,196	24%
Other Key Management Personnel										
GL Fariss ⁴	-	214,357	-	588	29,872	4,013	(13,239)	66,170	301,762	18%
R Hatfield ⁵	-	137,365	-	98	3,269	-	(26,706)	9,740	123,766	-
C Sun ⁶	-	159,173	-	2,014	15,313	6,718	466	33,085	216,769	15%
TOTAL	265,456	780,076	-	3,288	112,614	15,166	(47,357)	208,250	1,337,493	

1) Mr MA Bohm was appointed Non-executive Director effective 1 January 2017.

2) Mr BT Lambert was appointed Non-executive Director effective 1 January 2017.

3) Mr P Muccilli was the Company's Chief Executive Officer before his appointment as the Managing Director effective 30 November 2016.

4) Mr GL Fariss ceased as Chief Financial Officer effective 1 December 2016.

5) Mr R Hatfield left the Company on the 31 August 2016. Amounts above include all leave entitlements paid on termination.

6) Ms C Sun was appointed Chief Financial Officer effective 1 December 2016.

REMUNERATION REPORT (cont'd)

e) Details of Remuneration (cont'd)

2016 Name	Short-term Employee Benefits				Post-employment Benefits	Long-term Benefits	Share-based Payments (LTI)		Total \$	% of compensation linked to LTI
	Directors fees \$	Salary ¹ \$	Bonus \$	Other \$	Super-annuation \$	Long service leave \$	Performance rights \$	Options \$		
Non-executive Directors										
DJ Humann (Chairman)	110,000	-	-	-	-	-	-	-	110,000	-
DCA Moore ² (Deputy Chairman)	18,333	427,805	-	392	35,000	-	-	-	481,530	-
JW Gardner	20,928	-	-	-	34,072	-	-	-	55,000	-
IF Burston ³	50,228	-	-	-	4,772	-	-	-	55,000	-
Subtotal	199,489	427,805	-	392	73,844	-	-	-	701,530	-
Other Key Management Personnel										
P Muccilli ⁴	-	273,854	-	588	19,308	10,312	(495)	13,605	317,172	4%
GL Fariss	-	298,110	-	588	32,083	5,437	(8,521)	9,070	336,767	-
R Hatfield	-	226,259	-	588	19,308	4,144	(8,521)	9,070	250,848	-
TOTAL	199,489	1,226,028	-	2,156	144,543	19,893	(17,537)	31,745	1,606,317	

- 1) All executives accepted a 15% voluntary salary reduction as part of the Company's "Restructuring for Growth Strategy" for the year ended 30 June 2016.
- 2) Mr D Moore retired from the position of Managing Director on 29 February 2016 to become the Company's Non-executive Deputy Chairman. Amounts shown above include annual leave and long service leave entitlements paid on resignation as the Managing Director.
- 3) Mr I Burston resigned effective 30 June 2016.
- 4) Mr P Muccilli was appointed as the Company's Chief Executive Officer effective 1 February 2016. Before this appointment he was the Company's Chief Operating Officer. Amounts shown above include all Mr Muccilli's remuneration during period ended 30 June 2016.

f) Service Agreements

Remuneration and other terms of employment for executives are formalised in employment contracts. The service agreements specify the components of remuneration, benefits and notice periods. Participation in long-term incentives are at the discretion of the Board. Other major provisions of the agreements relating to remuneration are set out below. Contracts with executives may be terminated early by either party as detailed below.

Name and position	Term of agreement	Base salary including super ¹	Notice period	Termination benefit
Mr P Muccilli Managing Director	Ongoing commencing 30 November 2016	\$305,000	3 months	3 months base salary
Mr GL Fariss General Manager – Corporate/Company Secretary	Ongoing commencing 8 May 2006	\$224,000 ²	1 month	1 month base salary
Ms C Sun Chief Financial Officer	Ongoing commencing 18 March 2008	\$200,000 ³	1 month	1 month base salary

- 1) Base salaries set out above are for the year ended 30 June 2017 and do not include the savings from the Company's compulsory two days per month "Leave Without Pay" policy for all employees.
- 2) Mr GL Fariss ceased as Chief Financial Officer on 1 December 2016. The remuneration package set out above is based on \$280,000 per annum full time equivalent.
- 3) Ms C Sun was appointed Chief Financial Officer on 1 December 2016.

g) Share-based Compensation

i) Options

Mincor Resources Employee Share Option Plan ("ESOP")

The Mincor Resources ESOP was introduced following approval by the Board of Directors in 2016 which replaced the Mincor Resources Performance Rights Plan. Persons eligible to participate in the ESOP include Directors and all employees of the Company.

Options are granted under the ESOP for no consideration for a maximum period of five years and can be exercised at any time between the date the option vests and the expiry, subject to the imposition of any specified vesting date determined at the discretion of the Directors.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital. The exercise price of options is determined at the discretion of the Board and is set to incentivise the executives to increase shareholder value. All options granted carry no dividend or voting rights.

The terms and conditions of options affecting remuneration in the current reporting period are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Fair value per option at grant date	Vested
18 May 2016	100% after 18 May 2017	18 May 2021	\$0.50	\$0.1254	100%

The number of options over ordinary shares in the Company held during the financial year by the key management personnel of the consolidated entity is set out below.

Name	Grant date	Balance at start of period	Granted as compensation	Vested		Exercised	Other changes	Forfeited lapsed during the period	Balance for the period ended	
		Unvested		Number	%				Vested	Unvested
P Muccilli	18 May 2016	1,200,000	-	1,200,000	100%	-	-	-	1,200,000	-
GL Fariss	18 May 2016	800,000	-	800,000	100%	-	-	-	800,000	-
R Hatfield ¹	18 May 2016	800,000	-	800,000	100%	-	(200,000)	(600,000)	-	-
C Sun	18 May 2016	400,000	-	800,000	100%	-	-	-	400,000	-

1) Under the terms of the ESOP the Board is entitled to use its discretion to determine that a Good Leaver, as defined in the ESOP, be entitled to retain unvested options in circumstances which warrant such treatment. The Board determined that Mr Hatfield, who left the Company on 31 August 2016, did so in circumstances which met these conditions, and resolved that he retain a number of options in proportion to his length of service during the 12-month vesting period.

Fair value of options granted

The assessed fair value at grant date of options granted on the 18 May 2016 under the ESOP was 12.54 cents per option.

The fair value at grant date is determined using the Binominal option valuation methodology that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options granted under the plan include:

Metric	Options expiring 18 May 2021
a. Exercise price	\$0.50
b. Grant date	18 May 2016
c. Expiry date	18 May 2021
d. Share price at grant date	\$0.34
e. Expected price volatility of the Company's shares	75%
f. Expected dividend yield	0%
g. Risk-free interest rate	1.55%

No options were exercised during the reporting period. Further information on the options is set out in Note 25 to the financial statements.

ii) Performance rights

Mincor Resources Performance Rights Plan

The Mincor Resources Performance Rights Plan ("Plan") was introduced following approval by the Board of Directors in 2012. Persons eligible to participate in the Plan include executives and all employees of the Company or a Related Body Corporate of the Company.

Performance rights are granted under the Plan over ordinary shares for no consideration. Performance rights are granted subject to one or all of the following vesting conditions:

- **A Service Condition**, usually a three-year period commencing from the time of grant;
- **Strategic Objective Conditions** measured over the Service Condition period, including:
 - a **safety and sustainability component**;
 - an **operational performance component**, including production, cost control and growth in ore reserves; and
 - a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

REMUNERATION REPORT (cont'd)

g) Share-based Payments (cont'd)

ii) Performance rights (cont'd)

Mincor Resources Performance Rights Plan (cont'd)

Each component of the Strategic Objective Conditions is earned on a sliding scale basis depending on the degree of success achieved in meeting performance metrics. Certain components of the performance rights may be earned annually but will only be paid when the Service Condition is achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will carry no dividend or voting rights. When exercised, each performance right will be converted into one ordinary share.

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting periods are set out below:

Class	Grant date	Vesting date	Expiry date	Vesting conditions	Value per performance right at grant date
2015/4	2 Oct 2015	31 Dec 2018	2 Oct 2019	<p>Service Condition: Holder must remain an employee for a continuous period from 1 July 2015 until 30 June 2018.</p> <p>Performance Conditions measured over the period 1 July 2015 to 30 June 2018 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance; 	\$0.26
2015/1	19 Feb 2015	31 Dec 2017	19 Feb 2019	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2017.</p> <p>Performance Conditions measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. 	\$0.67
2015/2	19 Feb 2015	31 Dec 2017	19 Feb 2019	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2017.</p> <p>Performance Conditions measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance. 	\$0.67
2015/3	19 Feb 2015	31 Dec 2017	19 Feb 2019	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2017.</p> <p>Performance Conditions: None.</p>	\$0.67
2014/1	20 Jan 2014	31 Dec 2016	20 Jan 2018	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2016.</p> <p>Performance Conditions measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. 	\$0.61
2014/2	20 Jan 2014	31 Dec 2016	20 Jan 2018	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2016.</p> <p>Performance Conditions measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance. 	\$0.61
2014/3	20 Jan 2014	31 Dec 2016	20 Jan 2018	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2016.</p> <p>Performance Conditions: None.</p>	\$0.61

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Performance rights holdings

The number of performance rights over ordinary shares in the Company held during the financial year by key management personnel of the consolidated entity, including their personally-related parties, are set out below:

Name	Balance at start of year	Granted as compensation	Rights vested	Rights lapsed	Balance at end of year	
	Unvested				Vested	Unvested
2017						
P Muccilli	365,000	-	(8,266)	(75,734)	-	281,000
GL Fariss	165,000	-	(8,266)	(75,734)	-	81,000
R Hatfield	165,000	-	(8,266)	(156,734)	-	-
C Sun	2,000	-	(1,000)	-	-	1,000
2016						
P Muccilli	299,000	200,000	(86,430)	(47,570)	-	365,000
GL Fariss	299,000	-	(86,430)	(47,570)	-	165,000
R Hatfield	299,000	-	(86,430)	(47,570)	-	165,000

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Mincor Resources Performance Rights Plan is based on the market price of the Company's shares at grant date.

Further information on the performance rights is set out in Note 25 to the financial statements.

h) Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year by key management personnel of the consolidated entity, including their personally-related parties, are set below.

Name	Balance at start of year	Received on the exercise of options/ performance rights	Other changes	Balance at end of year
2017				
Directors of Mincor Resources NL				
<i>Ordinary shares</i>				
DJ Humann (Chairman)	500,000	-	-	500,000
DCA Moore (Deputy Chairman)	4,245,000	-	-	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
MA Bohm	-	-	100,000	100,000
BT Lambert	-	-	-	-
P Muccilli	198,930	8,266	-	207,196
Other Key Management Personnel				
<i>Ordinary shares</i>				
GL Fariss	161,342	8,266	-	169,608
R Hatfield	136,430	8,266	(144,696)	-
C Sun	-	1,000	1,000	2,000
2016				
Directors of Mincor Resources NL				
<i>Ordinary shares</i>				
DJ Humann (Chairman)	500,000	-	-	500,000
DCA Moore (Deputy Chairman)	4,245,000	-	-	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burstson	50,000	-	-	50,000
Other Key Management Personnel				
<i>Ordinary shares</i>				
P Muccilli	112,500	86,430	-	198,930
GL Fariss	183,334	86,430	(108,422)	161,342
R Hatfield	50,000	86,430	-	136,430

i) Other Transactions with Key Management Personnel

During the financial year ended 30 June 2017, BTL Mining Advisory, a related entity of Mr BT Lambert provided consultancy services which were deemed to be provided outside of the ordinary requirements of Non-executive Director duties. The consultancy services were provided over a two-month period from May to June 2017. A total consultancy fee of \$7,326 was invoiced to the consolidated entity for the reporting period. This amount has not been paid as at 30 June 2017. This transaction was based on normal commercial terms and conditions.

There were no other transactions with key management personnel of the consolidated entity during the 2017 and 2016 financial years.

This concludes the Remuneration Report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

SHARES UNDER OPTION

Unissued ordinary shares in the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price of options	Number of options
18 May 2016	18 May 2021	\$0.50	5,550,000

No option holder has any right under the option to participate in any share issue of the Company or any other entity.

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares in the Company pursuant to the performance rights plan at the date of this report are as follows:

Date performance rights granted	Expiry date	Number of performance rights
19 February 2015	19 February 2019	100,000
19 February 2015	19 February 2019	243,000
19 February 2015	19 February 2019	6,000
2 October 2015	2 October 2019	200,000
		549,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during and/or since the year ended 30 June 2017 and up to the date of this report on the exercise of options granted by the Company.

SHARES ISSUED ON THE VESTING OF PERFORMANCE RIGHTS

The following ordinary shares of the Company were issued during and/or since the year ended 30 June 2017 and up to the date of this report on the vesting of performance rights granted under the Performance Rights Plan.

Date performance rights granted	Issue price of shares	Number of shares issued
20 January 2014	-	33,064
20 January 2014	-	17,958
20 January 2014	-	7,000

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not been any other matter or circumstance occurring subsequent to end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

CORPORATE GOVERNANCE

The Company's corporate governance policies and practices are set out separately in the Annual Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring any proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

ENVIRONMENTAL MATTERS

The consolidated entity is subject to environmental regulation on its mineral properties. To this extent, the consolidated entity has raised rehabilitation provisions of \$5,796,000 (2016: \$6,455,000). To the best of the belief and knowledge of the Directors, no breach of environmental legislation occurred during the year and up to the date of this report. Further details on environmental policy are set out in the Annual Report under the Corporate Governance section and the Health, Safety and Environmental Policy section.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Greenhouse Gas and Energy Data Reporting Requirements

The consolidated entity is subject to the reporting requirements of the *National Environmental Pollution Measurement Act 1994*. This requires the consolidated entity to measure and report its annual emissions of specified substances to air, land and water. During the year ended 30 June 2017, the consolidated entity submitted its 2015/16 National Pollutant Inventory Report to the Department of Environmental Regulation.

Following the closure of the nickel operations, the consolidated entity's annual emission of specified substance to air, land and water for the for the year ended 30 June 2017 were under the reporting threshold for the National Pollutant Inventory Report, therefore it is not required to submit the 2016/17 National Pollutant Inventory Report.

INSURANCE OF OFFICERS

During the year, the Company paid a premium in respect of Directors' and Executive Officers' insurance. The contract contains a prohibition on disclosure of the amount of the premium and the nature of the liabilities under the policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are provided in Note 19 to the financial statements.

The Board of Directors has considered the position and in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 19, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out separately in this report (page 15).

ROUNDING OF AMOUNTS

The Company has relied on the relief provided by the 'ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191', issued by the Australian Securities & Investments Commission, relating to the rounding off of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Dated in Perth this 16th day of August 2017 in accordance with a resolution of the Directors.



P Muccilli
Managing Director



Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mincor Resources NL and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'P. Dreyer', written over a faint circular stamp.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
16 August 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
Revenue	3	-	18,003
Sundry income	3	491	563
Mining costs		-	(17,397)
Royalty expenses		(21)	(670)
Occupancy expenses		(476)	(476)
Administrative expenses		(594)	(1,088)
Employee benefit expense		(1,762)	(11,756)
Finance costs		(58)	(412)
Foreign exchange (losses)/gains		(40)	300
Profit from sale of property, plant and equipment		2,115	2,365
Exploration costs expensed as incurred		(3,798)	(3,494)
Depreciation and amortisation expense	4	(93)	(9,165)
Impairment of property, plant and equipment	4	(473)	(16,483)
Adjustments to rehabilitation provision	4	539	-
Other expenses from ordinary activities		(33)	(2,258)
Loss before income tax		(4,203)	(41,968)
Income tax benefit	5	-	-
Loss attributable to the members of Mincor Resources NL		(4,203)	(41,968)
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of other financial assets at fair value through other comprehensive income	15	63	(47)
Other comprehensive loss for the year, net of tax		63	(47)
Total comprehensive loss for the period attributable to the members of Mincor Resources NL		(4,140)	(42,015)
		Cents	Cents
Loss per share	24	(2.2)	(22.3)
Diluted loss per share	24	(2.2)	(22.3)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
Current Assets			
Cash and cash equivalents	6	11,550	12,635
Restricted cash	6	459	5,379
Trade and other receivables	7	435	941
Total Current Assets		12,444	18,955
Non-Current Assets			
Other financial assets at fair value through other comprehensive income	8	-	401
Property, plant and equipment	9	1,069	4,622
Evaluation and acquired exploration expenditure	10	14,562	12,875
Total Non-Current Assets		15,631	17,898
TOTAL ASSETS		28,075	36,853
Current Liabilities			
Payables	11	1,300	871
Interest-bearing liabilities	12	79	3,954
Provisions	13	502	557
Total Current Liabilities		1,881	5,382
Non-Current Liabilities			
Interest-bearing liabilities	12	-	864
Provisions	13	5,800	6,462
Total Non-Current Liabilities		5,800	7,326
TOTAL LIABILITIES		7,681	12,708
NET ASSETS		20,394	24,145
Equity			
Contributed equity	14	23,663	23,663
Reserves	15	5,787	(1,218)
(Accumulated losses)/retained earnings	16	(9,056)	1,700
TOTAL EQUITY		20,394	24,145

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Contributed Equity \$'000	(Accumulated Losses)/ Retained Earnings \$'000	Other Reserves \$'000	Total \$'000
Balance at 1 July 2015		23,663	43,668	(1,063)	66,268
Loss for the year		-	(41,968)	-	(41,968)
Other comprehensive loss for the year		-	-	(47)	(47)
Total comprehensive loss for the year		-	(41,968)	(47)	(42,015)
Transactions with owners in their capacity as owners:					
- Employee share options and performance rights	15	-	-	(108)	(108)
		-	-	(108)	(108)
Balance at 30 June 2016		23,663	1,700	(1,218)	24,145
Loss for the year		-	(4,203)	-	(4,203)
Other comprehensive loss for the year		-	(6,553)	6,616	63
Total comprehensive loss for the year		-	(10,756)	6,616	(4,140)
Transactions with owners in their capacity as owners:					
- Employee share options and performance rights	15	-	-	389	389
		-	-	389	389
Balance at 30 June 2017		23,663	(9,056)	5,787	20,394

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$'000	2016 \$'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		116	30,836
Payments to suppliers and employees (inclusive of GST)		(2,641)	(42,995)
		(2,525)	(12,159)
Interest received		258	298
Other income		139	1,584
Interest paid		(58)	(243)
Net Cash Outflow from Operating Activities	6(a)	(2,186)	(10,520)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		-	(207)
Payments for exploration, evaluation and development expenditure		(4,502)	(2,484)
Proceeds from sale of property, plant and equipment		4,876	2,890
Proceeds from sale of other financial assets at fair value through other comprehensive income		471	54
Net Cash Inflow from Investing Activities		845	253
Cash Flows from Financing Activities			
Lease payments		-	(2,191)
Payments from/(to) cash restricted cash accounts		256	(7,868)
Net Cash Inflow/(Outflow) from Financing Activities		256	(10,059)
Net Decrease in Cash and Cash Equivalents		(1,085)	(20,326)
Cash and Cash Equivalents at the Beginning of the Financial Year		12,635	32,961
Cash and Cash Equivalents at the End of the Financial Year	6	11,550	12,635

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Mincor Resources NL and its subsidiaries.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. Mincor Resources NL is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the consolidated entity comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of other financial assets at fair value through other comprehensive income as well as financial assets and liabilities at fair value through profit or loss or equity.

b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mincor Resources NL as at 30 June 2017 and the results of all subsidiaries for the year then ended. Mincor Resources NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(r)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of financial position respectively.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

i) Joint operations

The consolidated entity recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in Note 22.

ii) Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Principles of Consolidation (cont'd)

Joint arrangements (cont'd)

iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the consolidated entity.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

d) Revenue Recognition

Sales revenue comprises revenue earned from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when the product is delivered and:

- risk has been passed to the customer;
- the product is in a form suitable for delivery;
- the quantity of the product can be determined with reasonable accuracy;
- the product has been dispatched to the customer and is no longer under the physical control of the producer; and
- the selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer. Sales are initially recognised at the fair value of consideration received or receivable (estimated sales value when the product is delivered). Adjustments are subsequently made for variations in metal assay, weight, expected final price/final price and currency between the time of delivery and the time of final settlement of sales proceeds. These adjustments are recognised as part of sales revenue and trade receivables.

Interest income is recognised using the effective interest rate method.

e) Property, Plant and Equipment

Office property, plant and equipment is stated at historical cost less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Office property, plant and equipment are depreciated or amortised over their estimated useful economic lives using either the straight line or reducing balance method. The expected useful lives are as follows:

- Plant and Equipment - 2 to 5 years
- Furniture and Fittings - 3 to 10 years

Refer to Notes 1(i), 1(j), 1(k) and 1(l) for the accounting policy with respect to exploration and evaluation expenditure, development properties, mine properties and mine buildings, machinery and equipment.

An asset's carrying amount is written down immediately to its recoverable amount, in accordance with the accounting policy in Note 1(s), if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

f) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Companies within the Group may be entitled to claim special tax deductions for the investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

g) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the entities comprising the consolidated entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Mincor Resources NL's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose change in the fair value are presented in other comprehensive income are included in the related reserve in equity.

iii) Group companies

The results and financial position of all the entities comprising the consolidated entity (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Foreign Currency Translation (cont'd)

iii) Group companies (cont'd)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or borrowings repaid, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

h) Inventories

Raw materials, work in progress and finished goods

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

i) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are initially capitalised when incurred and then written off except where they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

j) Development Expenditure

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, any deferred exploration and evaluation expenditure is transferred to "Development Expenditure".

All expenditure incurred prior to the commencement of commercial levels of production from each development property, is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until they are reclassified as "Mine Properties" following a decision to commence mining.

k) Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the consolidated entity in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when it is probable that the associated future economic benefits will flow to the consolidated entity, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mine. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

NOTES TO THE FINANCIAL STATEMENTS

l) Mine Buildings, Machinery and Equipment

The cost of each item of buildings, machinery and equipment is written off over its expected useful life using either the unit-of-production or straight-line method. Cost includes expenditure that is directly attributable to the acquisition of the items. The unit-of-production basis results in an amortisation charge proportional to the depletion of the recoverable mineral reserves, or for leased assets the useful economic machine life measured in hours. Each item's economic life has due regard to both its own physical life limitations and to present assessments of recoverable mineral reserves of the mine property at which the item is located, and to possible future variations in those assessments.

Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments of major items.

The expected useful lives are as follows:

- Mine buildings – the shorter of applicable mine life and 5 years;
- Machinery and equipment – the shorter of applicable mine life and 2 to 10 years, depending on the nature of the asset; and
- Leased machinery – machine life measured in hours per manufacturer guidelines.

m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the cost of qualifying assets. Qualifying assets are assets that take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year. No interest was capitalised in 2017 (2016: Nil).

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

n) Leased Non-Current Assets

Leases of property, plant and equipment where the consolidated entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated in accordance with the policy on note 1(e) above.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the consolidated entity is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

o) Employee Benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii) Other long-term employee benefit obligations

This comprises the liability for long service leave and annual leave that are not expected to be settled within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the consolidated entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Employee Benefits (cont'd)

iii) Share-based payments

Share-based compensation benefits are provided to employees via the Mincor Resources NL Performance Rights Plan and the Mincor Resources NL Employee Share Option Plan.

The fair value of options granted under the Mincor Resources Employee Share Option Plan and performance rights granted under the Mincor Resources Performance Rights Plan are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options or performance rights.

The fair value of options at grant date is determined using a Binomial option valuation model that takes into account the exercise price, the term of the option, the vesting period, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of performance rights at grant date is calculated based on the market price of the Company's share price on the date, and adjusted to take into account the likelihood that all vesting conditions will be met during the performance period.

The fair value of the options and performance rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to vest. At each statement of financial position date, the entity revises its estimate of the number of options and performance rights that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

p) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes deposits at call with financial institutions, term deposits, short-term bank bills, and cash at bank and in transit, all of which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

q) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with the changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

s) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that previously suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

t) Investments and Other Financial Assets

i) Classification

The consolidated entity classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss;
- Trade and other receivables; and
- Other financial assets at fair value through other comprehensive income.

The classification depends on the purpose for which the investments were acquired. The consolidated entity determines the classification of its financial assets at initial recognition.

A) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or equity investments for which the consolidated entity has not irrevocably elected to recognise any movements in their fair value through reserves. Financial assets held for trading are classified in this category if acquired principally for the purpose of selling in the short term. The policy of management is to designate a financial asset held for trading if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value.

Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current assets.

All equity investments are measured at fair value. Equity investments are measured at fair value through profit or loss unless the consolidated entity has made an irrevocable election at initial recognition of each investment to account for changes in fair value through other comprehensive income ("OCI") or profit or loss (refer (C) below).

B) Trade and other receivables

Trade and other receivables arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets.

C) Other financial assets at fair value through other comprehensive income

Equity investments which are not held for trading and for which the consolidated entity has irrevocably elected to recognise any movements in their fair value through reserves are classified as other financial assets at fair value through other comprehensive income.

ii) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade and other receivables are subsequently carried at amortised cost using the effective interest method.

The consolidated entity subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the statement of profit or loss and other comprehensive income as applicable. Interest income from these financial assets is included in the net gains/(losses). Dividend income is presented as other revenue.

Changes in the fair value of financial assets at fair value through other comprehensive income are recognised in reserves. There is no subsequent reclassification of fair value gains and losses to profit or loss for these financial assets. Dividends from such investments continue to be recognised in profit or loss as other revenue when the consolidated entity's right to receive payments is established and as long as they represent a return on investment.

Details on how the fair value of financial instruments is determined are disclosed in Note 2(d).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

t) Investments and Other Financial Assets (cont'd)

iv) Impairment

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. No impairment assessment is required for assets classified as financial assets at fair value through other comprehensive income.

Assets carried at amortised cost

For trade and other receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the consolidated entity may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

u) Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of highly probable forecast transactions (cash flow hedges).

The consolidated entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or a liability when the remaining maturity of the hedged item is less than 12 months.

i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

NOTES TO THE FINANCIAL STATEMENTS

v) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the consolidated entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

w) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where the consolidated entity purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the consolidated entity. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the consolidated entity.

x) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the reporting period but not distributed at the end of the reporting period.

y) Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

z) Rehabilitation and Mine Closure Costs

The consolidated entity has obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment.

Under **AASB 116 Property, Plant and Equipment**, the cost of an asset includes any estimated costs of dismantling and removing the asset and restoring the site on which it is located. The capitalised rehabilitation and mine closure costs are depreciated (along with the other costs included in the asset) over the asset's useful life.

AASB 137 Provisions, Contingent Liabilities and Contingent Assets requires a provision to be raised for the present value of the estimated cost of settling the rehabilitation and restoration obligations existing at balance date. The estimated costs are discounted using a pre-tax discount rate that reflects the time value of money. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. As the value of the provision represents the discounted value of the present obligation to restore, dismantle and rehabilitate, the increase in the provision due to the passage of time is recognised as a borrowing cost.

aa) Royalties

Royalties, to the extent that they represent period costs, are accrued and charged against earnings when the liability from production or sale of the mineral crystallises.

In the case of business combinations, future royalty payments may represent contingent purchase consideration. Where this is the case and an estimate of the probable payments can be reliably measured, such amounts are included in the cost of the business combination.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ab) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

ac) Critical Accounting Estimates and Judgements

Critical accounting estimates and judgements are continually evaluated and are based on management's historical experience and knowledge of relevant facts and circumstances at that time.

The consolidated entity makes estimates and judgements concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amounts of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. Information on such estimates and judgements are contained in the accounting policies and/or notes to the financial statements.

Key accounting estimates include:

- estimation of dismantling, restoration costs, environmental clean-up costs and the timing of this expenditure (Notes 1(z) and 13);
- asset carrying value and impairment charges (Note 9);
- determination of ore reserves; and
- capitalisation and impairment of exploration and evaluation expenditure.

Management has made an assessment of the probability that sufficient future taxable income will be generated to utilise carried forward tax losses and has concluded that recognition of deferred tax assets is not appropriate resulting in non-recognition of deferred tax assets of \$21,342,000 (2016: 20,607,000).

ad) Parent Entity Financial Information

The financial information for the parent entity, Mincor Resources NL disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below.

i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Mincor Resources NL. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii) Tax consolidation legislation

Mincor Resources NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Mincor Resources NL, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Mincor Resources NL recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Mincor Resources NL for any current tax payable assumed and are compensated by Mincor Resources NL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Mincor Resources NL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTES TO THE FINANCIAL STATEMENTS

iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

ae) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below:

i) AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The consolidated entity early adopted **AASB 9 Financial Instruments Phase 1** from July 2011 and is yet to assess the full impact of implementing the remaining components of AASB 9, however it is not expected to have a significant impact on the treatment of the consolidated entity's financial instruments. The consolidated entity does not intend to adopt the new standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2019.

ii) AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Following the closure of the nickel operations, the consolidated entity did not generate any operating revenue for the year ended 30 June 2017. There is no impact of AASB 15 on the financial statements for the year ended 30 June 2017.

When a decision is made by the Board to develop the Widgiemooltha Gold Project, the consolidated entity will determine if it will adopt the new standard before its operative date for the reporting period ending 30 June 2019.

iii) AASB 16 Leases

AASB 16 was issued in February 2016 for the recognition of leases (except for short-term and low-value leases) on the statement of financial position. Under this new standard, the distinction between operating and finance leases will be removed, an asset (the right to use the leased item) and a financial liability to pay rentals will be recognised.

The standard will affect the accounting for the consolidated entity's operating leases. As at the reporting date, the consolidated entity has operating lease commitments of \$274,000 (2016: \$750,000).

The consolidated entity has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the consolidated entity's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases, and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

At this stage, the consolidated entity does not intend to adopt the standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2020.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

af) Rounding of Amounts

The Company has relied on the relief provided by the 'ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191', issued by the Australian Securities & Investments Commission, relating to the rounding off of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Financial risk management is carried out by senior management and is the responsibility of the Board of Directors. Senior management continuously monitor forecast and actual cash flows and seek Board approval for expenditure greater than \$500,000.

There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the risks since mining operations being placed on care and maintenance.

a) Market Risk

i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The entity manages its foreign exchange risk exposure arising from future commercial transactions through sensitivity analysis, cash flow management and forecasting.

The consolidated entity is exposed to foreign exchange risk principally through the holding of US dollar denominated cash and cash equivalents and interest-bearing liabilities.

The consolidated entity's exposure to foreign currency risk at the end of the reporting period expressed in Australian dollars was as follows:

	30 June 2017 \$'000	30 June 2016 \$'000
Cash, cash equivalents and restricted cash	1,286	5,330
Trade and other receivables	-	118
Interest-bearing liabilities	79	4,136

Group sensitivity

Based on the financial instruments held at 30 June 2017, had the Australian dollar strengthened/weakened by 10% against the US dollar, with all other variables held constant, the consolidated entity's post-tax loss for the year would have been \$110,000 higher/\$134,000 lower (2016: post-tax loss \$119,000 higher/\$146,000 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated cash and cash equivalents.

ii) Price risk

The consolidated entity is not currently exposed to equity security price risk.

iii) Cash flow interest rate risk

Interest rate risk arises from the consolidated entity's cash and cash equivalents earning interest at variable rates. The significance and management of the risks to the consolidated entity and the parent entity are dependent on a number of factors, including:

- interest rates;
- level of cash, liquid investments and borrowings and their term;
- maturity dates of investments.

At the end of the reporting period, the consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	30 June 2017		30 June 2016	
	Weighted average interest rate	Balance \$'000	Weighted average interest rate	Balance \$'000
Cash, cash equivalents and restricted cash	1.83%	12,009	1.20%	18,014

The risk is managed by the consolidated entity by maintaining an appropriate mix between short-term fixed and floating rate cash and cash equivalents.

Group sensitivity

Based on the financial instruments at 30 June 2017, if interest rates had changed by +/-50 basis points from the year-end rates, with all other variables held constant, post-tax loss and equity for the year would have been \$60,000 lower/\$54,000 higher (2016: post-tax loss and equity \$90,000 lower/\$63,000 higher).

NOTES TO THE FINANCIAL STATEMENTS

b) Credit Risk

Credit risk arises from cash and cash equivalents and is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. The consolidated entity controls credit risk by setting minimum creditworthiness requirements of counterparties, which for banks and financial institutions is a Standard & Poor's rating of A or better.

The carrying amount of financial assets recorded in the statement of financial position represents the consolidated entity's exposure to credit risk.

c) Liquidity Risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the operating commitments of the business. The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, continuously monitoring forecast and actual cash flows, matching the maturity profile of financial assets and liabilities and identifying when further capital raising initiatives are required.

The consolidated entity had access to a bond and credit card facility. Refer to Note 12 for details at the end of the reporting period.

Contractual maturities of financial liabilities

The following table details the consolidated entity's remaining contractual maturity for its financial liabilities. The amounts presented represent the future undiscounted principal and interest cash flows.

CONSOLIDATED	Less than 1 year \$'000	Between 1 and 5 years \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
AT 30 JUNE 2017				
Financial Liabilities				
Trade payables	133	-	133	133
Finance lease liabilities	79	-	79	79
Non-interest-bearing liabilities	1,167	-	1,167	1,167
Total Financial Liabilities	1,379	-	1,379	1,379
AT 30 JUNE 2016				
Financial Liabilities				
Trade payables	114	-	114	114
Finance lease liabilities	4,039	869	4,908	4,818
Non-interest-bearing liabilities	757	-	757	757
Total Financial Liabilities	4,910	869	5,779	5,689

d) Fair Value Measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The consolidated entity had no financial assets or liabilities measured and recognised at fair value at 30 June 2017.

The following table presents the consolidated entity's financial assets and liabilities measured and recognised at fair value at 30 June 2016.

GROUP	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
AT 30 JUNE 2016				
Assets				
Trade and other receivables	118	-	-	118
Other financial assets at fair value through other comprehensive income	401	-	-	401
Total Assets	519	-	-	519

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2

FINANCIAL RISK MANAGEMENT (cont'd)

d) Fair Value Measurement (cont'd)

The fair value of level 1 trade and other receivables held by the Group is based on quoted market prices at the end of the reporting period. The fair value of level 2 trade and other receivables is calculated in-house based on forward prices for the settlement month.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group was the 30 June 2016 bid price. These instruments are included in level 1.

NOTE 3

REVENUE

Revenue

Sale of goods

Sundry Income

Interest income

Other income

	2017 \$'000	2016 \$'000
Sale of goods	-	18,003
Interest income	278	302
Other income	213	261
	491	18,566

NOTE 4

EXPENSES

Loss before income tax includes the following specific expenses:

Expenses

Rental expenses relating to operating leases

Employee benefit expenses:

- Non-cash share based payment expenses

- Other employee benefits

Impairment:

- Property, plant and equipment (refer Note 9)

Adjustments in rehabilitation provision

Depreciation and amortisation:

- Mine property

- Plant and equipment

	2017 \$'000	2016 \$'000
Rental expenses relating to operating leases	494	497
Employee benefit expenses:		
- Non-cash share based payment expenses	389	(108)
- Other employee benefits	1,373	11,864
	1,762	11,756
Impairment:		
- Property, plant and equipment (refer Note 9)	473	16,483
	473	16,483
Adjustments in rehabilitation provision	(539)	-
Depreciation and amortisation:		
- Mine property	-	8,066
- Plant and equipment	93	1,099
	93	9,165

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 INCOME TAX

a) Numerical reconciliation of income tax expenses to prima facie tax payable

	2017 \$'000	2016 \$'000
Loss before income tax expense	(4,203)	(41,968)
Tax at the Australian tax rate of 30% (2016: 30%)	(1,261)	(12,590)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Share-based payment	(117)	(32)
- Reassessment of tax bases	344	336
- Non-deductible expenses	299	108
- Non-recognition of deferred tax assets	735	12,178
Income tax benefit	-	-

c) Franking Credits

	2017 \$'000	2016 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2016: 30%)	64,604	64,604

The amounts represent the balance of the franking account as at the reporting date, adjusted for:

- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- Franking credits that may be prevented from being distributed in subsequent financial years.

d) Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	2017 \$'000	2016 \$'000
Deferred tax liabilities		
Evaluation and acquired exploration	(4,328)	(3,787)
Total deferred tax liabilities	(4,328)	(3,787)
Deferred tax assets		
Tax losses	23,714	21,942
Employee benefits	153	171
Rehabilitation	1,370	1,937
Property, plant and equipment	80	19
Other	353	325
Total deferred tax assets	25,670	24,394
Non-recognition of tax assets	(21,342)	(20,607)
Net deferred tax asset/(liability)	-	-

Management has made an assessment of the probability that sufficient future taxable income (including the reversal of taxable temporary differences) will be generated to utilise the carried forward tax losses. Management has concluded that recognition of deferred tax assets is not appropriate and has not recognised deferred tax assets of \$21,342,000 (2016: 20,607,000).

The consolidated entity has entered into a tax funding agreement. Refer to Note 1(ad)(ii).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents
Restricted cash

	2017 \$'000	2016 \$'000
Cash and cash equivalents	11,550	12,635
Restricted cash	459	5,379
	12,009	18,014

Cash and cash equivalents includes deposits at call with financial institutions, term deposits and cash at bank, all of which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Restricted cash represents cash deposits held as security against the consolidated entity's debt facilities.

a) Reconciliation of Net Cash Inflow from Operating Activities to Operating Loss after Income Tax

Loss for the year

Add/(Less): Non-Cash Items

Depreciation
Amortisation
Impairment
Net profit on sale of non-current assets
Exploration expenditure written off
Employee benefits expense – share-based payments
Adjustments in rehabilitation provision
Foreign exchange (losses)/gains on revaluation of lease liability and restricted cash
Other

Change in operating assets and liabilities

Decrease in trade receivables
Decrease in inventories
Decrease in prepayments
Decrease in creditors and accruals
Decrease in employee entitlement provisions

Net cash outflow from operating activities

	2017 \$'000	2016 \$'000
Loss for the year	(4,203)	(41,968)
Add/(Less): Non-Cash Items		
Depreciation	93	2,273
Amortisation	-	6,892
Impairment	473	16,483
Net profit on sale of non-current assets	(2,115)	(2,365)
Exploration expenditure written off	3,798	3,494
Employee benefits expense – share-based payments	389	(108)
Adjustments in rehabilitation provision	(539)	142
Foreign exchange (losses)/gains on revaluation of lease liability and restricted cash	(81)	762
Other	5	5
Change in operating assets and liabilities		
Decrease in trade receivables	397	11,167
Decrease in inventories	-	1,978
Decrease in prepayments	70	456
Decrease in creditors and accruals	(414)	(6,694)
Decrease in employee entitlement provisions	(59)	(3,037)
Net cash outflow from operating activities	(2,186)	(10,520)

The consolidated entity's exposure to interest rate risk is disclosed in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 7

TRADE AND OTHER RECEIVABLES

Current

Trade receivables
Other receivables
Prepayments

	2017 \$'000	2016 \$'000
Trade receivables	-	118
Other receivables	119	415
Prepayments	316	408
	435	941

a) Impaired Receivables

The consolidated entity has no impaired receivables (2016: Nil).

b) Past Due but not Impaired

All current and non-current trade and other receivables are fully performing and the trade receivables are due from companies with a good collection track record with the consolidated entity. This was the same as at 30 June 2016.

c) Effective Interest Rate and Credit Risk

All receivables in 2017 and 2016 are non-interest bearing and therefore have no exposure to interest rate risk. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The consolidated entity does not hold collateral as security. Refer to Note 2 for more information on the risk management policy of the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8

OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) Other Financial Assets at Fair Value through Other Comprehensive Income

	2017 \$'000	2016 \$'000
At beginning of year	401	503
Revaluation in current year transferred to equity (Note 15)	63	(47)
Disposal in current year	(464)	(55)
At end of year	-	401
Represented by:		
Equity securities – listed	-	401
	-	401

NOTE 9

PROPERTY, PLANT AND EQUIPMENT

Consolidated	Mine property & development \$'000	Property, plant & equipment \$'000	Leased plant & equipment \$'000	Total \$'000
At 30 June 2015				
Cost	449,854	57,088	11,045	517,987
Accumulated depreciation	(430,068)	(55,286)	(1,497)	(486,851)
Net book amount	19,786	1,802	9,548	31,136
Year ended 30 June 2016				
Opening net book amount	19,786	1,802	9,548	31,136
Additions	172	29	6	207
Disposals	(805)	(268)	-	(1,073)
Depreciation/amortisation charge	(8,066)	(830)	(269)	(9,165)
Impairment loss	(11,087)	(124)	(5,272)	(16,483)
Closing net book amount	-	609	4,013	4,622
At 30 June 2016				
Cost	449,221	56,849	11,051	517,121
Accumulated depreciation	(449,221)	(56,240)	(7,038)	(512,499)
Net book amount	-	609	4,013	4,622
Year ended 30 June 2017				
Opening net book amount	-	609	4,013	4,622
Additions	-	-	-	-
Disposals	-	(7)	(2,980)	(2,987)
Depreciation/amortisation charge	-	(93)	-	(93)
Impairment loss	-	-	(473)	(473)
Closing net book amount	-	509	560	1,069
At 30 June 2017				
Cost	449,221	56,842	8,071	514,134
Accumulated depreciation	(449,221)	(56,333)	(7,511)	(513,065)
Net book amount	-	509	560	1,069

Refer to Note 12 for information on non-current assets pledged as security by the parent entity or its controlled entities.

Impairment Charge

Following the closures of the nickel operations in January 2016, the consolidated entity sold majority of its mobile equipment during the financial year ended 30 June 2017. Some equipment is still held as at reporting date. Consequently, these assets have been impaired to their recoverable amount under AASB 136 and AASB 13. The recoverable amount of the mobile plant was based on the market value of the equipment at reporting date obtained from an independent source with a mid-point of the valuation adopted as the recoverable amount. The market value of the mobile plant is considered to be a level 2 fair value measurement (as defined by Accounting Standards), as quoted prices for similar assets or liabilities in active markets are available.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10

EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	2017 \$'000	2016 \$'000
Exploration and Evaluation Expenditure		
Opening balance	12,875	13,763
Current year expenditure	5,605	2,464
Adjustments to rehabilitation provision	(120)	142
Expenditure written off in current year	(3,798)	(3,494)
Total Exploration, Evaluation and Development Expenditure	14,562	12,875

NOTE 11

PAYABLES

	2017 \$'000	2016 \$'000
Current		
Trade payables	133	114
Other creditors and accruals	1,167	757
	1,300	871

NOTE 12

INTEREST-BEARING LIABILITIES

	2017 \$'000	2016 \$'000
Current		
Lease liabilities (secured)	79	3,954
Non-Current		
Lease liabilities (secured)	-	864

Financing Arrangements

Entities in the consolidated entity have access to the following financing arrangements at balance date:

	2017 \$'000	2016 \$'000
Bond and Credit Card Facility – secured	380	380
Asset Purchase Facility (USD\$) – secured	79	4,213
Asset Purchase Facility (AUD\$) – secured	-	786
Less: Drawdown portion	(459)	(5,379)
	-	-

The Bond and Credit Card Facility is denominated in Australian dollars and is secured by cash. An annual performance bond fee is charged at market rates. The bonding facility drawn down at 30 June 2017 was \$380,000 (2016: \$380,000). No amounts are payable under this facility, other than the annual fee, unless the consolidated entity does not adhere to the terms of the agreements guaranteed.

The Asset Purchase Facility (USD\$) is denominated in US dollars and is translated into Australian dollars at the year-end exchange rate; and is secured by cash. At the end of the lease term the consolidated entity acquires ownership of assets purchased under financing arrangements.

The consolidated entity has a debt facility totalling \$459,000 (2016: \$5,379,000) at reporting date which are secured against cash deposits of the same amount shown as restricted cash on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 PROVISIONS

Current

Employee benefits

Non-Current

Employee benefits

Rehabilitation (a)

	2017 \$'000	2016 \$'000
Employee benefits	502	557
Employee benefits	4	7
Rehabilitation (a)	5,796	6,455
	5,800	6,462

In accordance with State Government legislative requirements, a provision for mine rehabilitation has been recognised in relation to the consolidated entity's nickel mining operations. The basis for accounting is set out in Note 1 (z) of the significant accounting policies.

a) Movements in provisions

Movements in the rehabilitation provision during the financial year are set out below.

Rehabilitation

Carrying amount at start of year
Adjustments to provision estimates
Charged to profit or loss
- Unwinding of discount
Carrying amount at end of year

	2017 \$'000	2016 \$'000
Carrying amount at start of year	6,455	6,975
Adjustments to provision estimates	(659)	(662)
Charged to profit or loss		
- Unwinding of discount	-	142
Carrying amount at end of year	5,796	6,455

NOTE 14 CONTRIBUTED EQUITY

a) Issued and Paid-up Capital

188,888,426 (2016: 188,830,404) fully paid ordinary shares

	2017 \$'000	2016 \$'000
	23,663	23,663

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

b) Movements in Ordinary Share Capital

2016

Opening balance
Shares issued pursuant to the vesting of performance rights over fully paid ordinary shares
Closing balance

	No. of shares	Issue price	\$'000
Opening balance	188,238,274		23,663
Shares issued pursuant to the vesting of performance rights over fully paid ordinary shares	592,130	-	-
Closing balance	188,830,404		23,663

2017

Opening balance
Shares issued pursuant to the vesting of performance rights over fully paid ordinary shares
Closing balance

Opening balance	188,830,404		23,663
Shares issued pursuant to the vesting of performance rights over fully paid ordinary shares	58,022	-	-
Closing balance	188,888,426		23,663

c) Options

At 30 June 2017 options to take up shares in Mincor Resources NL are as follows:

Number and class	Issue date	Expiry date	Exercise price
5,550,000 unlisted ⁽¹⁾	18 May 2016	18 May 2021	50 cents per share

1) Options have been granted under the Employee Share Option Plan to all employees. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14

CONTRIBUTED EQUITY (cont'd)

d) Performance Rights

At 30 June 2017 performance rights to take up shares in Mincor Resources NL are as follows:

Number and class	Issue group	Issue date	Expiry date
343,000 unlisted	Senior executives/managers	19 February 2015	19 February 2019
6,000 unlisted	All employees	19 February 2015	19 February 2019
200,000 unlisted	Chief Executive Officer	2 October 2015	2 October 2019

e) Capital Risk Management

The consolidated entity manages its capital to ensure entities in the Group will be able to continue as going concern whilst maximising the return to stakeholders through the optimisation of its capital structure comprising equity, debt and cash.

The capital structure of the consolidated entity consists of debt, which includes borrowings disclosed in Note 12, cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital, reserves and (accumulated losses)/retained earnings as disclosed in Notes 15 and 16 respectively.

The consolidated entity reviews the capital structure on an ongoing basis. As part of this review the consolidated entity considers the cost of capital and the risks associated with each class of capital. Based on recommendations from the Board of Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues, share buy-backs, new debt or the refinancing or repayment of existing debt.

The consolidated entity reviews its gearing level. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'interest bearing debt' and 'trade and other payables' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

As the consolidated entity had no net debt at 30 June 2017, its gearing level was Nil (30 June 2016: Nil).

NOTE 15

RESERVES

Other financial assets at fair value through other comprehensive income
Share-based payments

Movements:

Other financial assets at fair value through other comprehensive income

Balance at 1 July

Amounts transferred to equity

Revaluation – gross (Note 8)

Balance at 30 June

Share-based payments

Balance at 1 July

Option expense (Note 25)

Performance rights expense (Note 25)

Balance at 30 June

	2017 \$'000	2016 \$'000
Other financial assets at fair value through other comprehensive income	-	(6,616)
Share-based payments	5,787	5,398
	5,787	(1,218)
<i>Other financial assets at fair value through other comprehensive income</i>		
Balance at 1 July	(6,616)	(6,569)
Amounts transferred to equity	6,553	-
Revaluation – gross (Note 8)	63	(47)
Balance at 30 June	-	(6,616)
<i>Share-based payments</i>		
Balance at 1 July	5,398	5,506
Option expense (Note 25)	448	74
Performance rights expense (Note 25)	(59)	(182)
Balance at 30 June	5,787	5,398

Nature and Purpose of Reserves

i) Other financial assets at fair value through other comprehensive income

Changes in the fair value and exchange differences arising on translation of investments, such as equities, are recognised in other comprehensive income, as described in Note 1(t).

ii) Share-based payments

The share-based payments reserve is used to recognise the fair value of options and performance rights at grant date issued to employees but not exercised.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 (ACCUMULATED LOSSES)/RETAINED EARNINGS

Balance 1 July
Loss for the year
Amount transferred from reserves (Note 15)
Balance 30 June

2017 \$'000	2016 \$'000
1,700	43,668
(4,203)	(41,968)
(6,553)	-
(9,056)	1,700

NOTE 17 EXPENDITURE COMMITMENTS AND CONTINGENCIES

a) Exploration Expenditure Commitments

Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:

- Within one year

2017 \$'000	2016 \$'000
3,188	3,674

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable within one year. All of the above obligations are subject to renegotiation upon expiry of the mineral tenements.

b) Operating Lease Commitments

Operating lease commitments are as follows:

Office rental

- Within one year
- Later than one year but not later than five years

2017 \$'000	2016 \$'000
274	476
-	274
274	750

c) Finance Lease Commitments

Finance and hire purchase rentals for plant and equipment are payable as follows:

- Within one year
 - Later than one year but not later than five years
- Minimum lease payments
Less: future finance charges
Recognised as a liability

Representing interest-bearing liabilities:

- Current (Note 12)
- Non-current (Note 12)

2017 \$'000	2016 \$'000
79	4,039
-	869
79	4,908
-	(90)
79	4,818
79	3,954
-	864
79	4,818

d) Capital Commitments

There is no significant capital expenditure contracted for at the end of the reporting period (2016: Nil).

e) Contingent Assets and Liabilities

There are no known contingent assets or liabilities as at 30 June 2017 (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 SEGMENT INFORMATION

Description of Segments

The Group has one reportable operating segment being mineral exploration and evaluation.

In determining operating segments, the Group has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources. The Managing Director is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Group. The Managing Director assesses and reviews the business using a total Group business approach and utilises an executive team consisting of the Chief Financial Officer and Exploration Manager to assist with this function. The Managing Director assesses the performance of the operating segment based on a measure of net profit after tax.

NOTE 19 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Group, and its related practices and non-related audit firms.

a) Audit services

PricewaterhouseCoopers Australian firm

- Audit and review of financial statements and other audit work under the *Corporations Act 2001*

PricewaterhouseCoopers Papua New Guinea firm

- Audit and review of financial reports

Total remuneration for audit services

b) Non-audit services

Taxation services

PricewaterhouseCoopers Australian firm

- Tax compliance services, including review of company income tax returns

PricewaterhouseCoopers Papua New Guinea firm

- Tax compliance services, including review of company income tax returns

Total remuneration for taxation services

	2017 \$	2016 \$
	64,000	127,500
	3,884	-
Total remuneration for audit services	67,884	127,500
	25,500	42,932
	4,231	-
Total remuneration for taxation services	29,731	42,932

NOTE 20 SUBSIDIARIES

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2017 (%)	2016 (%)
Oribi Resources Inc ¹	British Virgin Islands	Ordinary	-	100
Mincor Operations Pty Limited	Australia	Ordinary	100	100
Mincor Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Gold Pty Ltd	Australia	Ordinary	100	100
Mincor Copper Pty Ltd	Australia	Ordinary	100	100
Mincor Tungsten Pty Ltd	Australia	Ordinary	100	100
Mincor Zinc Pty Ltd	Australia	Ordinary	100	100
Goldfields Mine Management Pty Ltd ²	Australia	Ordinary	100	100
Mincor Coal Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Iron Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor PNG Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor PNG Limited ³	Papua New Guinea	Ordinary	100	100

1) During the financial year ended 30 June 2017, the Directors of Oribi Resources Inc resolved to voluntarily wind up and dissolve the company. The company was dissolved on the 21 March 2017, pursuant to the BVI Business Companies Act, 2004.

2) This subsidiary has been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities & Investments Commission. For further information refer to Note 22.

3) On 30 June 2017, the Company executed an agreement to sell 17% of its interest in the Edie Creek mining leases to former joint venture partner, Niuminco Ltd, through their subsidiary, Niuminco Edie Creek Limited. The sale price is \$150,000, payable two years from the completion date in cash or shares (at Niuminco's election), or earlier should Niuminco sell the leases to a third party. Should Niuminco choose to pay in shares, the share price will be a 30-day VWAP for the 30 trading days immediately preceding the date of the notice of election by Niuminco. The settlement of this transaction was completed on the 4 August 2017.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 DEED OF CROSS GUARANTEE

Mincor Resources NL and Goldfields Mine Management Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities & Investments Commission.

a) Consolidated Statement of Profit or Loss and Other Comprehensive Income, and a Summary of Movements in Consolidated Retained Earnings

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Mincor Resources NL, they also represent the 'Extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2017 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2017 \$'000	2016 \$'000
Revenue	-	18,003
Sundry income	491	563
Mining costs	-	(17,397)
Royalty expense	(21)	(670)
Employee benefit expense	(1,762)	(11,756)
Occupancy expenses	(476)	(476)
Administrative expenses	(578)	(1,088)
Finance costs	(58)	(412)
Foreign exchange (losses)/gain	(40)	300
Exploration costs expensed	(3,699)	(3,427)
Depreciation and amortisation expense	(93)	(9,165)
Profit from sale of property, plant and equipment	2,115	2,365
Impairment of property, plant and equipment	(473)	(16,483)
Provision for doubtful debt on intercompany receivable	(697)	(5,118)
Adjustments in rehabilitation provision	539	-
Other expenses from ordinary activities	(318)	(2,256)
Loss before income tax	(5,070)	(47,017)
Income tax benefit	-	-
Loss for the year	(5,070)	(47,017)
Other comprehensive loss/(income)		
Financial assets at fair value through other comprehensive loss	63	(36)
Other comprehensive loss for the year, net of tax	63	(36)
Total comprehensive loss for the year	(5,007)	(47,053)
Summary of movements in consolidated retained earnings		
(Accumulated losses)/retained earnings at the beginning of the financial year	(59,465)	49,527
Amounts transferred to dividend distribution reserve	-	(61,975)
Amounts transferred from investment revaluation reserve to retained earnings	(6,573)	-
Amounts transferred from deferred tax liabilities to retained earnings	93	-
Loss for the year	(5,070)	(47,017)
Accumulated losses at the end	(71,015)	(59,465)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21

DEED OF CROSS GUARANTEE (cont'd)

b) Statement of Financial Position

Set out below is a consolidated statement of financial position as at 30 June 2017 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2017 \$'000	2016 \$'000
Current Assets		
Cash and cash equivalents	11,550	12,635
Restricted cash	459	5,379
Trade and other receivables	435	1,839
Total Current Assets	12,444	19,853
Non-Current Assets		
Financial assets at fair value through other comprehensive income	-	43
Property, plant and equipment	1,069	4,622
Exploration and evaluation expenditure	14,562	12,875
Other financial assets	-	310
Total Non-Current Assets	15,631	17,850
TOTAL ASSETS	28,075	37,703
Current Liabilities		
Payables	1,284	871
Interest-bearing liabilities	79	3,954
Provisions	502	556
Total Current Liabilities	1,865	5,381
Non-Current Liabilities		
Interest-bearing liabilities	-	864
Provisions	5,800	6,462
Deferred tax liabilities	-	93
Total Non-Current Liabilities	5,800	7,419
TOTAL LIABILITIES	7,665	12,800
NET ASSETS	20,410	24,903
Equity		
Contributed equity	23,663	23,663
Reserves	67,762	60,705
Accumulated losses	(71,015)	(59,465)
TOTAL EQUITY	20,410	24,903

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22 OTHER ARRANGEMENTS

The consolidated entity has the following arrangements with other entities:

Name	Principal activity	Percentage interest	
		2017	2016
Carnilya Hill Joint Venture	Nickel exploration	70	70
Eddie Creek Joint Venture ¹	Gold exploration	17	17
Tottenham Farm-Out ²	Copper-gold exploration	100	100

- 1) During 2011, the Company entered into an agreement with Niuminco Group Limited whereby the Company undertook to spend \$15 million over five years to earn a 51% interest in the Eddie Creek Gold Project.

During March 2013, the Company completed its work at the Eddie Creek Project. Mincor considers that the ore system is likely to have a number of small gold deposits rather than one single viable ore deposit, and accordingly Mincor has elected not to continue to earn any additional interest in the project although potential still remains. During May 2013, the Company met the \$5 million earn-in target and is therefore entitled to a 17% fully-vested interest in the Eddie Creek Joint Venture held through its 100% owned subsidiary Mincor PNG Ltd.

On 30 June 2017, the Company executed an agreement to sell its interest in the Eddie Creek mining leases via the sale of Mincor PNG Ltd to former joint venture partner, Niuminco Group Limited, through their subsidiary, Niuminco Eddie Creek Limited. The sale price is \$150,000, payable two years from the completion date in cash or shares (at Niuminco's election), or earlier should Niuminco sell the leases to a third party. Should Niuminco choose to pay in shares, the share price will be a 30-day VWAP for the 30 trading days immediately preceding the date of the notice of election by Niuminco. The settlement of this transaction was completed on the 4 August 2017.

- 2) On 17 February 2017, the Company entered into an earn-in and joint venture agreement with Bacchus Resources Pty Ltd ("**Bacchus**") over the Tottenham Copper-Gold Project located in New South Wales. Under the Agreement, Bacchus can earn a 30% interest in the Project by spending \$700,000 on exploration, with a minimum expenditure of \$200,000 to earn approximately 11%. Minor contributing expenditure by Mincor may dilute these percentages. Should Bacchus elect to withdraw from the project after the minimum expenditure condition has been met, the Company has a right to clawback Bacchus' equity for 50% of Bacchus' expenditure.

The above arrangements are contractual in nature and the parties do not share joint control. The consolidated entity accounts for these interests by recognising its share of assets, liabilities, income and expense.

NOTE 23 RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and at conditions no more favourable than those available to other parties unless otherwise stated.

a) Parent entity

The ultimate parent entity within the consolidated entity is Mincor Resources NL.

Interests in subsidiaries are set out in Note 20.

b) Key Management Personnel Compensation

Short-term employee benefits
Post-employment benefits
Long-term employment benefits
Share-based payments

	2017 \$	2016 \$
Short-term employee benefits	1,048,820	1,427,673
Post-employment benefits	112,614	144,543
Long-term employment benefits	15,166	19,893
Share-based payments	160,893	14,208
	1,337,493	1,606,317

Disclosures relating to key management personnel remuneration are set out in the remuneration report.

c) Subsidiaries

The aggregate amounts receivable from/payable to controlled entities are on an interest-free basis and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23

RELATED PARTY TRANSACTIONS (cont'd)

d) Transaction with other related parties

During the financial year ended 30 June 2017, BTL Mining Advisory, a related entity of Mr BT Lambert provided consultancy services which were deemed to be provided outside of the ordinary requirements of Non-executive Director duties. The consultancy services were provided over a two months period from May to June 2017. A total consultancy fee of \$7,326 (2016: Nil) was invoiced to the consolidated entity for the reporting period. This amount has not been paid as at 30 June 2017. This transaction was based on normal commercial terms and conditions.

There were no other transactions with key management personnel of the consolidated entity during the 2017 and 2016 financial year.

NOTE 24

EARNINGS PER SHARE

a) Basic earnings per share

Loss attributable to the ordinary equity holders of the Company

b) Diluted earnings per share

Loss attributable to the ordinary equity holders of the Company

c) Earnings used in calculating earnings per share

Basic and diluted earnings per share

Loss for the year

Loss attributable to the ordinary equity holders of the Company

d) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share

	2017 Cents	2016 Cents
	(2.2)	(22.3)
	(2.2)	(22.3)
	(4,203)	(41,968)
	(4,203)	(41,968)
	188,857,440	188,411,857

NOTE 25

SHARE-BASED PAYMENTS

a) Options

Mincor Resources Employee Share Option Plan

During the 2016 financial year, and as approved by the Board, the Mincor Resources Employee Share Option Plan ("ESOP") was introduced which replaced the Performance Rights Plan. Persons eligible to participate in the ESOP include Directors and all employees of the Company.

Options are granted under the ESOP for no consideration for a maximum period of five years and can be exercised at any time between the date the option vests and the expiry date, subject to the imposition of any specified vesting date determined at the discretion of the Directors.

When exercisable, each option is converted into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

The exercise price of options is determined at the discretion of the Board and is set to incentivise the executives to increase shareholder value. All options granted carry no dividend or voting rights.

Details of the options granted are set out below is a summary of options lapsed under the plan.

Grant date	Expiry date	Exercise price	Fair value per option at grant date	Opening balance	Options vested	Options lapsed	Vested and exercisable at end of the year	Vesting date
18 May 2016	18 May 2021	\$0.50	\$0.1254	6,500,000	5,550,000	(950,000)	5,550,000	18 May 2017

The weighted average contractual life of options outstanding at the end of the period was 3.88 years (2016: 4.88).

The fair value at grant date is determined using the Binominal option valuation methodology that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTES TO THE FINANCIAL STATEMENTS

The model inputs for the options granted include:

Metrics	Options expiring 18 May 2021
a. Exercise price	\$0.50
b. Grant date	18 May 2016
c. Expiry date	18 May 2021
d. Share price at grant date	\$0.34
e. Expected price volatility of the Company's shares	75%
f. Expected dividend yield	0%
g. Risk-free interest rate	1.55%

b) Performance Rights

Mincor Resources Performance Rights Plan

The Mincor Resources Performance Rights Plan ("**Plan**") was introduced, and approved by the Board of Directors in 2012. Persons eligible to participate in the Plan include executive directors and all employees of the Company or a Related Body Corporate of the Company.

Performance rights are granted under the Plan over ordinary shares for no consideration. Performance rights are granted subject to one or all of the following vesting conditions:

- **A Service Condition**, usually a three-year period commencing from the time of grant;
- **Strategic Objective Conditions** measured over the Service Condition period, including:
 - a **safety and sustainability component**;
 - an **operational performance component**, including production, control and growth in ore reserves; and
 - a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

Each component of the Strategic Objective Conditions is earned on a sliding scale basis depending on the degree of success achieved in meeting performance metrics. Certain components of the performance rights may be earned annually but will only be paid when the Service Condition is achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will carry no dividend or voting rights. When exercised, each performance right will be converted into one ordinary share.

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting periods are set out below:

Class	Grant date	Vesting date	Expiry date	Vesting conditions	Value per performance right at grant date
2015/4	2 Oct 2015	31 Dec 2018	2 Oct 2019	<p>Service Condition: Holder must remain an employee for a continuous period from 1 July 2015 until 30 June 2018.</p> <p>Performance Conditions measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.26
2015/1	19 Feb 2015	31 Dec 2017	19 Feb 2019	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2017.</p> <p>Performance Conditions measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.67

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25

SHARE-BASED PAYMENTS (cont'd)

b) Performance Rights (cont'd)

Mincor Resources Performance Rights Plan (cont'd)

Class	Grant date	Vesting date	Expiry date	Vesting conditions	Value per performance right at grant date
2015/2	19 Feb 2015	31 Dec 2017	19 Feb 2019	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2017.</p> <p>Performance Conditions measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.67
2015/3	19 Feb 2015	31 Dec 2017	19 Feb 2019	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2017.</p> <p>Performance Conditions: None</p>	\$0.67
2014/1	20 Jan 2014	31 Dec 2016	20 Jan 2018	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2016.</p> <p>Performance Conditions measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; • operational performance; and • achievement of growth objectives. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.61
2014/2	20 Jan 2014	31 Dec 2016	20 Jan 2018	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2016.</p> <p>Performance Conditions measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics:</p> <ul style="list-style-type: none"> • safety and sustainability; and • operational performance. <p>The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met.</p> <p>Performance Conditions are measured based on a sliding scale.</p>	\$0.61
2014/3	20 Jan 2014	31 Dec 2016	20 Jan 2018	<p>Service Condition: Holder must remain an employee for a continuous three-year period ending 31 December 2016.</p> <p>Performance Conditions: None.</p>	\$0.61

The assessed fair value at grant date of performance rights granted under the Plan is based on the market price of the Company's share at grant date.

NOTES TO THE FINANCIAL STATEMENTS

Set out below are summaries of performance rights granted under the Plan:

Class	Grant date	Vesting date	Expiry date	Opening balance	Granted during the year	Vested and converted to shares during the year	Lapsed during the year	Closing balance
				(number)	(number)	(number)	(number)	(number)
2015/4	02 Oct 2015	31 Dec 2018	02 Oct 2019	200,000	-	-	-	200,000
2015/1	19 Feb 2015	31 Dec 2017	19 Feb 2019	324,000	-	-	(81,000)	243,000
2015/2	19 Feb 2015	31 Dec 2017	19 Feb 2019	100,000	-	-	-	100,000
2015/3	19 Feb 2015	31 Dec 2017	19 Feb 2019	8,000	-	-	(2,000)	6,000
2014/1	20 Jan 2014	31 Dec 2016	20 Jan 2018	336,000	-	(33,064)	(302,936)	-
2014/2	20 Jan 2014	31 Dec 2016	20 Jan 2018	116,000	-	(17,958)	(98,042)	-
2014/3	20 Jan 2014	31 Dec 2016	20 Jan 2018	7,000	-	(7,000)	-	-
Total				1,091,000	-	(58,022)	(483,978)	549,000
Weighted average fair value				\$0.57				\$0.52

The weighted average contractual life of performance rights outstanding at the end of the period was 1.86 years (2016: 2.30).

c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2017 \$ '000	2016 \$ '000
Options issued under employee option plans (refer Note 15)	448	74
Performance rights issued under performance rights plan (refer Note 15)	(59)	(182)
	(389)	(108)

NOTE 26 PARENT ENTITY FINANCIAL INFORMATION

a) Summary Financial Information

The individual financial statements for the parent entity show the following aggregate amounts:

	2017 \$ '000	2016 \$ '000
Statement of Financial Position		
Current assets	12,355	19,761
Total assets	73,201	82,826
Current liabilities	70,230	74,923
Total liabilities	74,259	78,952
Shareholders' equity		
Issued capital	23,663	23,663
Reserves		
- Financial assets at fair value through other comprehensive income	-	(6,668)
- Share-based payments	5,787	5,398
- Dividend distribution reserve	61,975	61,975
Accumulated losses	(92,483)	(80,494)
Total Shareholders' (deficiency)/equity	(1,058)	3,874
Loss for the year	(5,512)	(47,170)
Total comprehensive loss	(5,448)	(47,207)

b) Guarantees entered into by the Parent Entity

Mincor Resources NL and Goldfields Mine Management Pty Ltd have provided a cross guarantee as described in Note 21. No deficiencies of assets exist in any of these entities. Additionally, the parent entity has provided financial guarantees in respect of lease liabilities to the value of \$79,000 to Mincor Operations Pty Ltd (2016: \$4,818,000).

c) Contingent Assets and Liabilities of the Parent Entity

There are no known contingent assets or liabilities as at 30 June 2017 (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 26

PARENT ENTITY FINANCIAL INFORMATION (cont'd)

d) Contractual Commitments for the Acquisition of Property, Plant and Equipment

As at 30 June 2017, the parent entity had no contractual commitments (2016: Nil).

e) Dividend Distribution Reserve

Mincor Resources NL (the parent entity) established a separate reserve for the purpose of separately identifying profits from prior income years from which the parent entity may pay future dividends. This reserve is referred to as the "Dividend Distribution Reserve". On the date of establishment an amount of \$61,975,000 was transferred from retained earnings to this reserve. Transferring amounts into this reserve creates no obligation on the parent entity to make dividend payments in the future. The parent entity will, at its sole discretion, assess on a period by period basis whether to transfer any further profits into such reserves and also whether to subsequently declare and pay dividends.

NOTE 27

EVENTS OCCURRING AFTER BALANCE SHEET DATE

There has not been any other matter or circumstance occurring subsequent to end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and notes set out on pages 16 to 49 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 21 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 21.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Dated at Perth this 16th day of August 2017.



P Muccilli
Managing Director



Independent auditor's report

To the shareholders of Mincor Resources NL

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Mincor Resources NL (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of financial position as at 30 June 2017
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

As described in the Director’s report, the Group holds nickel and gold mining exploration tenements predominantly in the Kambalda district in Western Australia. The Group’s activities for the year were primarily focused on advancing these exploration prospects. The accounting processes are performed by a group finance function at the head office in Perth. We have performed our audit procedures at the Group’s Perth head office.



<i>Materiality</i>	<i>Audit scope</i>	<i>Key audit matters</i>
<ul style="list-style-type: none"> • For the purpose of our audit we used overall quantitative materiality of \$280,000, which represents approximately 1% of the consolidated total assets of the Group. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. 	<ul style="list-style-type: none"> • Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. 	<ul style="list-style-type: none"> • Amongst other relevant topics, we communicated the following key audit matters to the Audit Committee: <ul style="list-style-type: none"> – Impairment assessment of capitalised exploration and evaluation assets – Assessment of the provision for rehabilitation • These are further described in the <i>Key audit matters</i> section of our report.



<i>Materiality</i>	<i>Audit scope</i>	<i>Key audit matters</i>
<ul style="list-style-type: none"> We chose consolidated total assets because, in our view, it is the metric against which the performance of the Group, as a mining explorer, is most commonly measured. We utilised 1% based on our professional judgement noting that it is also within the range of commonly acceptable total asset related thresholds in the mining exploration industry. 		

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Impairment assessment of capitalised exploration and evaluation assets</i> <i>(Refer to note 10) [\$14,562,000]</i></p> <p>At 30 June 2017 the Group held capitalised exploration and evaluation assets of \$14.6 million. As there is typically a high degree of uncertainty associated with mining exploration activities and given the magnitude of the capitalised exploration and evaluation assets, the Group has considered whether any indicators of impairment exist for each area of interest holding capitalised exploration and evaluation expenditure. Should such indicators exist then this would require the Group to undertake an impairment test to determine whether the carrying value of this capitalised expenditure was impaired. The directors did not identify any impairment indicators.</p>	<p>We performed the following procedures to challenge the directors' determination that there were no impairment indicators present in respect of the Group's capitalised exploration and evaluation assets as at 30 June 2017:</p> <ul style="list-style-type: none"> Compared the market value of the Group to its consolidated net asset value at 30 June 2017 and found that the market value exceeded the net asset value by \$13.6 million Tested, on a sample basis, whether the Group had tenure for those tenements with capitalised exploration and evaluation expenditure assets at 30 June 2017 by obtaining supporting third-party records which detail ownership rights. Tested whether the minimum expenditure commitments required to maintain current tenure on tenements with capitalised exploration and evaluation expenditure were forecast to



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>This was a key audit matter because of the significant judgement involved in determining whether impairment indicators were present for each area of interest, and, if so, in estimating whether the capitalised exploration and evaluation assets were recoverable from estimated future cash flows.</p>	<p>be met based on management’s cash flow forecast. To assess the accuracy of management’s budgeting process, we performed procedures including comparing the prior year budget to 30 June 2017 to actual expenditure incurred in 2017.</p> <ul style="list-style-type: none"> • Obtained the results of any completed feasibility studies undertaken to determine if commercially viable quantities of resources are forecast. • Held discussions with management and the directors to understand and evaluate their intentions to continue ongoing and substantive exploration and evaluation activities for each area of interest which contained capitalised exploration and evaluation expenditure at year end.
<p><i>Assessment of the provision for rehabilitation</i> <i>(Refer to note 13) [\$5,796,000]</i></p> <p>The Group has a provision for rehabilitation of \$5.8 million as at 30 June 2017.</p> <p>This is considered to be a key audit matter as the calculation of the provision requires management judgement in estimating the quantum and timing of future costs of rehabilitation work to be performed. These calculations also require management to determine an appropriate rate to discount these future costs back to their present value.</p>	<p>We performed the following procedures to test the provision for rehabilitation:</p> <ul style="list-style-type: none"> • Assessed the competence, experience and objectivity of the internal experts used to prepare the relevant models for determination of the rehabilitation provision. • Critically challenged the key estimates and assumptions used in the rehabilitation models by comparing key inputs to comparable data sourced from external parties and management’s experts. We tested whether any tenement closure conditions had been accounted for in determining the key estimates and assumptions in the relevant rehabilitation models. • Performed a sensitivity analysis on the key estimates and assumptions used in a sample of the rehabilitation models by using other assumptions that we considered reasonably possible to assess the impact on the rehabilitation provision determined.



Other information

The directors are responsible for the other information. The other information included in the Group's annual report for the year ended 30 June 2017 comprises the Director's Report and Corporate Governance Statement (but will not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. We expect other information to be made available to us after the date of this auditor's report, including the Chairman's Report, the Managing Director's Report and the Operations Review Report.

Our opinion on the financial report does not cover the other information and accordingly we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 6 to 12 of the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Mincor Resources NL for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be 'PD', written in a cursive style.

Pierre Dreyer
Partner

Perth
16 August 2017