

MINCOR DELIVERS RECORD \$37.2M FIRST-HALF PROFIT

- 271% increase in net profit after tax to \$37.2 million.
- EBITDA up 150% to \$67.8 million
- Revenue up 85% to \$147.1 million
- Earnings per Share up 272% to 19 cents per share
- Interim Dividend up 200% to 6 cents per share

Kambalda nickel producer Mincor Resources NL (**ASX: MCR**) has delivered its strongest-ever half-year financial performance, with record production and nickel prices generating a **271% increase** in net profit after tax to **\$37.2 million**. The record profit underlines the value of Mincor's aggressive growth strategy, under which the company is targeting the development of up to three new nickel mines over the next 18 months.

The first-half net profit – which compares with a \$10.0 million net profit for the previous corresponding period and eclipses Mincor's 2005/6 full-year profit of \$29.3 million – was struck on an 85% increase in sales revenue to \$147.1 million (2005: \$79.7 million). It equates to record half-year earnings per share of 19 cents (December 2005: 5.1 cents).

The exceptional result and continued strong cash generation from Mincor's four Kambalda nickel mines has enabled the Company to declare an interim dividend of **6 cents per share**, representing a threefold increase on the 2 cents per share payout for the previous corresponding half.

Earnings before interest, tax, depreciation and amortization (EBITDA) for the period increased by 150% to \$67.8 million (2005: \$27.1 million), while net operating cash flows were \$66.7 million for the six months, representing an almost fivefold increase on the previous corresponding period (2005: \$11.3 million).

The result further strengthens Mincor's balance sheet, with cash reserves rising to \$87.4 million at 31 December 2006 and net assets almost doubling to \$123.5 million (after excluding the impact of the fair value adjustment on derivative financial instruments). Return on equity (as adjusted) is 60% on an annualized basis and the Company remains debt free.

The first half result was underpinned by strong production from Mincor's four Kambalda mines of 6,888 tonnes of nickel-in-concentrate (2005: 6,754 tonnes). The principal driver of the increased revenue and earnings was an average realised nickel price of A\$14.26/lb for the 6 months to 31 December 2006 compared with A\$7.74/lb for the previous corresponding period. This resulted in an increase in average cash margin to A\$8.11 per pound payable nickel compared with A\$2.93/lb previously.

Cash operating costs increased to A\$6.15/lb from A\$4.81/lb previously, reflecting a general rise in costs as well as lower nickel grades resulting from production maximisation strategies.

"We are delighted with this exceptional first-half result, which reflects a strong operational performance at an opportune time of record nickel prices," said Mincor's managing director, David Moore. "It comes as we prepare to enter a new phase of production growth, driven by a combination of exploration success and prudent acquisitions that have generated a pipeline of potential new mine developments in our core nickel business," he said.

Recent exploration successes for the Company include the discovery at Carnilya Hill near Kambalda and new discoveries at the Mariners Mine. The current \$30 million acquisition of the old Kambalda mines of McMahon and Durkin and the recent farm-in joint venture at the RAV 8 nickel mine near Ravensthorpe have added further near-term development and brownfields exploration opportunities.

“We are currently conducting feasibility studies on three separate nickel projects and, if these are successful, we could soon enter another major phase of new mine development that will establish Mincor’s growth profile well into the next decade,” Mr Moore commented. “In the meantime, our exploration effort will remain strong, both in nickel and in other commodities where we believe our expertise is applicable”.

Mincor has three exploration drilling rigs operating in the Kambalda Nickel District, and is working on completing the acquisition of the McMahon and Durkin nickel mines. The Company is also preparing an exploration programme for the Rav 8 nickel project. A first resource estimate for the new Carnilya Hill discovery (Mincor 70%) is scheduled for release by the end of March, and the Company is continuing to drill out a potential new discovery beneath its operating Mariners Mine.

Elsewhere, Mincor has established a significant position in a major zinc-lead district in Ireland and has just completed a first round of drilling at its Gascoyne tungsten project in Western Australia. Drilling is also scheduled to commence at the Tottenham copper project in New South Wales within the next few days.

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MINCOR RESOURCES NL

**Half-Year 2006/07
(31 December 2006)**

FINANCIAL RESULTS

December 2006 Half-Year Highlights

- Strong earnings growth driven by record production and nickel prices
- Record half-year profit: up 271% to \$37.2M
- Record half-year EBITDA: up 150% to \$67.84M
- Cashflow from operations: up 490% to \$66.71M
- Interim Dividend: up 200% to 6 cents per share
- Development of new South Miitel ore body underway
- New initiatives lay foundation for strong growth:
 - Mariners and Carnilya Hill exploration discoveries
 - McMahon, Durkin and Rav 8 acquisitions
 - \$12 million exploration budget

Operational Results for the December 2006 Half-Year

	Dec Half 2006	Dec Half 2005
Ore Delivered (tonnes)	319,991	262,945
Nickel Grade	2.50%	2.93%
Nickel in Concentrate (tonnes)	6,888	6,754
Pounds Payable Nickel	9,870,435	9,678,414
Average Ni Price (A\$/lb)	14.26*	7.74
Average Cash Cost (A\$/lb)	6.15	4.81
Average Cash Margin (A\$/lb)	8.11	2.93

*Estimate, awaits the fixing of the nickel price for the months of October, November and December 2006 – see explanation following page.

Earnings for the December 2006 Half-Year

	Dec Half 2006	Dec Half 2005	Dec Half 2004
Revenues (\$M)	147.05*	79.65	55.42
EBITDA (\$M)	67.84	27.13	23.71
Net Profit After Tax (\$M)	37.18	10.02	10.06
Earnings per Share (CPS)	19.0	5.1	5.2
Interim Dividend per Share (CPS)	6.0	2.0	1.0

*The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. Therefore the nickel price in the December 2006 half-year accounts for the production months of October, November and December 2006 must be estimated. The Company's policy is to base this estimate upon a 10% discount to the average LME spot price during the month of delivery. Revenue for October, November and December in this report has been estimated in this way, and is subject to an adjustment (up or down) when the final nickel price is known.

Earnings for the December 2006 Half-Year

	Dec Half 2006	Dec Half 2005
EBITDA from normal operations (\$M)	67.84	27.13
Depreciation and Amortisation (\$M)	(16.65)	(14.42)
EBIT (\$M)	51.19	12.71
Net Interest (\$M)	1.43	0.12
Income Tax Expense (\$M)	(15.44)	(2.81)
Net Profit after Tax (\$M)	37.18	10.02

Balance Sheet

	31 December 2006	31 December 2005	31 December 2004
Assets (\$M)	224.36	121.73	108.08
Liabilities (\$M)	143.23	52.26	51.15
Shareholder's Equity (\$M)	123.48	74.65	56.93
Return on Equity (annualised)	60%	27%	35%

Note: Shareholder's Equity has been adjusted (by \$42.36 million) to remove the impact of cashflow hedges. Under the current AIFRS rules hedges must be fair valued with mark to market adjustments made against equity. As this fair value adjustment fluctuates with nickel and currency prices and has no impact on the Company's profit for the period, it has been removed from the above table. In addition, earnings for the half year have been annualised when calculating Return on Equity.

Analysis of Cashflows – December 2006 Half-Year

	2006 \$000	2005 \$000
Net Operating Cash Inflow	66,710	11,312
Capital Expenditure	(13,690)	(12,057)
Exploration Expenditure	(5,592)	(2,450)
Dividends Paid	(5,840)	(3,893)
Proceeds from Issue of Shares	609	-
Other	70	127
Net Cash Inflow	42,267	(6,961)
Cash at 31 December 2006	87,402	11,244