MINCOR CONFIDENT DESPITE FIRST HALF LOSS

Strong $28.6M Operating Earnings, Dividend Payments Continue

- *Sharply lower nickel prices lead to Mincor's first ever net loss, of* **$22.7 million**
- *This figure includes provisional pricing adjustments and one-off non-cash asset impairment charges totaling* **$26.6 million**
- *Solid* **operating earnings of $28.6 million** *(revenue less cash costs before provisional pricing adjustments)*
- *Balance sheet remains exceptionally strong – working capital of* **$72 million** *and no debt*
- *Dividends to continue –* **fully franked interim payout of 2 cps** *declared*
- *Outlook for second half* **much stronger** *following implementation of Operational Management Plan*
- **Mincor is successfully weathering the financial storm and continues to offer outstanding leverage to a recovery in global growth**

Australian nickel miner Mincor Resources NL (**ASX: MCR**) today announced its first loss since commencing mining operations in 2001. The net loss of **$22.7 million** for the six months to 31 December 2008 comes despite record production and the Company's best cost performance in more than two years, and is the result of a **39% fall** in gross revenues due to sharp falls in the nickel price during the period.

The result (Dec 2007: $31.3 million net profit) includes a provisional pricing adjustment charge of $9.3 million from the previous financial year and a one-off, non-cash asset impairment charge of $17.3 million. In accordance with its standard accounting practice, Mincor has also written off exploration costs incurred during the period, amounting to $6.7 million.

However, the strength of Mincor's business, and the effectiveness of its response to the falls in commodity prices during October and November, is reflected in solid operating earnings (revenue less cash costs before provisional pricing adjustments) of **$28.6 million** and the capacity to declare a **fully franked interim dividend of 2 cents** per share.

The net result was struck on gross revenues of $100 million for the half year (Dec 2007: $164.9 million) from the sale of a record **8,976 tonnes** of nickel-in-concentrate. Mincor mined 354,052 tonnes of ore at a grade of 2.87% nickel, for 10,155 tonnes of nickel in ore. The average realised price for the period was A$7.99 per pound, down from A$14.05 per pound in the previous corresponding period.

Under the impetus of Mincor's Operational Management Plan, cash costs reduced from an average of A$6.52 per pound of payable nickel in the June 2008 Quarter to **A$5.61 per pound** (US$3.65/lb) in the December 2008 Quarter. Average cash costs were **A$5.76 per pound** for the first half, the lowest they have been since early 2006 (Dec 2007: A$6.26 per pound).

The Company's balance sheet remains strong, with working capital (cash and receivables minus creditors and accruals) of **$72 million** at 31 December 2008. This figure is down from $92 million on 30 June 2008, reflecting the net of tax, dividend and provisional pricing payments as well as capital and exploration expenditures, offset by operational earnings. At 31 December 2008 the Company's hedge book had a marked to market value of $33 million.

Demonstrating its confidence in the future, Mincor's Board has declared a **2 cents per share** fully franked interim dividend (Dec 2007: 6 cps). The record date for the dividend is 27 February 2009, and the dividend will be payable on 27 March 2009.

Following asset impairment tests required by the accounting standards and triggered by the fall in the nickel price, Mincor has written down a portion of the carrying value of its Miitel and McMahon nickel mines, and has written off the residual value of its previously closed Wannaway mine.

The total impairment cost is $17.3 million. This is a one-off, non-cash charge against Mincor's profits, and has no effect on Mincor's cash balance. Additionally, given Mincor's high level of retained profits, the write-downs do not affect Mincor's current capacity to pay dividends.

Management Comment

While the harshness of the current business environment is clearly apparent in Mincor's first-ever accounting loss, the strong operating earnings generated throughout the half year underlines the fundamental strength of Mincor's operations, while management's swift response to the events of October and November, together with the Company's strong balance sheet, has ensured Mincor's ability to weather the global financial storm.

"As outlined in previous releases, we have reduced costs by suspending higher cost production. Due to the unique flexibility of our operations, we have been able to do this without damaging the suspended operations or their ore reserves, and without reducing our production capacity," said Mincor's Managing Director, David Moore.

"Since November production has been flexed downwards to a robust core of three low-cost mines, cash costs have been reduced, and group cash flows substantially increased."

"For the half year as a whole, and even before these operational changes came into affect, our business generated substantial operating earnings. This is a significant point given that few nickel mining companies will report a profit for this half year, and many global nickel mines were forced to shut down during the period."

"It is the strength of these operating earnings that gives us the ability to sustain the capital and exploration investments that are vital for Mincor's future growth, while still maintaining our unbroken record of dividend payments."

"Our objective is to ensure that ongoing capital, exploration and dividend expenditures are covered by operating earnings. This was not the case in the first quarter of the current financial year due to the retrospective impact of the nickel price collapse in October and November, which meant that capital expenditures for the first quarter had been (in retrospect) unsustainably high."

"However, following the operational measures taken in the second quarter, investment expenditures have been wound back to sustainable levels compatible with long-term production at the Company's revised production rate."

Outlook

"As a result of these measures, the Company has – since November 2008 – been generating substantially more cash than it has been consuming, and this is expected to continue for the foreseeable future, based on current nickel price assumptions", Mr Moore said. "In addition, the full positive effects of the operational changes will continue to be felt over the remainder of the 2009 financial year."

As previously advised, Mincor is budgeting production of between 6,500 and 7,500 tonnes of nickel in ore in the second half of the 2009 financial year, with sustainable exploration and capital expenditures of $15 million, funded from cashflows.

Exploration through the second half of the financial year will focus on a number of core areas:

- The down-plunge potential of the Mariners, Otter Juan and Carnilya Hill nickel mines, where initial indications are extremely positive;
- The strong potential of the Burnett Shoot at North Miitel, where mineralisation has now been extended along plunge by nearly 1 kilometre beyond ore reserves;
- The search for Ultra-sized Nickel Ore Bodies in the North Kambalda area, guided by the results of the seismic survey carried out jointly with BHP Billiton in December 2008. The results of the survey are expected to be available in April 2009; and
- The testing of high-quality nickel targets along the Bluebush Line.

Mincor's suspended operations, primarily Miitel, are capable of a rapid and low-cost return to production, giving the Company an unparalleled ability to ramp up production when economic circumstances permit.

"Given the strength of our cash flows, the latent capacity of our suspended mines, the quality of our exploration targets, and our healthy, debt-free balance sheet, we look forward to the future with great confidence," Mr Moore said.

"Mincor continues to offer its shareholders outstanding leverage to the nickel price, and an investment in a financially strong mining company with a long-term track record of success."

Mincor is Australia's 3rd largest listed nickel producer. The Company operates two mining centres in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.

- ENDS -

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MINCOR RESOURCES NL

Half-Year 2008/09
(31 December 2008)

FINANCIAL RESULTS

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Highlights of the Half Year to December 2008

- First ever net loss following sharp drop in nickel price
- Loss comes despite **record production** and the Company's **best cost performance** in more than two years
- Net loss of **$22.7 million** – Result impacted by provisional pricing adjustments ($9.3m), asset impairment charges ($17.3m), and exploration write-offs ($6.7 million)
- Solid Operating Earnings of **$28.6 million** (revenue less cash costs before provisional pricing adjustments) demonstrates the fundamental strength of Mincor's operations
- Strong balance sheet: working capital at **$72 million**, no debt
- Board declares **2 cps fully franked interim dividend**
- Outlook for second half **much stronger** following implementation of Operational Management Plan
- **Growth options maintained** - Strong exploration programme u/way

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Operational Results for the Half Year to December 2008

	Dec Half 2008	Dec Half 2007	Dec Half 2006	Dec Half 2005
Ore Delivered (tonnes)	354,052	345,369	319,991	262,945
Nickel Grade	2.87%	2.70%	2.50%	2.93%
Nickel in Concentrate (tonnes)	8,976	8,196	6,888	6,754
Pounds Payable Nickel	12,843,094	11,744,863	9,870,435	9,678,414
Average Ni Price (A$/lb)	7.99*	14.05	14.26	7.74
Average Cash Cost (A$/lb)	5.76	6.26	6.15	4.81
Average Cash Margin (A$/lb)	2.23	7.79	8.11	2.93

*Excludes the impact of negative nickel sales adjustment on the establishment of final nickel prices for April, May and June 2008 ($9.25 million). Based on estimates for October, November and December 2008; awaits the fixing of the nickel price for these months – see explanation on following page.

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Earnings for the Half Year to December 2008

	Dec Half 2008	Dec Half 2007	Dec Half 2006	Dec Half 2005
Revenues ($M)	100.39*	164.87	147.05	79.65
EBITDA ($M)	11.56	71.14	67.84	27.13
Net Profit/(Loss) After Tax ($M)	(22.71)	31.31	37.18	10.02
Earnings/(Loss) per Share (CPS)	(11.4)	15.6	19.0	5.1
Interim Dividend per Share (CPS)	2.0	6.0	6.0	2.0

*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 2008 half-year accounts for the production months of October, November and December 2008 must be estimated. The Company's policy is to base this estimate upon the 3 month forward nickel price at the end of 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. Similarly, revenues for the current half year period have been adjusted to take account of the final nickel prices established for April, May and June 2008. As a result Mincor has recognised a negative sales revenue adjustment of $9.3 million attributable to those production months. This negative adjustment is incorporated in the above figures.

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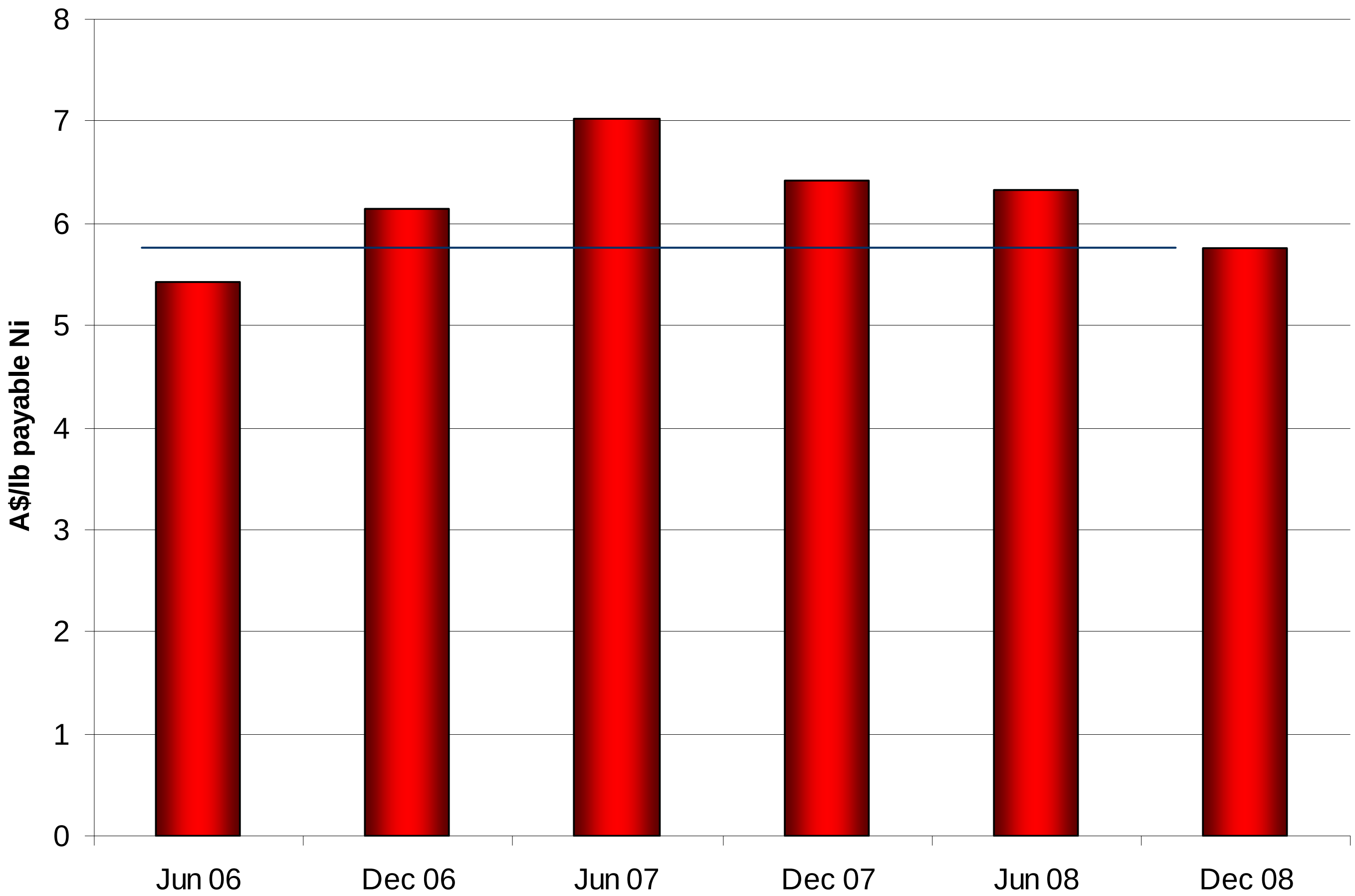
Half Year to December 2008: Lowest Cash Costs in more than Two Years



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Analysis of Earnings – Half Year to December 2008

	Dec Half '08	Dec Half '07	Dec Half '06	Dec Half '05
Operating Earnings (Revenue less Cash Costs) ($M)*	**28.60**	**91.91**	**76.29**	**30.44**
Less: Exploration Costs Expensed ($M)	(6.73)	(6.26)	(5.92)	(2.03)
Less: Corporate Overheads ($M)	(2.38)	(2.58)	(2.53)	(1.28)
Add: Other Income	0.48	-	-	-
EBITDA before recognition of provisional pricing adjustments ($M)	**19.97**	**83.07**	**67.84**	**27.13**
Less: Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2008 ($M)	(8.41)	(11.93)	-	-
EBITDA ($M)	**11.56**	**71.14**	**67.84**	**27.13**
Depreciation and Amortisation ($M) Impairment Loss ($M)	(32.04) (17.29)	(30.41) -	(16.65) -	(14.42) -
EBIT ($M)	**(37.77)**	**40.73**	**51.19**	**12.71**
Net Interest Income ($M)	2.58	4.27	1.43	0.12
Income Tax Benefit/(Expense) ($M)	12.48	(13.70)	(15.44)	(2.81)
Net Profit/(loss) after Tax ($M)	**(22.71)**	**31.30**	**37.18**	**10.02**

*Excludes the impact of provisional pricing adjustments.

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Balance Sheet at 31 December 2008

	31 Dec 2008	31 Dec 2007	31 Dec 2006	31 Dec 2005	31 Dec 2004
Assets ($M)	280.34	303.09	224.36	121.73	108.08
Liabilities ($M)	73.10	97.39	143.23	52.26	51.15
Shareholder's Equity ($M)	**184.44**	**197.75**	**123.48**	**74.65**	**56.93**
Return on Equity (annualised)	N/A	32%	60%	27%	35%

Note: Shareholder's Equity has been adjusted (by $22.80 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.

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Analysis of Cashflows – Half Year to December 2008

	2008 $000	2007 $000	2006 $000	2005 $000
Net Operating Cashflow before recognition of provisional pricing adjustments	23,664	82,529	75,095	14,485
Less: Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2008	(8,418)	(11,928)	-	-
Net Operating Cash Inflow	**15,246**	**70,601**	**75,095**	**14,485**
Income Tax Paid	(13,818)	(37,109)	(8,385)	(3,173)
Payment for Acquisition of GMM	(6,196)	(50,323)	-	-
Capital Expenditure	(31,957)	(25,455)	(13,690)	(12,057)
Exploration Expenditure	(7,966)	(5,428)	(5,592)	(2,450)
Dividends Paid	(11,933)	(11,854)	(5,840)	(3,893)
Proceeds from Issue of Shares	-	705	609	-
Other	(27)	135	70	127
Net Cash Inflow/(Outflow)	**(56,651)**	**(58,728)**	**42,267**	**(6,961)**
Cash at 31 December 2008	55,848	110,839	87,402	11,244

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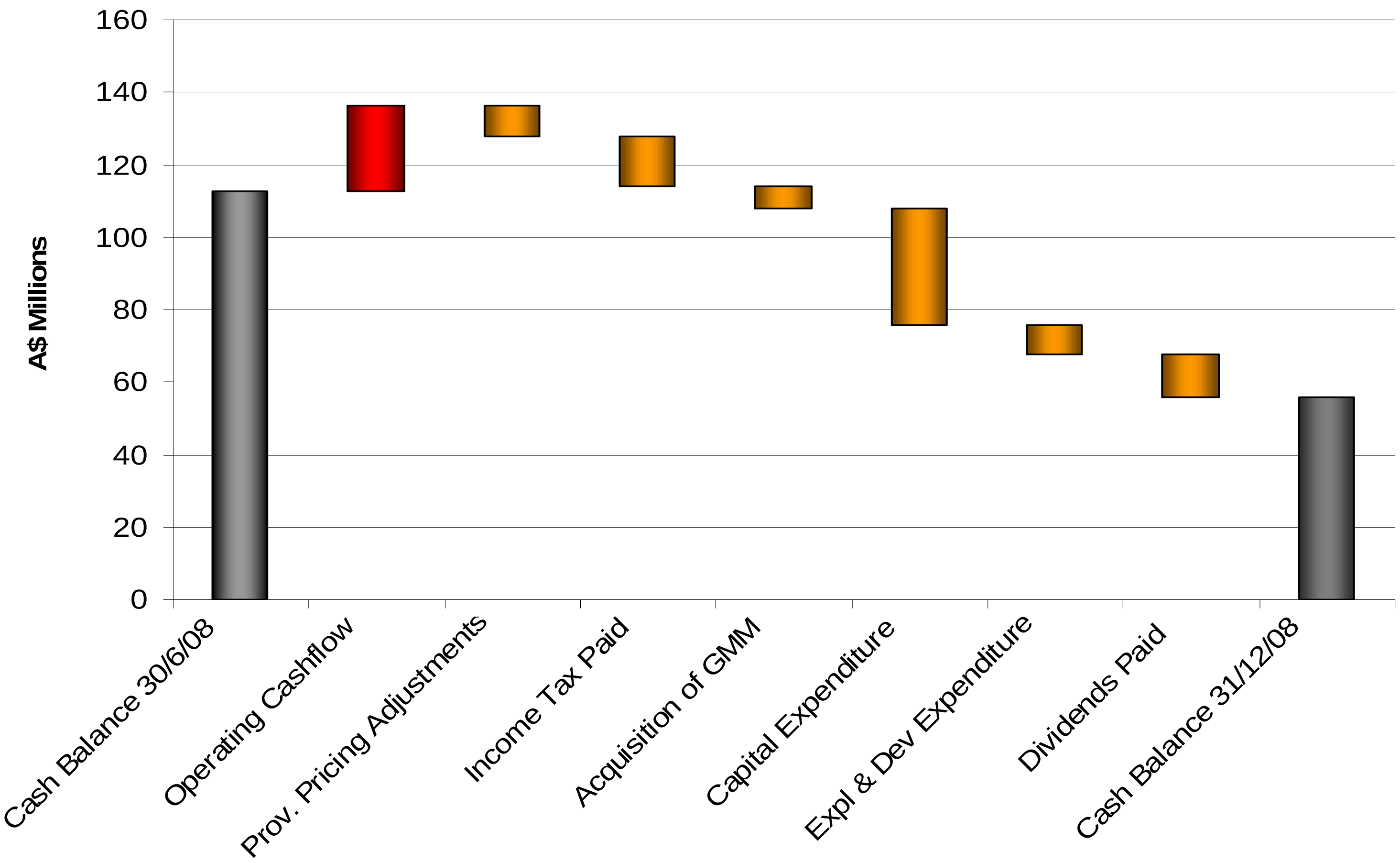
Analysis of Cashflows – Half Year to December 2008



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