



M I N C O R

R E S O U R C E S N L

MINCOR RESOURCES NL

(ACN 072 745 692)

HALF-YEAR FINANCIAL REPORT

31 December 2020

CONTENTS

DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	6
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	18
INDEPENDENT AUDITOR'S REVIEW REPORT	19

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Mincor Resources NL (the "Company") and the entities it controlled (together "the Group") at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The names of Directors who held office during the half-year period ended 31 December 2020 and until the date of this report are noted below. Directors were in office for this entire period.

Name	Particulars
Brett Lambert	Non-Executive Chairman
David Southam	Managing Director
Michael Bohm	Non-Executive Director
Liza Carpene	Non-Executive Director
Peter Bewick	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year ended 31 December 2020 were exploration and mining for mineral resources.

REVIEW OF OPERATIONS

KAMBALDA NICKEL OPERATIONS

In September 2020, the Board made a Final Investment Decision ("FID") for the development of the Company's Kambalda Nickel Operations ("KNO") integrated nickel restart plan based on the Definitive Feasibility Study ("DFS") completed in March 2020. KNO comprises of the Cassini and Northern Operations. The FID was made following the receipt of a credit approved term sheet for A\$55 million from two Tier-1 international banks, BNP Paribas and Société Générale.

Health, Heritage, Safety and Environment

COVID-19

On 31 January 2021, the Western Australia Government announced and implemented a COVID-19 - WA five-day lockdown for the entire Perth metropolitan area, and the Peel and South West regions.

The Company and its mining contractor, Pit N Portal, acted swiftly to restrict movement of workers to only staff and workers who are essential to the operations. All non-essential travel has been suspended until further notice. During the half-year, no employee or contractor had been diagnosed with COVID-19.

In addition, the Company updated its COVID-19 social distancing and hygiene protocols, which were implemented in early 2020, including the Infectious Disease Management Plan.

The Company will continue to monitor any future developments associated with COVID-19 to identify and manage risks that may arise.

Heritage

During the half-year, the Company met with the Ngadju Native Title Aboriginal Corporation to formally lay the foundations for how the parties can cooperate and work together. Mincor and Pit N Portal continued discussions and planning for Indigenous employment and training programs.

DIRECTORS' REPORT

Safety and Environment

There were no lost-time incidents ("LTI") or medically treated injuries ("MTI") during the half-year, with the LTI and MTI frequency rates both remaining at zero. Safety processes and controls were the focus for the start-up of mining operations and the Company implemented safety management systems, and environmental management systems at all operations.

Early Works and Mobilisation

Recruitment and on-boarding of key operational management, safety and technical services positions for both Cassini and the Northern Operations were completed, with key roles filled for the first stage of development. All scheduled Pit N Portal mobile equipment have been mobilised on-site and commissioned at both Cassini and the Northern Operations.

Concurrently with the Pit N Portal mobilisation, early pre-development works were undertaken at Northern Operations (which includes Otter Juan and Long), as well as the construction of various buildings and services at the Cassini site. As at 31 December 2020, the bulk of early works were nearly complete, with the remaining activities expected to be completed in March 2021 Quarter.

Cassini Operations - Development

Development commenced at the Cassini Mine with the first cut of the Cassini Portal fired on 11 November 2020. Development metres achieved for Cassini to 31 December 2020 totalled 215m. The blasted waste material from underground development has been used on surface to create all-weather roads around the site infrastructure and dumping areas.

Northern Operations – Development

Development commenced at both the Otter Juan and Long mines in November 2020 across three development headings:

- the first cut from the Otter Juan 1252 access for the Durkin North Decline was fired on 6 November 2020;
- the 13/7 raise bore access ("RBA") first cut at Long was fired on 14 November 2020; and
- the first cut from the Long 16/5 drive for the Durkin North Incline was fired on 11 November 2020.

The 13/7 RBA was completed in December 2020 and is ready for a raise bore rig to drill a ventilation shaft for the Durkin North Incline. Development metres achieved for the Northern Operations to 31 December 2020 totalled 309m.

Nickel Exploration

The Company continued exploration and resource extension activities during the half-year with diamond drilling activities at Cassini Main and Cassini North. In addition, Reverse Circulation ("RC") drilling was completed at Juno 4 and Republican Hill. Significant results for the period include:

- 16.5% upgrade to the Cassini Main Ore Reserve to **1.21Mt @ 3.3% Ni** for 40,100t of contained nickel (refer to ASX announcement dated 17 August 2020 for further details);
- diamond drill intersection at Cassini North of **2.5m @ 6.6% Ni** (including a higher-grade core of 2.0m @ 7.7% Ni), comprising a mix of high tenor massive and matrix nickel sulphides (refer to ASX announcement dated 9 September 2020 for further details);
- at Republican Hill, RC drilling program intersected minor nickel sulphide with a best result of **8.0m @ 0.43% Ni** and additional targets have been defined by downhole electromagnetic survey (refer to ASX announcement dated 27 January 2021). A follow-up RC drilling program has been designed for FY2021; and

DIRECTORS' REPORT

- a moving loop electromagnetic program conducted over the Cassini tenements, which highlighted an untested area at Cassini North.

Competent Persons Statements

The information in this report that relates to nickel Exploration Results and Mineral Resources is based on information compiled by Rob Hartley, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hartley is a full-time employee of Mincor Resources NL and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hartley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to nickel Ore Reserves at Cassini and Long is based on information compiled by Dean Will, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Will is a full-time employee of Mincor Resources NL and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Will consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to nickel Ore Reserves at Burnett, Miitel and Durkin North is based on information compiled by Paul Darcey, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Darcey is a full-time employee of Mincor Resources NL and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Darcey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcements and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In relation to the production target and forecast financial information referred to in the report, the Company confirms that all material assumptions underpinning the production target and the forecast financial information derived from the production target continue to apply and have not materially changed since the original announcement on 25 March 2020.

GOLD ASSETS

A significant amount of tenure within the Company's Kambalda North area is on freehold title (not subject to any gold royalty) and is located on the highly gold endowed Boulder-Lefroy Fault which hosts operations owned by Goldfields (St Ives) to the south and Northern Star Resources Limited (Jubilee) to the north.

Following completion of a high-resolution aerial magnetics survey over the Kambalda North area, a systematic review of the gold potential was commissioned with external consultants. Results from the review will be used to refresh the Company's overall gold strategy together (or separately) with the more advanced Widgiemooltha Gold Assets.

Transactions on the gold assets during the half year included:

- Payment of US\$0.40 million in September 2020 to terminate the Morgan Stanley Gold Royalty, over the Widgiemooltha Gold Project and the Jeffreys Find Project ("JFP"). At the time of termination, the royalty cost, assuming gold was being produced, would have been in excess of A\$200 per ounce.

DIRECTORS' REPORT

- Sale of the Jeffreys Find tenement to Jeffreys Find Pty Ltd, a 100% subsidiary of Auric Mining Limited ("Auric") in September 2020, for a total consideration of \$1.25 million, which comprised:
 - \$0.70 million in cash (\$0.55 million received and \$0.15 million of deferred payments due by 31 October 2021);
 - \$0.55 million in Auric shares priced at \$0.15 each; and
 - 1.833 million options in Auric priced at \$0.40 each to be issued under a Prospectus for an Initial Public Offering.

CORPORATE

Capital Raising

During the half-year, the Company completed the following in relation to the capital raising announced in June 2020, which sought to raise \$60 million (before costs) via a \$50 million Placement and a \$10 million Share Purchase Plan ("SPP"):

- on 1 July 2020, Tranche 1 of the June 2020 Placement shares was settled, and the Company issued 24,001,803 new fully paid ordinary shares at \$0.72 per share and received \$17.3 million (before costs);
- on 22 July 2020, the Company announced the early close of the SPP and the acceptance of oversubscriptions for a total of \$10.4 million (before costs). A total of 14,380,578 new fully paid ordinary shares at \$0.72 per share, being the same price as the June 2020 Placement Shares, were issued and the Company received \$10.4 million on 30 July 2020;
- on 5 August 2020, the Company held a general meeting and Shareholders ratified Tranche 1 and approved the issue of Tranche 2 of the June 2020 Placement shares; and
- on 11 August 2020, Tranche 2 of the June Placement was settled, and the Company issued 45,442,642 new fully paid ordinary shares at \$0.72 per share and received \$32.7 million (before costs).

Project Financing Facility

On 17 September 2020, the Company announced it had secured a credit approved term sheet for \$55 million from two Tier-1 international banks, BNP Paribas and Société Générale ("Financiers"). The Financing Facility remains subject to legal due diligence, documentation and completion of customary conditions precedent before first drawdown, which is not scheduled until the September 2021 Quarter. The pricing, terms and conditions agreed with the Financiers reflect the highly bankable nature of KNO, its sales and processing arrangement with BHP Nickel West and its location in a well-established, Tier-1 global mining district.

Facility Amount	\$55 million (50% BNP Paribas & 50% Société Générale)
Tenor	3.75 years
Last Repayment/ Expiry	30 September 2024
Interest Rate	Currently 3.7% per annum (or BBSY + 360 basis points)
Upfront Fee	1.75%
Undrawn Commitment Fee	1.44% per annum
Amortisation/ Repayment	Quarterly repayments sculpted from 30 September 2022. Additional cash sweep of 40% of surplus cash in excess of a minimum liquidity requirement of \$8 million to be applied to repayments
Debt Service Reserve Account	\$9.5 million
Early Repayment	Yes and no penalties or charges
Mandatory Hedging	Hedging of ~5,500 nickel tonnes at price not less than A\$17,000/t, split into 2 tranches: <ul style="list-style-type: none"> ▪ ~3,400 nickel tonnes hedged as a condition precedent to first draw-down; and ▪ balance of ~2,100 nickel tonnes prior to commencement of production. <p>Should the hedged price be less than \$17,000/t for the balance quantity, there is flexibility to compensate for the lower achievable price.</p>
Conditions and Warranties	Customary for a project financing facility

DIRECTORS' REPORT

At 31 December 2020, the Company had made substantial progress with respect to legal due diligence and key project finance documentation (including the Syndicated Finance Agreement and Tripartite Agreements with BHP Nickel West and Pit N Portal). Key financing agreements are targeted to be finalised in the March 2021 Quarter.

FINANCIAL PERFORMANCE AND POSITION

The Group incurred an operating loss after income tax for the half-year ended 31 December 2020 of \$5,754,000 (half-year to 31 December 2019: \$7,035,000).

The loss for the half-year includes \$3,901,000 of exploration and evaluation expenditure expensed and administrative expenses of \$2,352,000, offset by a profit on the sale of JFP of \$1,223,000.

At 31 December 2020, the Group had total assets of \$128,459,000 (30 June 2020: \$74,371,000) including \$92,485,000 of cash and cash equivalents (30 June 2020: \$46,724,000).

EVENTS SUBSEQUENT TO 31 DECEMBER 2020

On 5 February 2021, the Western Australia Government lifted the COVID-19 five-day lockdown restrictions imposed on the Perth metropolitan area, and the Peel and South West regions, whilst still maintaining border restrictions for the Perth metropolitan area and the Peel Region for a further period until midnight, 13 February 2021. Although no community transmission was identified during the lock-down testing period, the Company will continue to monitor border restrictions and any future developments associated with COVID-19 to identify and manage risks that may arise.

There has been no other matter or circumstance occurring subsequent to the end of the half-year period 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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

ROUNDING OF AMOUNTS

The Group has relied on the relief provided by the "ASIC Corporations (rounding in Financial/Directors' Report) Instrument 2016/191", issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report. Relevant 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.

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



DAVID SOUTHAM
Managing Director

Perth

11 February 2021

The Board of Directors
Mincor Resources NL
Ground Floor
9 Havelock Street
West Perth WA 6005

11 February 2021

Dear Directors

Auditor's Independence Declaration to Mincor Resources NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mincor Resources NL.

As lead audit partner for the review of the financial statements of Mincor Resources NL for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountant

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	CONSOLIDATED	
		31 Dec 2020 \$'000	31 Dec 2019 \$'000
Revenue from contracts with customers		58	21,356
Cost of sales		-	(19,246)
Gross profit		58	2,110
General and administrative expenses		(2,352)	(1,697)
Exploration and evaluation expenditure	6	(3,901)	(8,053)
Depreciation and amortisation		(183)	(213)
Profit from sale of property, plant and equipment		75	5
Profit from sale of exploration and evaluation asset		1,223	-
Adjustments to rehabilitation provision	9	36	662
Share-based payments		(448)	(206)
Gain from financial instrument at fair value through profit or loss		-	230
Other income and expense		(259)	129
Operating loss	3	(5,751)	(7,033)
Finance costs		(3)	(2)
Loss before income tax		(5,754)	(7,035)
Income tax expense		-	-
Loss after income tax		(5,754)	(7,035)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the period attributable to the members of Mincor Resources NL		(5,754)	(7,035)
		Cents	Cents
Loss per share		(1.4)	(2.4)
Diluted loss per share		(1.4)	(2.4)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	CONSOLIDATED	
		31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current Assets			
Cash and cash equivalents	4	92,485	46,724
Restricted cash	4	265	231
Trade and other receivables		684	58
Inventories		67	11
Other current assets	5	1,138	1,167
Total Current Assets		94,639	48,191
Non-Current Assets			
Exploration and evaluation assets	6	2,220	19,866
Property, plant and equipment	7	31,050	6,314
Investments in financial assets		550	-
Total Non-Current Assets		33,820	26,180
TOTAL ASSETS		128,459	74,371
Current Liabilities			
Trade and other payables		4,171	2,772
Lease liability	8	170	99
Provisions	9	588	504
Total Current Liabilities		4,929	3,375
Non-Current Liabilities			
Trade and other payables		902	-
Lease liability	8	164	163
Provisions	9	9,775	11,157
Financial liability	10	1,730	1,730
Total Non-Current Liabilities		12,571	13,050
TOTAL LIABILITIES		17,500	16,425
NET ASSETS		110,959	57,946
Equity			
Contributed equity	11	154,208	95,340
Share-based payments reserve		1,096	1,197
Accumulated losses		(44,345)	(38,591)
TOTAL EQUITY		110,959	57,946

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Contributed equity \$'000	Accumulated losses \$'000	Reserves \$'000	Total \$'000
Balance at 1 July 2019		59,141	(27,468)	5,867	37,540
Loss for the half-year		-	(7,035)	-	(7,035)
Total comprehensive loss for the half-year		-	(7,035)	-	(7,035)
Transactions with owners in their capacity as owners:					
- Contributions of equity, net of transaction costs		28,698	-	-	28,698
- Share Purchase Plan, net of transaction costs		5,487	-	-	5,487
- Employee share options and performance rights		-	-	206	206
Balance at 31 December 2019		93,326	(34,503)	6,073	64,896
Balance at 1 July 2020		95,340	(38,591)	1,197	57,946
Loss for the half-year		-	(5,754)	-	(5,754)
Total comprehensive loss for the half-year		-	(5,754)	-	(5,754)
Transactions with owners in their capacity as owners:					
- Contributions of equity, net of transaction costs	11	48,018	-	-	48,018
- Share Purchase Plan, net of transaction costs	11	10,291	-	-	10,291
- Shares issued on exercise of options		10	-	-	10
- Employee share options and performance rights		-	-	448	448
- Transfers between reserves arising from exercised Options		549	-	(549)	-
Balance at 31 December 2020		154,208	(44,345)	1,096	110,959

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	CONSOLIDATED	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Cash flows from operating activities		
Receipts from customers	58	21,360
Payments for other operating activities	(2,693)	(18,170)
Payments for exploration and evaluation expenditure	(4,587)	(10,297)
	(7,222)	(7,107)
Interest received	211	223
Interest paid	-	(2)
Other income and expenses	(468)	346
Net cash outflow from operating activities	(7,479)	(6,540)
Cash flows from investing activities		
Payments for property, plant and equipment	(323)	(261)
Payments for mine development	(4,352)	(374)
Payments for exploration and evaluation expenditure	(781)	-
Proceeds from disposal of exploration and evaluation assets	550	-
Proceeds from disposal of property, plant and equipment	75	8
Net cash outflow from investing activities	(4,831)	(627)
Cash flows from financing activities		
Proceeds from issues of shares, net of capital raising costs	58,320	34,295
Lease payments	(19)	(2)
Transaction cost for establishment of financing facilities	(196)	-
Payment from cash restricted cash accounts	(34)	(55)
Net cash inflow from financing activities	58,071	34,238
Net increase in cash and cash equivalents	45,761	27,071
Cash and cash equivalents at the beginning of the half-year	46,724	29,013
Cash and cash equivalents at the end of the half-year	92,485	56,084

4

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Basis of preparation

Note 1. Significant Accounting Policies	12
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Key numbers

Note 2. Segment Information	12
Note 3. Operating Loss	12
Note 4. Cash, Cash Equivalents and Restricted Cash	12
Note 5. Other current assets	13
Note 6. Exploration and Evaluation	13
Note 7. Property, Plant and Equipment	14
Note 8. Lease Liability	15
Note 9. Provisions	15
Note 10. Financial Liability	16
Note 11. Contributed Equity	16

Other information

Note 12. Dividends	17
Note 13. Contingent Assets and Liabilities	17
Note 14. Commitments	17
Note 15. Events Subsequent to Reporting Date	17

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

BASIS OF PREPARATION

Note 1. SIGNIFICANT ACCOUNTING POLICIES

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with the Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Mincor Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules as obliged by the *Corporations Act 2001*.

The accounting policies adopted are consistent with those adopted and disclosed in the previous annual financial report and corresponding interim reporting period.

The financial report is presented in Australian dollars, except where otherwise stated.

KEY NUMBERS

Note 2. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker, identified as the Board of Directors and Managing Director, in assessing performance and in determining the allocation of resources.

Following the cessation of mining activities at the Widgiemooltha Gold Project ("WGP") in October 2019 and commencement of mine development at its Kambalda Nickel Operations ("KNO"), the Group comprises of one reportable operating segment. Financial information on the exploration and development of the Group's nickel assets is consolidated and reported to the Managing Director and Board of Directors as a single segment and all significant operating decisions are based upon analysis of the Group as one segment.

The financial results of this segment are equivalent to the financial statements of the Group as a whole.

Note 3. OPERATING LOSS

The following specific income and expense are included in operating loss, whose disclosure is relevant in explaining the performance of the Group:

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Profit on sale of gold tenements	1,223	-
Termination of gold royalty	(541)	-

Note 4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Cash and cash equivalents	92,485	46,724
Restricted cash	265	231
	92,750	46,955

Cash and cash equivalents include 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 bond and credit card facility.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

KEY NUMBERS

Note 5. OTHER CURRENT ASSETS

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current		
Prepayments and other assets	1,138	1,167
	1,138	1,167

Note 6. EXPLORATION AND EVALUATION

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Exploration and evaluation expenditure expensed	3,901	8,053

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Exploration and evaluation asset reconciliation		
Opening balance at the beginning of the period/year	19,866	19,027
Current year expenditure capitalised	587	927
Disposal of tenements	(27)	-
Transfer to mine properties and development (refer to Note 7)	(18,206)	-
Adjustment to rehabilitation provision	-	(88)
Total Exploration and Evaluation Asset	2,220	19,866

a) Key estimates and judgements

On 17 September 2020, the Board of Directors made a final investment decision ("FID") to recommence nickel operations in Kambalda.

As a result of this decision and in accordance with the Group's accounting policy, exploration and evaluations assets for KNO is required to be tested for impairment prior to the transfer to mine properties and development. Based on the recoverable amount of KNO using cash flow projections based on the Definitive Feasibility Study ("DFS") released in March 2020 and incorporating current market assumptions, the recoverable amount of KNO was in excess of the carrying value at the date of assessment and accordingly the total exploration and evaluation assets attributable to KNO were transferred to mine properties and development. These transferred costs comprise of costs of acquisition and Cassini drilling costs incurred post DFS.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

KEY NUMBERS

Note 7. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Mine properties & development \$'000	Property, plant & equipment \$'000	Right-of- use assets \$'000	Capital work- in-progress \$'000	Total \$'000
Year ended 30 June 2020					
Opening net book amount	2,276	4,085	-	-	6,361
Additions	169	374	275	1,392	2,210
Adjustment to rehabilitation provision	-	-	-	529	529
Disposals	-	(55)	-	-	(55)
Depreciation/amortisation charge	(2,279)	(381)	(71)	-	(2,731)
Closing net book amount	166	4,023	204	1,921	6,314
At 30 June 2020					
Cost or valuation	460,138	59,986	275	1,921	522,320
Accumulated depreciation	(459,972)	(55,963)	(71)	-	(516,006)
Net book amount	166	4,023	204	1,921	6,314
Half-year ended 31 December 2020					
Opening net book amount	166	4,023	204	1,921	6,314
Transfer from exploration and evaluation asset (refer to Note 6)	18,206	-	-	-	18,206
Additions	7,613	-	88	393	8,094
Adjustment to rehabilitation provision (refer to Note 9)	(1,362)	-	-	-	(1,362)
Transfers ¹	1,979	80	-	(2,059)	-
Depreciation/amortisation charge	-	(155)	(47)	-	(202)
Closing net book amount	26,602	3,948	245	255	31,050
At 31 December 2020					
Cost or valuation	486,574	60,066	363	255	547,258
Accumulated depreciation	(459,972)	(56,118)	(118)	-	(516,208)
Net book amount	26,602	3,948	245	255	31,050

¹ Relates to Capital work-in-progress completed post-DFS.

a) Right-of use assets

Depreciation expense on right-of-use assets
Interest expense on lease liabilities

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Depreciation expense on right-of-use assets	(47)	(24)
Interest expense on lease liabilities	(3)	(2)

The right-of-use assets relates to lease of offices and equipment under agreements of between three and five years.

b) Capital commitment

Outstanding contractual capital commitments

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Outstanding contractual capital commitments	2,581	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

KEY NUMBERS

Note 8. LEASE LIABILITY

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current	170	99
Non-current	164	163
	334	262
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Maturity analysis		
Within one year	174	104
Later than one year and not later than three years	167	165
	341	269
Less unearned finance cost	(7)	(7)
	334	262
Variable lease payments ^{a)}	3,104	-

a) Variable lease payments

Payments made during the period recognised as leases but which are variable in nature are not included in the minimum lease payments used to calculate lease liabilities. These payments relate to the Group's mining contract, which encompasses a five-year contract term at the Cassini Operation and a three-year contract (plus a two-year option) for the Northern Operations. These payments have been capitalised under mine development.

b) Key estimates and judgements

In September 2020, the Group issued a Notice to Proceed to its mining contractor Pit n Portal to commence mine development at KNO. A lease assessment was undertaken under AASB 16 Leases which concluded that the mining contract contained a lease on the mining equipment required to deliver the mining services. However, the leases payments to the mining contractor are considered variable payments based on physicals delivered such as metres advanced and volumes moved. In terms of AASB 16, variable payments which are not based on an index or rate are excluded from recognition and measurement of lease-related balances. Consequently, a lease liability in relation to the mining contract has not been recognised.

Note 9. PROVISIONS

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current		
Employee Benefits	588	504
Rehabilitation and Mine Closure Costs	-	-
	588	504
Non-current		
Employee Benefits	59	43
Rehabilitation and Mine Closure Costs	9,716	11,114
	9,775	11,157
Rehabilitation and Mine Closure Costs		
Balance at beginning of period/year	11,114	11,790
Adjustments to provision estimates	(1,398)	(279)
Rehabilitation expenditure	-	(397)
Balance at end of period/year	9,716	11,114

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

KEY NUMBERS

a) Key estimates and judgements

The value of the rehabilitation provision is based on a number of assumptions including the nature of rehabilitation activities required, estimates of the cost of performing the work, the timing of future cash flows, cost escalation factors and the appropriate risk-free discount rate. The adjustments to provision estimates for the half-year is primarily as a result of updating the three-year mine closure plan for the Long operation.

Note 10. FINANCIAL LIABILITY

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Financial liability	1,730	1,730

The financial liability relates to the contingent consideration for the 100% acquisition of Mincor Long Pty Ltd in May 2019.

There were no material changes to these assumptions for the half-year ended 31 December 2020.

Note 11. CONTRIBUTED EQUITY

a) Issued and paid-up capital

	31 Dec 2020 \$'000	30 Jun 2020 \$'000
431,861,826 (2020: 346,007,212) fully paid ordinary shares	154,208	95,340

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

	No. of shares	Issue price	\$'000
At 1 July 2019	286,740,678	-	59,141
Capital raising placement, for cash	50,000,000	\$0.60	30,000
Share purchase plan (SPP)	9,266,534	\$0.60	5,560
Share issue costs	-	-	(1,300)
Transfer between reserves arising from exercised Options and Performance Rights	-	-	1,939
At 30 June 2020	346,007,212		95,340
Capital raising placement, for cash	69,444,445	\$0.72	50,000
Share purchase plan (SPP)	14,380,578	\$0.72	10,353
Share issue costs	-	-	(2,044)
Shares issued from exercise of options	20,000	\$0.50	10
Transfer between reserves arising from exercised Options	2,009,591	-	549
At 31 December 2020	431,861,826		154,208

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

KEY NUMBERS

OTHER INFORMATION

Note 12. DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2020 (2019: Nil).

Note 13. CONTINGENT ASSETS AND LIABILITIES

During the half-year, the Group sold its Jeffrey's Find Project to Jeffreys Find Pty Ltd, a 100% subsidiary of Auric Mining Limited ("Auric"). The sales consideration includes 1,833,000 options in Auric priced at \$0.40 each to be issued under a Prospectus for an Initial Public Offering ("IPO"). At 31 December 2020, the IPO had not been completed.

There are no contingent liabilities at 31 December 2020 (2019: None).

Note 14. COMMITMENTS

The Group has entered into an agreement with BHP Billiton Nickel West Pty Ltd to build an electricity transmission infrastructure which will supply the Cassini Operation with grid power. The remaining future commitment for this arrangement is \$2.8 million.

There were no commitments at 31 December 2019.

Note 15. EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2021, the Western Australia Government lifted the COVID-19 five-day lockdown restrictions imposed on the Perth metropolitan area, and the Peel and South West regions, whilst still maintaining border restrictions for the Perth metropolitan area and the Peel Region for a further period until midnight, 13 February 2021. Although no community transmission was identified during the lock-down testing period, the Company will continue to monitor border restrictions and any future developments associated with COVID-19 to identify and manage risks that may arise.

There have not been any other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future period.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 17 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 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Mincor Resources NL will be able to pay its debts as and when they become due and payable.

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



DAVID SOUTHAM
Managing Director

Perth

11 February 2021

Independent Auditor's Review Report to the members of Mincor Resources NL

Conclusion

We have reviewed the half-year financial report of Mincor Resources NL (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

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

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



David Newman

Partner

Chartered Accountants

Perth, 11 February 2021