

Driving Growth Through Exploration



# Quarterly Report

For the period ended 30 September 2009

**M I N C O R**  
R E S O U R C E S N L

Tel 08 9476 7200  
Fax 08 9321 8994  
Email [mincor@mincor.com.au](mailto:mincor@mincor.com.au)

Website [www.mincor.com.au](http://www.mincor.com.au)  
ASX Code MCR

**Postal address**

PO Box 1810  
West Perth WA 6872 Australia

**Principal & registered office**

Level 1, 56 Ord Street  
West Perth WA 6005 Australia

Mincor is a leading Australian nickel producer. The Company is listed on the Australian Securities Exchange and forms part of the benchmark S&P/ASX 200 Index.

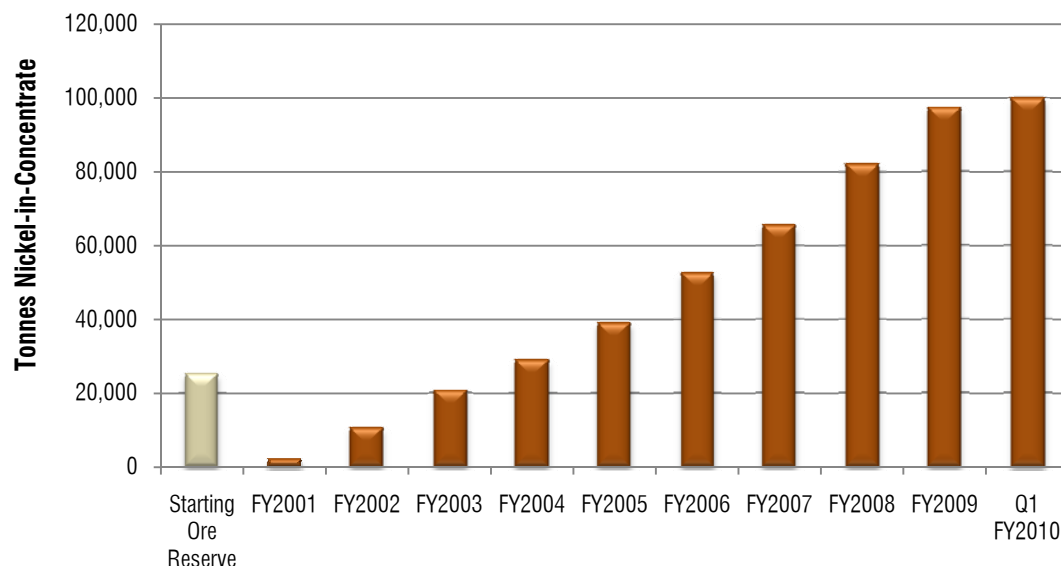
Mincor operates two mining centres in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.

## HIGHLIGHTS

- Mincor produced its 100,000<sup>th</sup> tonne of nickel-in-concentrate during the month of September – an outstanding achievement delivered from a starting Ore Reserve of only 25,400 nickel tonnes in 2001
- Mincor celebrates its 10<sup>th</sup> birthday during the month of October – having delivered total shareholder returns of more than 6,000% over the decade since October 1999
- Steady quarterly production despite temporary operational constraints at Mariners – strong **quarterly operating surplus of \$19.5 million**
- Continued strong cash generation – quarter-end cash balance of **\$91.3 million** (up from \$75.8 million at 30 June), after the payment of an \$8 million dividend to shareholders
- FY 2009 financial results demonstrate \$28 million profit turn-around in second half – rebound from global financial crisis leaves Mincor in strong position for its next stage of growth
- Major exploration programs underway throughout the Kambalda District, with exciting early results from South Miitel, Bluebush and Carnilya Hill
- Maiden resource for the Mariners N10 ore body, only 4 months after the discovery hole – Mincor’s updated resources and reserves released
- Working capital (cash and receivables minus creditors and accruals) increased to \$97.6 million (up from \$93.9 million at end June 2009) after payment of a 4 cent per share fully franked final dividend for FY 2009

## 10 Years of Success Crowned with Production of 100,000<sup>th</sup> tonne of Nickel-in-Concentrate

From a starting Ore Reserve of 25,400 tonnes of nickel, Mincor’s cumulative equity production reached the milestone of 100,000 tonnes of nickel-in-concentrate during the month of September 2009. Cumulative profits to date exceed \$230 million, of which \$80.5 million has been paid to shareholders as dividends.



## MINING OPERATIONS, KAMBALDA

TABLE 1: Production, Grade, Revenue and Costs – Quarter ending 30 September 2009

	SOUTH KAMBALDA OPERATIONS <sup>(1)</sup>	NORTH KAMBALDA OPERATIONS <sup>(2)</sup>	TOTAL FOR SEP 2009 QUARTER	PRECEDING QUARTER (June 2009) TOTAL
Ore Tonnes Treated (DMT)	32,240	60,477	<b>92,717</b>	107,219
Average Nickel Grade (%)	3.62	3.14	<b>3.31</b>	3.57
Nickel-in-Concentrate Sold (tonnes)	1,051.4	1,738.7	<b>2,790.1</b>	3,487.0
Copper-in-Concentrate Sold (tonnes)	99.1	117.4	<b>216.5</b>	274.8
Cobalt-in-Concentrate Sold (tonnes)	19.4	21.4	<b>40.8</b>	51.6
Sales Revenue* (A\$)	16.97m	25.71m	<b>42.68m</b>	46.67m
Direct Operating Costs** (A\$)	8.35m	13.35m	<b>21.70m</b>	21.69m
Royalty Costs (A\$)	0.59m	0.89m	<b>1.48m</b>	1.69m
<b>Operating Surplus*** (A\$)</b>	<b>8.03m</b>	<b>11.47m</b>	<b>19.50m</b>	23.29m
Capital Costs****	5.17m	2.56m	<b>7.73m</b>	5.41m
<b>Costs Per Pound Payable Nickel</b>				
Payable Nickel Produced (lbs)	1,506,526	2,478,375	<b>3,984,901</b>	4,973,626
Mining Costs (A\$/lb)	3.29	3.53	<b>3.44</b>	2.66
Milling Costs (A\$/lb)	0.81	0.92	<b>0.88</b>	0.82
Ore Haulage Costs (A\$/lb)	0.25	0.08	<b>0.15</b>	0.12
Other Mining/Administration (A\$/lb)	1.14	0.81	<b>0.94</b>	0.76
Royalty Cost (A\$/lb)	0.39	0.36	<b>0.37</b>	0.34
By-product Credits (A\$/lb)	(0.34)	(0.24)	<b>(0.29)</b>	(0.25)
Cash Costs (A\$/lb nickel)	5.54	5.46	<b>5.49</b>	4.45
Cash Costs (US\$/lb nickel @ 0.90c)	4.98	4.91	<b>4.94</b>	4.00

<sup>(1)</sup> Production from Mariners only.

<sup>(2)</sup> Production from Otter Juan, Coronet and McMahon and Mincor's 70% interest in the Carnilya Hill mine.

\* Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price – see “Note on Provisional Pricing and Sales Revenue Adjustments” below.

\*\* Direct Operating Costs – mining, milling, ore haulage, administration.

\*\*\* Operating Surplus – provisional and unaudited, excludes corporate overheads and other corporate costs, excludes regional exploration costs, excludes depreciation, amortisation and tax.

\*\*\*\* Capital Costs – includes mine capital and development costs and extensional exploration costs. Excludes regional exploration costs.

### Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

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. For period-end reporting the Company determines provisional prices based on the 3 month forward nickel price at the end of each month of delivery. This estimate is subject to an adjustment (up or down) when the final nickel price is known. During the September Quarter, Mincor established the final nickel prices for the production months of April, May and June. As a result Mincor has recognised a positive sales revenue adjustment of **\$5.3 million** attributable to those production months. This adjustment **has not** been included in the sales revenue figures disclosed in Table 1 above.

## MINING – KAMBALDA NICKEL OPERATIONS

Mincor produced 3,069 tonnes of nickel-in-ore, or 2,790 tonnes nickel-in-concentrate, during the quarter. Production volumes were lower than the previous quarter due to one-off mining constraints at Mariners and a temporary drop-off in grade at Otter Juan. Nevertheless group average nickel grades remained strong at 3.31% – the second highest quarterly production grade since early 2004.

Cash costs per pound of payable nickel increased from the record low of the previous quarter, due to reduced volumes and lower grades, but rigorous cost control measures kept them to the third lowest quarterly average in more than 3 years.

TABLE 2: Production by mine site, September 2009 quarter

Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Mariners	32,240	3.62%	1,168	1,051
Otter Juan	29,368	3.40%	997	910
Coronet	5,624	2.51%	142	129
McMahon	5,844	1.85%	108	99
Carnilya Hill: Mincor's 70%	19,641	3.33%	654	601
<b>Totals</b>	<b>92,717</b>	<b>3.31%</b>	<b>3,069</b>	<b>2,790</b>

## Northern Operations

Mincor's North Kambalda Operations delivered production in line with budget despite lower than expected grades at Otter Juan – the result of temporary scheduling constraints. Nickel grades are expected to return to normal in the December quarter. Capital development at Otter Juan continued satisfactorily, with the main decline advancing below the 49 Level. Stopping at McMahon and Coronet continued in accordance with budget. Level drives in the upper ore body at McMahon have extended well beyond the existing ore reserve boundaries, indicating significant additional reserves in this area.

Ore development and jumbo flat-back stopping operations continued satisfactorily at Carnilya Hill, while the main decline advanced to below the 19 Level.

## Southern Operations

Production from Mariners Mine was hampered by the failure of the hanging-wall in the 1490 long-hole open stope and the necessary preparations for a contractor change-over which took place on 1 October. Pleasingly, production grades were well in excess of those predicted by the ore reserve models for the relevant stopes. Production volumes are expected to return to budget levels in the December quarter.

Capital development continued with the decline advancing a total of 229 metres.

Following a competitive tender, the new mining contract for Mariners was awarded to Byrnegut Mining. The incumbent contractors (Barmenco) progressively demobilised from site in the last week of the quarter, with Byrnegut commencing operations on 1 October. Some disruption to normal production is likely during October, but this is not expected to affect target production for the year. A great deal of effort was put into ensuring a safe and seamless transition.

Barmenco first commenced work for Mincor at Redross in November 2003 and has, since then, undertaken mining works at each of Redross, Mariners, Wannaway and Miitel. Mincor sincerely thanks Barmenco for its contribution to the success of its Southern Operations over the past 6 years.

Miitel remains on care and maintenance. During the quarter the pumping infrastructure was upgraded to improve reliability and reduce operating costs. The mine can be brought back into production at short notice.

Very encouraging results were returned from exploration drilling below the N09 ore body at Mariners and south of the South Miitel ore body at Miitel (see below).

## HEALTH, SAFETY AND THE ENVIRONMENT

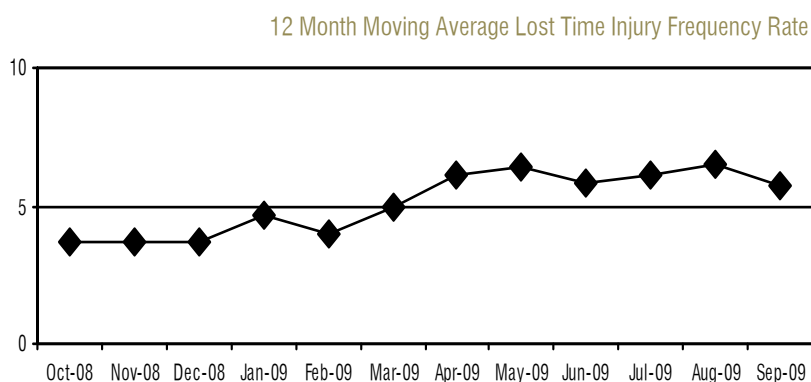
No Lost Time Injuries were reported for the September quarter.

The 12 month moving average Lost Time Injury Frequency Rate for all Mincor operations is 5.7 which is marginally higher than Western Australian underground metalliferous mining average of 4.5.

Mincor continues to identify, develop and implement safety strategies focused on reducing workplace injuries and incidents. The following improvement strategies were undertaken during the quarter:

- Development of the Audit Protocols for all the Major Hazard Standards at Southern Operations.
- Detailed review of Mincor's Training and Competency processes in place at Southern Operations.
- Completed a Team Based Risk Assessment on Mariners Explosive Magazines.
- Whole of Mine Risk Assessment Working Tool developed for Mariners.
- Detailed review of the safety capabilities of the short-listed mining contractors for Mariners.
- Redrafted the safety requirements for the new Mariners Mining Contract.
- The accelerated program of Task Observations continued at Otter Juan.
- Minor training gaps identified from the Task Observations were addressed at Otter Juan.
- All employees at Carnilya Hill attended a Driver Awareness Program.

A range of key initiatives will be undertaken in the current quarter, including an independent audit to evaluate safety and regulatory compliance across the group.



## KAMBALDA NICKEL EXPLORATION

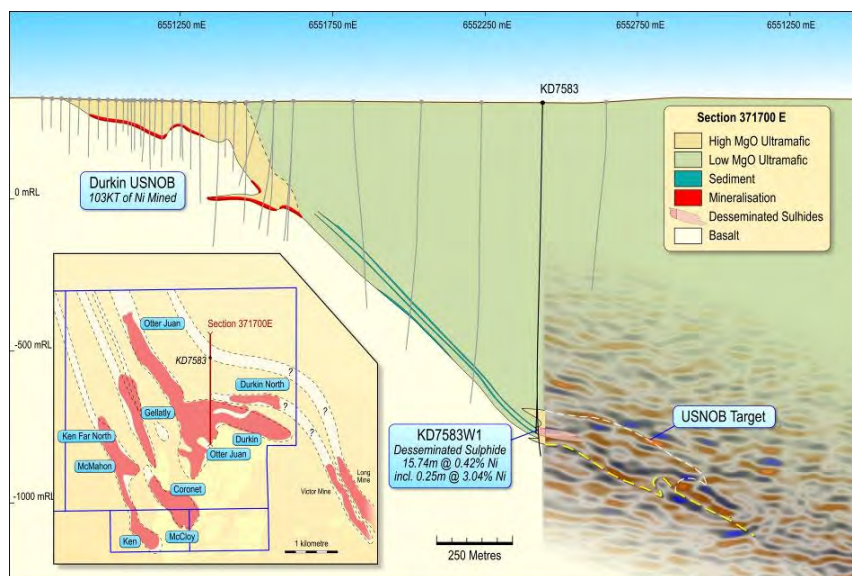
Aggressive exploration continued across the Kambalda District during the quarter. Extensional drilling at South Miitel, Mariners, Carnilya Hill and Otter Juan returned very encouraging results, and drilling commenced on greenfields targets along the Bluebush Line and on the first Ultra-Sized Nickel Ore Body target at North Kambalda.

### North Kambalda Seismic Survey and Ultra-Sized Nickel Ore Body (US-NOB) Program

The Kambalda Dome remains perhaps the best-endowed nickel district in Australia. Mincor's detailed geological interpretation, supported by the results of the seismic survey, has identified a high priority US-NOB target down-dip and north of the historical drill hole KD7381W1, east of Otter Juan Mine.

Drill-testing of this target requires a long and technically challenging hole drilled from an underground position in the Otter Juan Mine. The intention is to achieve three pierce points through the basal contact along a section line down dip of KD7583W1. This will be done via a parent hole followed by directional wedges using the technique pioneered by Mincor in Kambalda. Following a detailed planning process, drilling is now underway. The full program is expected to take up to 4 months.

FIGURE 1: Section 371700E Geological section showing US-NOB target



### Otter Juan Ore System

During the quarter drilling focused on resolving the newly identified structural complexity in the Otter Juan ore body down-plunge of the current working area.

The emerging interpretation highlights the additional ore potential created by this complexity, with up to five partially overlapping ore bodies tentatively identified to date – a situation with precedents from other areas of high complexity in the mine.

Mincor's still-evolving interpretation is that of a north-north-east trending, sinistral reverse fault off-setting the main F62 ore surface and thrusting the basal contact west over east. This fault has been named the 50 Level Fault. The intersection of the 50 Level Fault with the F62 appears to truncate the F62 with the exception of a lens of high-grade ore extending into the footwall beneath the fault. The fault is interpreted to have created five structurally repeated basal contacts, all of which are highly prospective.

These surfaces are the E62 (defining the eastern boundary of the F62); the X62 (a massive basalt-hosted ore body immediately below the F62); the S62 (sub-domained from the F62 due to the presence of an embayment at the north end of the F62); the U63 (serpentine-hosted mineralisation interpreted to be re-mobilised off the leading edge formed by either the 50 Level Fault or the F62 leading edge above the S62 surface) and the N63 (interpreted to be the upper faulted basalt thrust and the possible re-make of the truncated F62).

In addition, the potential for the so-called 'Serp Trough' – a large embayment in the basal contact immediately east of the main ore body – to host significant mineralisation has been identified and has become a high-priority drill target.

TABLE 3: Significant recent intersections at Otter Juan from outside the June 2009 Mineral Resource

Hole ID	Ore Zone	Grade	True Width
JS48-027	E62	4.7%	1.6 metres
JS48-027	E62	8.23%	2.4 metres
JS48-027	E62	4.49%	2.4 metres

### Mariners Ore System

The maiden resource estimate for the new N10 discovery was released during the quarter – only 4 months after the discovery drill hole. The Inferred Mineral Resource is **213,000 tonnes @ 5.0% nickel for 10,600 tonnes of contained nickel**. The resource remains open in most directions.

Drilling at Mariners is now focused on two key objectives: extending and infilling the N10 discovery; and drilling below the N10 in search of the postulated N11 ore body.

Holes completed as part of the infill/extensional program included MRDH443, which intersected wide, high-grade mineralisation some 35 metres outside the new resource. Other holes were drilled inside the resource, generally confirming the expected degree of continuity:

- MRDH443: **3.90 metres @ 6.59% nickel** (true width)
- MRDH0421: **0.90 metres @ 6.55% nickel** (true width)
- MRDH0423: **1.30 metres @ 3.46% nickel** (true width)
- MRDH0410: **0.30 metres @ 5.09% nickel** (true width)

The infill and extensional drilling program continues.

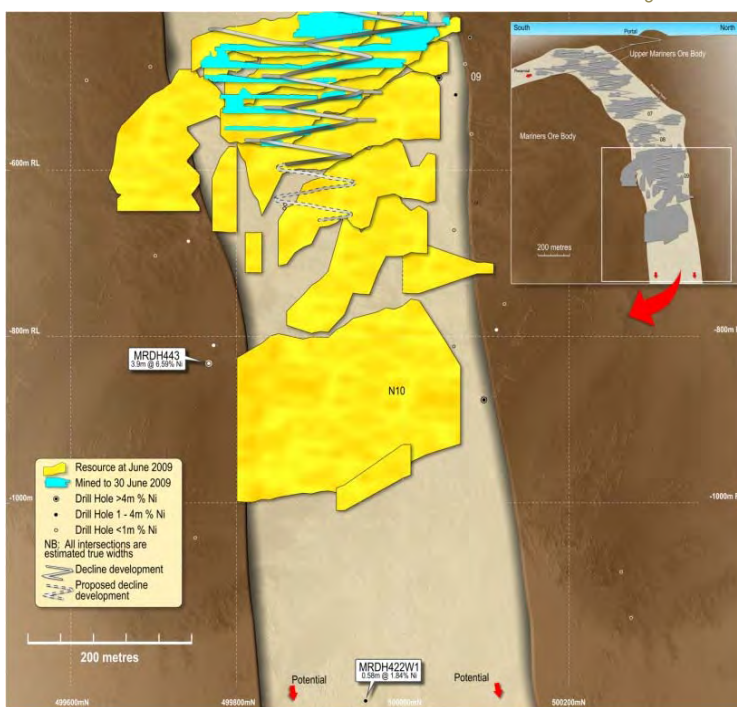
Drilling to search for another ore body below the new N10 ore body was initiated with a deep contact-parallel hole designed to be the parent to three or more directional wedges – providing up to four pierce points at intervals down to around 200 vertical metres below the lower boundary of the N10 ore body.

The parent hole in this ambitious program was completed during the quarter, and intersected the basal contact at a depth of approximately 1,400 metres below surface and 600 metres below current mine workings. The hole appears to confirm the continuation of the ore system to that depth, with sub-grade disseminated nickel mineralisation present in an off-contact position similar to intersections elsewhere in the mine:

- MRDH422W1: **0.58 metres @ 1.84% nickel** (true width)

A bore-hole radar survey of the hole has generated four high amplitude anomalies that could be related to nickel mineralisation. These anomalies will be tested with directional wedges off the parent hole, in line with the original concept, over the coming quarter.

FIGURE 2: Mariners – Long section



## Miitel Ore System

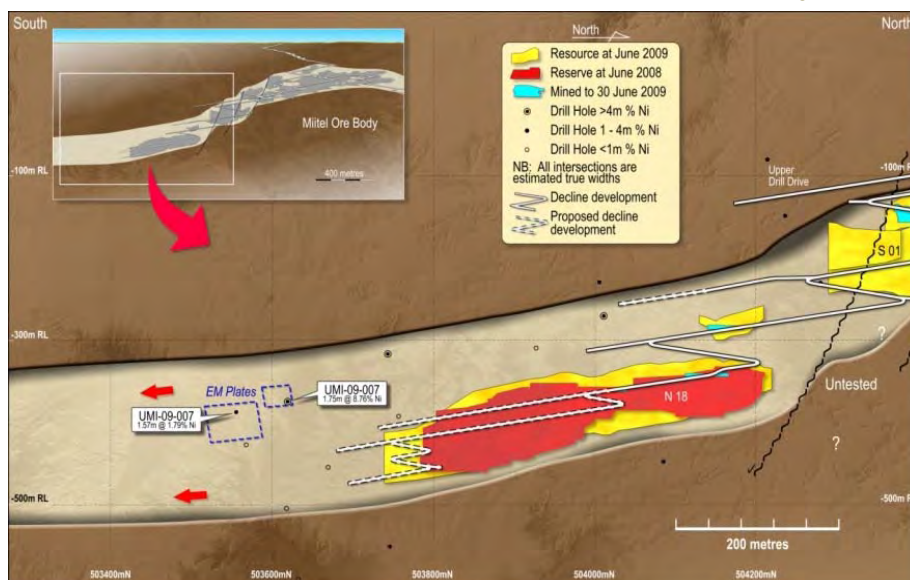
Very significant results were achieved from underground drilling at South Miitel during the quarter. A hole drilled from the South Miitel ventilation drive intersected high-grade massive sulphides:

- UMI-09-007: **1.75 metres @ 8.76% nickel** (true width)

The intersection occurs as medium to high tenor massive sulphides hosted entirely in basalt. The latter fact indicates that the intersection could represent the lower pinch-out position of a new ore body located above and south of the known South Miitel ore body. The same hole also encountered disseminated mineralisation on two further open contact positions (that is, basalt overlain by ultramafic rock), the more significant of which returned 1.57 metres @ 1.78% nickel (estimated true width). A down-hole electromagnetic survey (DHEM) indicates an anomaly extending above and to the south of the massive sulphide intersection, and a strong and extensive anomaly to the south of and below the open contact intersection.

The results could be very significant in the context of the geological setting of the Miitel ore system. The basalt-basalt intersection is typical of the high-grade basalt-hosted massive sulphides that occur at the extremities of ore bodies along the Miitel trend and elsewhere in Kambalda. If this is the case, the implication is that an undiscovered ore body may lie above and to the south of the South Miitel ore body. Follow up drilling is underway.

FIGURE 3: South Miitel – Long Section



## Carnilya Hill Joint Venture (Mincor 70%)

Initial success was achieved in the extensional program at Carnilya Hill with the intersection of high-grade nickel sulphide mineralisation some 320 metres beyond the western end of the current mineral resource. However further drilling during the quarter failed to confirm a significant further westward extension to this mineralisation.

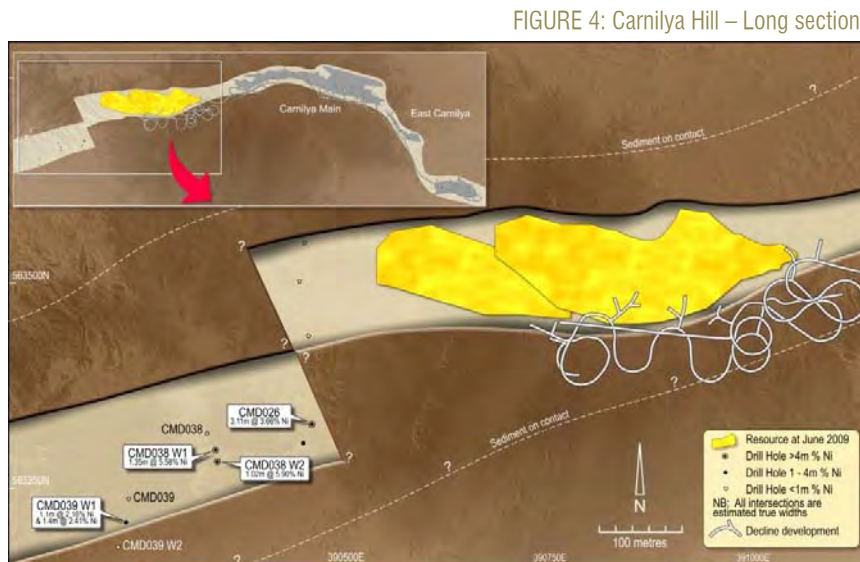
Surface diamond hole CMD38 intersected a weakly mineralised basal contact some 137 metres along plunge from an earlier Mincor drill hole (CMD26: 3.11 metres @ 3.66% nickel). Two wedges were completed in the down-dip direction, both intersecting significant mineralisation:

- CMD38W1: **1.35 metres @ 5.58% nickel** (true width); from 744.53 metres down-hole
- CMD38W2: **1.02 metres @ 5.90% nickel** (true width); from 748.38 metres down-hole

Based on these results it was decided to step out a further 120 metres down-plunge from CMD038. The new hole (CMD039) intersected sub-grade mineralisation (0.36 metres @ 3.92% nickel) on the overturned basal contact at 777.45 metres down hole. A wedge off this hole intersected two zones of sub-grade mineralisation (1.06 metres true width @ 2.16% nickel from 784.22 metres down hole; and 1.39 metres true width @ 2.41% nickel from 792.76 metres). A further wedge in the down-plunge direction failed to intersect the ultramafic rock, indicating that it had been drilled beyond the fold hinge.

These results are disappointing in that they do not support a significant remake of the ore body in the down-plunge direction. However

potential may remain up-dip of these holes, and further drilling is planned. In addition it is clear that significant ore potential has now been identified extending from the CMD38 section line back towards the mine – more work is planned in this area.



## Bluebush Line Tenements

A number of high-quality exploration targets occur along the Bluebush Line, including near-surface high-grade drill intersections at Cameron, Lawry and Stockwell. Moreover, Mincor's regional work has demonstrated that much of the Bluebush Line remains largely untested. For this reason Mincor last year completed a 582 line-kilometre, B-Field, Airborne Versatile Electromagnetic Survey (VTEM) over the Bluebush Line testing approximately 35 kilometres of basal contact.

The survey generated 12 high priority anomalies, eight of which are interpreted to be positioned on the fertile Bluebush ultramafic basalt contact under thin alluvial cover. During the quarter a surface EM program was completed in order to precisely locate these anomalies. Eight high-priority targets were confirmed.

Reverse Circulation pre-collars were completed during the quarter, and the targets will be drill-tested with diamond tails during the December quarter.

## Kambalda West (Mincor 51%, earning 70%)

Field clearing to test the remaining VTEM targets was completed after final environmental clearances were obtained. These high priority VTEM anomalies also have coincident magnetic highs that are believed to be related to ultramafic rocks. All these anomalies are concealed under younger cover. A program of approximately 100 RAB holes is planned for the December quarter.

## UPDATED RESOURCES AND RESERVES

During the quarter Mincor released its latest resource and reserve estimates, updated to 30 June 2009. Due to the slow-down in drilling activities induced by the global financial crisis in mid-year, both resources and reserves remained relatively static over the year, with only modest increases over the pre-depletion figures for June 2008. The full Mineral Resource and Ore Reserve statement is attached to this report.

The figures show that Mincor has grown its original ore reserve by 6.2 times, from a starting position of 25,400 tonnes of nickel metal to the current 45,400 tonnes, after the mining of 111,000 tonnes. Similarly, Mineral Resources have grown from 45,550 tonnes of nickel to 153,700 tonnes, an increase of 5.8 times, after mined production is taken into account.

## REGIONAL BASE METAL EXPLORATION

### Gascoyne Tungsten/Uranium Prospect (Mincor 100%)

Exploration during the quarter focused on the Cattle Pool Uranium Prospect where a detailed radon emanometry survey was completed (Figure 5). This comprised radon gas measurements at 1,000 sites on 200 by 100 metre grids covering an area of approximately 25km<sup>2</sup>. The corrected data is expected during November with final interpretations to be completed during the December quarter.

### Georgina Zinc Lead Project

(Mincor 100%; JOGMEC sole-funding to earn up to 40%)

The large-scale regional geochemical survey continued and is nearing completion. A number of areas have been highlighted for follow-up and the future program will be designed once all results are received.

The total area of the project has now been reduced to 5,953km<sup>2</sup> in accordance with the tenement reduction requirements of the Northern Territory government.

### Bonaparte Zinc, Lead and Copper Project (Mincor 100%; JOGMEC sole-funding to earn up to 40%)

During the quarter Mincor announced that it had signed a joint venture agreement with JOGMEC (Japan Oil, Gas and Metals National Corporation) covering this project. The agreement provides for JOGMEC to sole fund up to \$2 million in exploration expenditure on the project in order to earn an interest of up to 40%. This becomes the second joint venture that Mincor has with JOGMEC.

The project area is located within the onshore Bonaparte Basin and is underlain by sedimentary rocks of Devonian and Carboniferous age that are prospective for carbonate and shale hosted zinc, lead and/or copper deposits. Mineralisation is present at surface or at shallow levels in the Redbank Hills, Martin's Gossan, Cockatoo, Siggins Springs and 4 Mile Creek areas. However, only limited previous exploration has been carried out and nothing since the early 1990s.

During the quarter Mincor and JOGMEC completed a VTEM survey comprising 1,616 line-kilometres along lines spaced 300 metres apart and covering an area extending from north of Emu Springs to just south of Redbank Hills (Figure 6).

Results are being processed.

### Tottenham Copper Project (Mincor 100%)

No fieldwork was carried out at Tottenham. Planning of a major soil geochemical survey and modelling of deeper copper sulphide targets for future drill testing is at an advanced stage. A high resolution aeromagnetic survey is planned to cover the western part of the project area.

The Tottenham Project is highly prospective for near-surface oxide copper deposits as well as copper sulphide mineralisation beneath the oxide zone, similar in style to the Tritton copper mine (13 million tonnes at 2.4% copper). Fieldwork will recommence during the current quarter.

FIGURE 5: Regional location of Cattle Pool Uranium Prospect

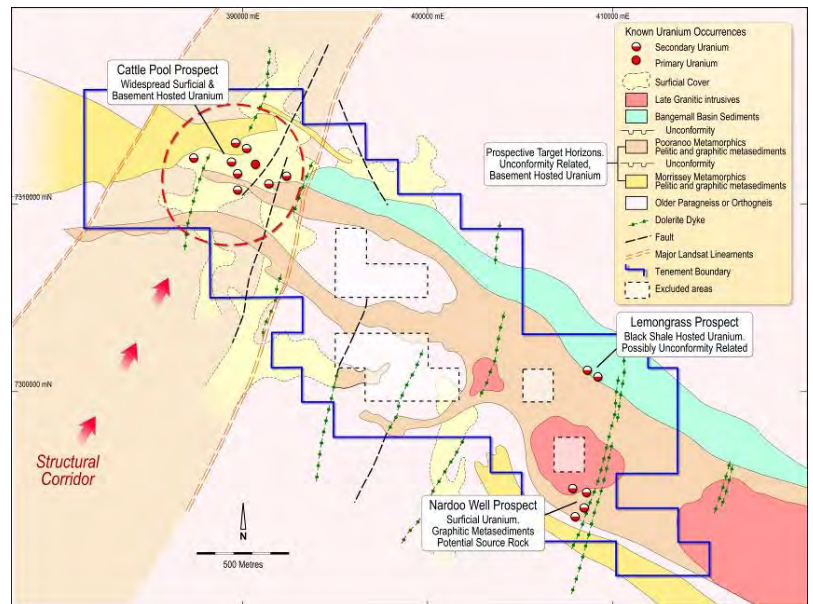
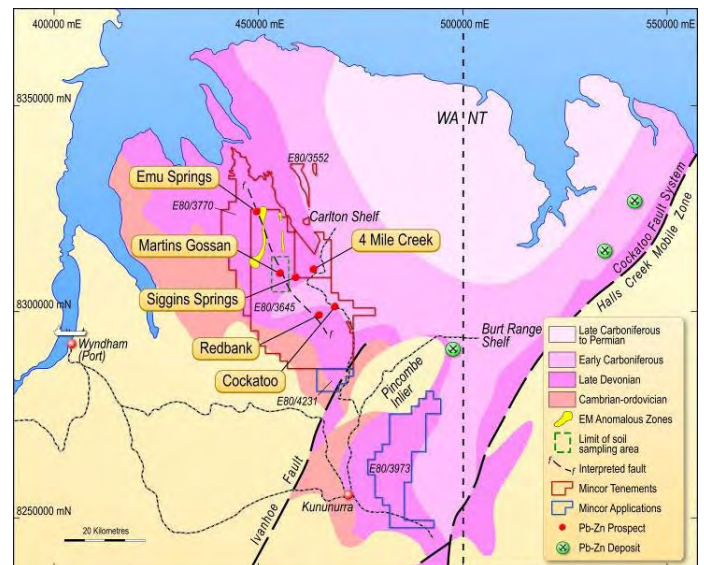


FIGURE 6: Bonaparte Project – Geology and prospect locations



## CORPORATE MATTERS

### Off-take Agreements

During the quarter Mincor's off-take customer, BHP Billiton, exercised its option to extend the Ore Tolling and Concentrate Purchase Agreements (OTCP Agreements) with Mincor for a further 9 years, to 27 February 2019.

The OTCP Agreements provide for the toll treatment of Mincor's ore through the central BHP Billiton-owned mill at Kambalda, and the sale to BHP Billiton of the resulting nickel concentrate. The Agreements have operated successfully since Mincor commenced production in March 2001.

Separate OTCP Agreements are held with BHP Billiton over a number of tenements packages in Kambalda. Four of these, covering production from tenements that hold Mincor's Miitel, Mariners, Wannaway, Redross, North Miitel and Carnilya Hill mines, expire in February 2010. It is these four Agreements that BHP Billiton has now extended for a further 9 years.

Mincor holds an additional two OTCP Agreements with BHP Billiton, one covering production from its North Kambalda Tenements, including the Otter Juan, McMahon, Coronet and McCloy Mines. This Agreement was extended before Mincor's acquisition of the tenements in 2007, and expires in 2019. The final OTCP Agreement covers any future production from the Bluebush tenements, secured by Mincor in 2007. This OTCP Agreement expires in 2016.

### Hedging Arrangements

In line with its strategy of maintaining exposure to the nickel price while securing a minimum level of protection against adverse price movements, Mincor has sold forward a total of 2,375 tonnes of payable nickel metal to June 2011, at an average price of A\$24,494 per tonne.

This represents approximately 15% of Mincor's expected production over that period. This hedging is distributed as shown below:

<b>Oct 2009 to Dec 2009</b>	205 tonnes of nickel per month at a price of A\$28,367/tonne
<b>Jan 2010 to Jun 2010</b>	128 tonnes of nickel per month at a price of \$25,890/tonne
<b>Jul 2010 to Dec 2010</b>	85 tonnes of nickel per month at a price of \$20,275/tonne
<b>Jan 2011 to Jun 2011</b>	80 tonnes of nickel per month at a price of \$21,776/tonne

### Cash and Debt

As at 30 September 2009, Mincor had cash of **\$91.33 million** (end June 2009: \$75.80 million); and receivables net of creditors and accruals of \$6.32 million, giving a working capital position of **\$97.65 million** (end June 2009: \$93.92 million).

During the quarter Mincor earned a **\$5.3 million** increase in revenue received (compared to revenue booked as receivables in the previous quarter) due to provisional pricing adjustments.

Apart from minor leasing and bond commitments, Mincor has no debt.

On 25 September 2009 the Company paid a 4 cent per share fully franked final dividend for the financial year ended 30 June 2009, totalling **\$8 million**.

The information in this Public Report that relates to Exploration Results is based on information compiled by Peter Muccilli and Richard Hatfield, both of whom are Members of The Australasian Institute of Mining and Metallurgy. Messrs Muccilli and Hatfield are full-time employees of Mincor Resources NL. Messrs Muccilli and Hatfield have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Muccilli and Hatfield consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



## MINERAL RESOURCES AND ORE RESERVES

### Mineral Resources as at 30 June 2009

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL		
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	<b>2009</b>	<b>178,000</b>	<b>3.5</b>	<b>316,000</b>	<b>3.3</b>	<b>213,000</b>	<b>5.0</b>	<b>707,000</b>	<b>3.9</b>	<b>27,200</b>
	2008	334,000	4.2	378,000	3.5			712,000	3.9	27,400
Redross	<b>2009</b>	<b>31,000</b>	<b>5.1</b>	<b>138,000</b>	<b>2.9</b>	<b>67,000</b>	<b>2.9</b>	<b>236,000</b>	<b>3.2</b>	<b>7,500</b>
	2008	61,000	7.7	154,000	3.0	67,000	2.9	283,000	4.0	11,200
Miitel	<b>2009</b>	<b>152,000</b>	<b>3.5</b>	<b>476,000</b>	<b>3.7</b>	<b>189,000</b>	<b>3.2</b>	<b>817,000</b>	<b>3.6</b>	<b>29,100</b>
	2008	278,000	3.4	457,000	3.6	115,000	3.7	850,000	3.6	30,200
Wannaway	<b>2009</b>			<b>123,000</b>	<b>2.6</b>	<b>16,000</b>	<b>6.6</b>	<b>139,000</b>	<b>3.0</b>	<b>4,200</b>
	2008	2,000	1.4	123,000	2.6	16,000	6.6	142,000	3.0	4,300
Carnilya Hill*	<b>2009</b>	<b>29,000</b>	<b>5.3</b>	<b>139,000</b>	<b>4.4</b>			<b>168,000</b>	<b>4.5</b>	<b>7,600</b>
	2008			174,000	5.5			174,000	5.5	9,500
Otter Juan**	<b>2009</b>	<b>241,000</b>	<b>4.4</b>	<b>238,000</b>	<b>3.6</b>	<b>104,000</b>	<b>2.5</b>	<b>583,000</b>	<b>3.7</b>	<b>21,700</b>
	2008	258,000	5.2	289,000	3.0	207,000	3.1	754,000	3.8	28,400
McMahon/Ken	<b>2009</b>	<b>26,000</b>	<b>3.1</b>	<b>269,000</b>	<b>3.3</b>	<b>93,000</b>	<b>6.3</b>	<b>388,000</b>	<b>4.0</b>	<b>15,600</b>
	2008			282,000	3.3	91,000	6.4	374,000	4.1	15,200
Durkin	<b>2009</b>			<b>251,000</b>	<b>5.2</b>	<b>127,000</b>	<b>5.0</b>	<b>378,000</b>	<b>5.1</b>	<b>19,400</b>
	2008			251,000	5.2	127,000	5.0	378,000	5.1	19,400
Gellatly	<b>2009</b>			<b>29,000</b>	<b>3.4</b>			<b>29,000</b>	<b>3.4</b>	<b>1,000</b>
	2008			29,000	3.4			29,000	3.4	1,000
Stockwell	<b>2009</b>			<b>557,000</b>	<b>3.1</b>			<b>557,000</b>	<b>3.1</b>	<b>17,100</b>
	2008			195,000	2.4	435,000	3.7	630,000	3.3	20,800
Cameron	<b>2009</b>			96,000	3.3			96,000	3.3	3,200
	2008									
<b>Grand Total</b>	<b>2009</b>	<b>657,000</b>	<b>4.0</b>	<b>2,632,000</b>	<b>3.5</b>	<b>810,000</b>	<b>4.3</b>	<b>4,099,000</b>	<b>3.8</b>	<b>153,700</b>
	2008	934,000	4.5	2,332,000	3.6	1,059,000	4.0	4,325,000	3.9	167,300

- Note that Resources are inclusive of Reserves.
- Figures have been rounded and hence may not add up exactly to the given totals.

\* Resources shown for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Resource.

\*\* Otter Juan includes Coronet and McCloy.

Resources are estimated to a 1% nickel cut-off. No minimum mining width criteria are used. The Resource estimation is done using inverse distance or kriging methods, depending on the data density. Volume models are constructed using all available data including underground drive and stope mapping. Grade interpolation using assay results from diamond drill core and, in places, underground face samples.

The information in this Public Report that relates to Mineral Resources is based on information compiled by Mr Robert Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a permanent employee of Mincor Resources NL. Mr Hartley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hartley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Ore Reserves as at 30 June 2009

RESERVE		PROVED		PROBABLE		TOTAL		
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	2009	138,000	2.8	203,000	2.6	340,000	2.7	9,000
	2008	272,000	3.0	172,000	3.3	444,000	3.1	13,700
Redross	2009	33,000	3.5			33,000	3.5	1,200
	2008	63,000	2.9	21,000	2.4	84,000	2.8	2,300
Miitel	2009	28,000	2.6	440,000	2.7	468,000	2.7	12,400
	2008	119,000	2.5	459,000	2.6	579,000	2.6	15,000
Wannaway	2009			39,000	2.9	39,000	2.9	1,100
	2008	2,000	1.4			2,000	1.4	30
Carnilya Hill*	2009	54,000	3.1	74,000	3.3	127,000	3.2	4,100
	2008			220,000	2.8	220,000	2.8	6,300
Otter Juan**	2009	185,000	3.4	123,000	3.5	307,000	3.4	10,500
	2008	209,000	3.8	111,000	3.7	320,000	3.8	12,100
McMahon	2009	23,000	2.3	269,000	2.4	291,000	2.4	7,100
	2008			322,000	2.4	322,000	2.4	7,600
<b>Grand Total</b>	2009	<b>460,000</b>	<b>3.1</b>	<b>1,147,000</b>	<b>2.7</b>	<b>1,607,000</b>	<b>2.8</b>	<b>45,400</b>
	2008	666,000	3.1	1,299,000	2.8	1,965,000	2.9	57,000

Figures have been rounded and hence may not add up exactly to the given totals.

\* Reserves for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Reserve.

\*\* Otter Juan includes Coronet and McCloy.

Appropriate dilution for the various mining methods was applied to the Indicated and Measured Resources. Using a 1.5% nickel cut-off and minimum mining width criteria, areas were selected as being mineable. Additional modifying factors to account for ore loss, recovery, further dilution, etc were then applied to achieve an estimated Reserve.

The information in this Public Report that relates to Ore Reserves is based on information compiled by Mr Dean Will, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Will is a permanent employee of Mincor Resources NL. Mr Will has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Will consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**- REPORT ENDS -**