

23 June 2022

## FIRST PAYMENT FOR NICKEL CONCENTRATE RECEIVED AS MINCOR DELIVERS PRODUCTION RESTART ON TIME AND BELOW PEAK FUNDING GUIDANCE

### Receipt of first cash-flow results in another milestone delivered by Mincor

- Mincor receives net proceeds of A\$25.3 million from BHP Nickel West, representing 90% of the payment for nickel concentrate calculated for ore deliveries up to 31 May 2022. Final 10% payment due in August.
- The net proceeds figure is derived from 1,003 tonnes of nickel in concentrate and includes deductions for processing charges and freight rates consistent with the OTCPA with BHP Nickel West.
- Mincor has successfully delivered the project for an actual peak funding outlay of A\$98 million, ~8% below the previous estimate of A\$107 million (see ASX announcement 7 September 2021). Peak funding represents capital expenditure and working capital costs prior to first sales.
- This outcome represents an outstanding result for Mincor, with the successful delivery of two mining operations developed entirely during the COVID-19 pandemic period.
- Major capital works now predominantly complete, with the new Cassini Village the final outstanding project scheduled for completion early in the December 2022 quarter, and slightly lower than budget.

Mincor Resources NL (ASX: MCR, “Mincor” or the “Company”) is pleased to advise that it has received payment for the Company’s first parcel of nickel ore to be processed through BHP’s Kambalda Nickel Concentrator.

The payment of A\$25.3 million represents sales receipts for 90% of the imputed nickel concentrate production up to 31 May 2022 (less processing and freight charges) with the balance to be paid in August, under the terms of the enhanced Ore Tolling and Concentrate Purchase Agreement (OTCPA – see ASX announcement, 29 April 2022) with BHP Nickel West.

Sales for the month of May have been derived from the steady build-up of development ore stockpiles over a number of months. Mincor continues to be laser focused on its ramp-up activities at both mining centres, with a key operational milestone achieved last week with the first stope opened up at the Northern Operations.

Importantly, with the receipt of this first tranche of sales revenue, Mincor has delivered the restart of its Kambalda Nickel Operations for an actual peak funding outlay of A\$98 million, being ~8% below the previously disclosed figure of A\$107 million.

This is an outstanding achievement given that project development has been executed while Mincor has been dealing with the challenges of the global COVID-19 pandemic and its flow-on impacts which have been widely reported.

Major capital works are now predominantly complete, with the Cassini accommodation village expected to be completed early in the December 2022 quarter. At this stage, the total cost of the Village is estimated to be marginally lower than the A\$15 million guidance (see ASX announcement 7 September 2021) with all long-lead and major items under firm order with deposits paid.

At the same time, the Company is looking forward to delivering an Initial Mineral Resource for the newly identified LN04a surface at the Golden Mile (Northern Operations) in July, underpinned by the first stage of results delivered so far ahead of what is expected to be a significant ongoing drilling program for FY23.

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## **Management Comment**

Mincor's Managing Director, David Southam, said: *"Receipt of first nickel sales is yet another outstanding achievement for the Company as we complete our return to the global ranks of nickel producers.*

*"We are also particularly pleased that we have achieved this milestone, including the development of two underground mines, below our peak funding estimate. This is a tremendous result in one of the most challenging operational environments in recent memory, and is testament to the dedication and efforts of our people and our contracting and operating partners, such as BHP – all of whom have been aligned to the successful resumption of high-quality nickel production in Western Australia.*

*"We are continuing to invest strongly in exploration, with the first tangible payback from our drilling success at the Golden Mile due to be delivered in July with an initial Mineral Resource for the LN04a. The program for further drilling and extensional work will continue in FY23 with a focus on the Golden Mile and drilling from favourable underground positions at Cassini to target extensions of the Cassini Main orebody and the adjacent Cassini North channel."*

### **Approved by:**

**Board of Mincor Resources NL**

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