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MEDIA RELEASE

17 February 2010

MINCOR DELIVERS $36.9M REBOUND IN FIRST-HALF EARNINGS

Strong First Half Profits and Cash Flows Underpin 50% Increase in Interim Dividend

- **$14.2M net profit** for the 6 months to 31 December 2009 – **substantial turnaround** from the $22.7M loss incurred in 1H FY09
- **245% increase in EBITDA** to **$39.9M** on **total revenue of $94.4M**
- Continued excellent cost performance with **8% reduction in cash operating costs** over the previous corresponding period
- **32% increase in the nickel price** and **tight cost control** drives strong earnings performance
- **$107M in working capital** including **cash of $99M** at year-end; no debt
- **Interim dividend lifted by 50% to 3 cents** per share
- **Robust operational performance** and **outstanding exploration results** provide a strong foundation for continued growth

Australian nickel miner Mincor Resources NL (ASX: **MCR**) today announced a **$14.2 million** net profit after tax for the first half, underlining its return to profitability with a $36.9 million turnaround in earnings from the $22.7 million loss incurred last year due to the impact on nickel prices of the Global Financial Crisis.

The Company's robust operating and financial performance has enabled the Directors to declare a substantially increased interim dividend, maintaining Mincor's outstanding track record of returning profits to its shareholders. The fully franked dividend of **3 cents** per share is payable on **26 March** with a record date of **26 February**.

The first-half profit continues the turnaround in Mincor's earnings that started in the second half of the 2009 financial year, with the Company successfully maintaining the substantial reductions in operating costs achieved at its Kambalda Nickel Operations last year.

The strong result was struck on sales revenues of **$94.4 million** (1H FY09: $100.4 million) and production of **6,175 tonnes** of nickel-in-ore for **5,611 tonnes** of nickel-in-concentrate (1H FY09: 10,155 tonnes of nickel-in-ore and 8,976 tonnes of nickel-in-concentrate).

The result reflects the outstanding cost and production flexibility of Mincor's Kambalda Operations, which achieved an **8% reduction in cash operating costs** over the previous corresponding period, to **A$5.29/lb** of payable nickel (1H FY09: A$5.76/lb).

Together with a 32% increase in the average realised nickel price, to A$10.59/lb (1H FY09: A$7.99/lb), this resulted in Mincor's cash operating margin more than doubling to **A$5.30/lb** of payable nickel (1H FY09: A$2.23/lb), underpinning a **245% increase** in Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) to **$39.9 million** (1H FY09: $11.6 million).

The underlying earnings figure includes positive provisional pricing and royalty adjustments of $4.9 million following finalisation of nickel prices for April, May and June 2009.

Operating earnings (revenue less cash costs) were $39.8 million for the 6 month period (1H FY09: $28.6 million). Earnings before tax were $19.9 million (1H FY09: loss of $35.2 million). The bottom line result translated into earnings per share of **7.1 cents** (1H FY09: negative 11.4 cents).

Mincor continued to enjoy strong net operating cash flows of **$45.9 million** for the period (1H FY09: $23.7 million), and at 31 December 2009 had cash and receivables net of creditors and accruals of **$107 million** and a cash balance of **$99 million** (31 December 2008: $71.7 million and $55.8 million).

The net cash in-flow of **$23.6 million** for the first half is after substantial capital and exploration investments of $17 million, and $8 million worth of dividend payments.

Apart from minor leasing commitments, Mincor has no debt, providing a strong foundation for the Company's continued growth and success.

Mincor's exploration expenditures produced excellent returns over the past 12 months, with the emerging discovery of three new Kambalda nickel sulphide ore bodies – at South Miitel and the N10 and N11 at Mariners – as well as substantial exploration progress at the Bluebush Line and elsewhere in Kambalda.

Mincor continues to operate its successful Otter Juan, McMahon, Mariners and Carnilya Hill nickel mines, and retains the important optionality of its flagship Miitel Nickel Mine, which is currently on care and maintenance but which is capable of a rapid and low-cost return to production.

Management Comment and Outlook

Mincor's Managing Director, David Moore, said: "This is a good financial result and reflects the benefits of our disciplined and focused response to last year's financial crisis, and the dramatic impact this had on the nickel business globally.

"We adjusted our cost base in response to the crisis and have been able to preserve these benefits into the recovery period, enabling us to take full advantage of the improvement in nickel prices seen during the first half," he continued. "This has resulted in a strong financial performance while still preserving the valuable production optionality inherent in our Operations.

"That gives us the flexibility to quickly ramp up production in response to market conditions. At the same time, Mincor has further strengthened its balance sheet, with our cash and working capital position providing a strong platform for continued growth.

"While exploration within our core Kambalda nickel business will provide the main impetus for our near- and medium-term growth, we are placing increasing emphasis on our regional exploration and other business development activities, and hope to see substantial growth in our asset base outside Kambalda over the course of the coming year."

Mincor is currently pursuing growth options at its Tottenham Copper Project in New South Wales as well as a major zinc exploration program in Western Australia and the Northern Territory, in tandem with the Japanese Government entity, JOGMEC.

Production from Mincor's currently operating mines is expected to be between 12,000 and 13,000 tonnes of nickel-in-ore for the 2010 Financial Year. Capital development costs are tracking within previous guidance of approximately $19 million, while the exploration success enjoyed over the first 6 months of the financial year mean that exploration expenditures are likely to be up to 30% higher than previously indicated, and are currently forecast at approximately $16 million for the 2010 Financial Year.

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.

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Released by:
Nicholas Read
Read Corporate
Tel: (08) 9388 1474

On behalf of:
Mr David Moore, Managing Director
Mincor Resources NL
Tel: (08) 9476 7200 www.mincor.com.au

MINCOR RESOURCES NL

Half-Year 2009/10
(31 December 2009)

FINANCIAL RESULTS

Highlights of the Half Year to December 2009

- Return to profitability on strong operating performance and nickel price recovery
- First half profit of **$14.17 million** on EBITDA of **$39.9 million**
- Profit turn-around built on **8%** improvement in cash costs and **32%** increase in nickel price
- Increase in profit despite lower production demonstrating operational flexibility and production optionality
- Strong balance sheet: cash at **$99 million**, working capital at **$107 million**, no debt
- Board lifts **interim dividend by 50% to 3cps** (fully franked)
- **Outstanding near-term growth options** – Exploration expenditure guidance lifted 30%, to $16 million, due to continued Kambalda exploration success, strong regional exploration outlook

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Operational Results for the Half Year to December 2009

	Dec Half ’09	Dec Half ‘08	Dec Half ‘07	Dec Half ‘06	Dec Half ‘05
Ore Delivered (tonnes)	188,878	354,052	345,369	319,991	262,945
Nickel Grade	3.27%	2.87%	2.70%	2.50%	2.93%
Nickel-in-Ore (tonnes)	6,175	10,155	9,321	8,003	7,712
Nickel-in-Concentrate (tonnes)	5,611	8,976	8,196	6,888	6,754
Pounds Payable Nickel	8,013,193	12,843,094	11,744,863	9,870,435	9,678,414
Average Nickel Price (A$/lb)	10.59*	7.99	14.05	14.26	7.74
Average Cash Cost (A$/lb)	5.29	5.76	6.26	6.15	4.81
Average Cash Margin (A$/lb)	5.30	2.23	7.79	8.11	2.93

*Excludes the impact of positive prior period nickel sales adjustment on the establishment of final nickel prices for April, May and June 2009 ($5.34 million). Based on estimates of the nickel price for October, November and December 2009; see explanation on following page.

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Earnings for the Half Year to December 2009

	Dec Half '09	Dec Half '08	Dec Half '07	Dec Half '06	Dec Half '05
Revenues ($M)	94.36*	100.39	164.87	147.05	79.65
EBITDA ($M)	39.88	11.56	71.14	67.84	27.13
Net Profit/(Loss) After Tax ($M)	14.17	(22.71)	31.31	37.18	10.02
Earnings/(Loss) per Share (CPS)	7.1	(11.4)	15.6	19.0	5.1
Interim Dividend per Share (CPS)	3.0	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 prices used in these December 2009 half-year accounts for the production months of October, November and December 2009 are estimates. The Company's policy is to base these estimates upon the 3 month forward nickel price at the end of each 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 half year have been adjusted to take account of the final nickel prices established for April, May and June 2009. As a result Mincor has recognised a positive sales revenue adjustment of $5.3 million attributable to those production months. This positive adjustment is incorporated in the above figures.

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Balance Sheet at 31 December 2009

	31 Dec 2009	31 Dec 2008	31 Dec 2007	31 Dec 2006	31 Dec 2005
Assets ($M)	248.46	280.34	303.09	224.36	121.73
Liabilities ($M)	51.47	73.10	97.39	143.23	52.26
Shareholder's Equity ($M)	**195.41**	**184.44**	**197.75**	**123.48**	**74.65**
Return on Equity (annualised)	15%	N/A	32%	60%	27%

Note: Shareholder's Equity has been adjusted (by $1.58 million) to remove the impact of cash flow 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 Earnings – Half Year to December 2009

	Dec Half '09	Dec Half '08	Dec Half '07	Dec Half '06	Dec Half '05
Operating Earnings (Revenue less Cash Costs) ($M)*	**39.79**	**28.60**	**91.91**	**76.29**	**30.44**
Less: Exploration Costs Expensed ($M)	(2.99)	(6.73)	(6.26)	(5.92)	(2.03)
Less: Corporate Overheads ($M)	(2.30)	(2.38)	(2.58)	(2.53)	(1.28)
Add: Other Income	0.47	0.48	-	-	-
EBITDA before recognition of provisional pricing adjustments ($M)	**34.97**	**19.97**	**83.07**	**67.84**	**27.13**
Add/(less) : Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2009 ($M)	4.91	(8.41)	(11.93)	-	-
EBITDA ($M)	**39.88**	**11.56**	**71.14**	**67.84**	**27.13**
Depreciation and Amortisation ($M) Impairment Loss ($M)	(20.86) -	(32.04) (17.29)	(30.41) -	(16.65) -	(14.42) -
EBIT ($M)	**19.02**	**(37.77)**	**40.73**	**51.19**	**12.71**
Net Interest Income ($M)	0.90	2.58	4.27	1.43	0.12
Income Tax Benefit/(Expense) ($M)	(5.75)	12.48	(13.70)	(15.44)	(2.81)
Net Profit/(loss) after Tax ($M)	**14.17**	**(22.71)**	**31.30**	**37.18**	**10.02**

*Excludes the impact of provisional pricing adjustments.

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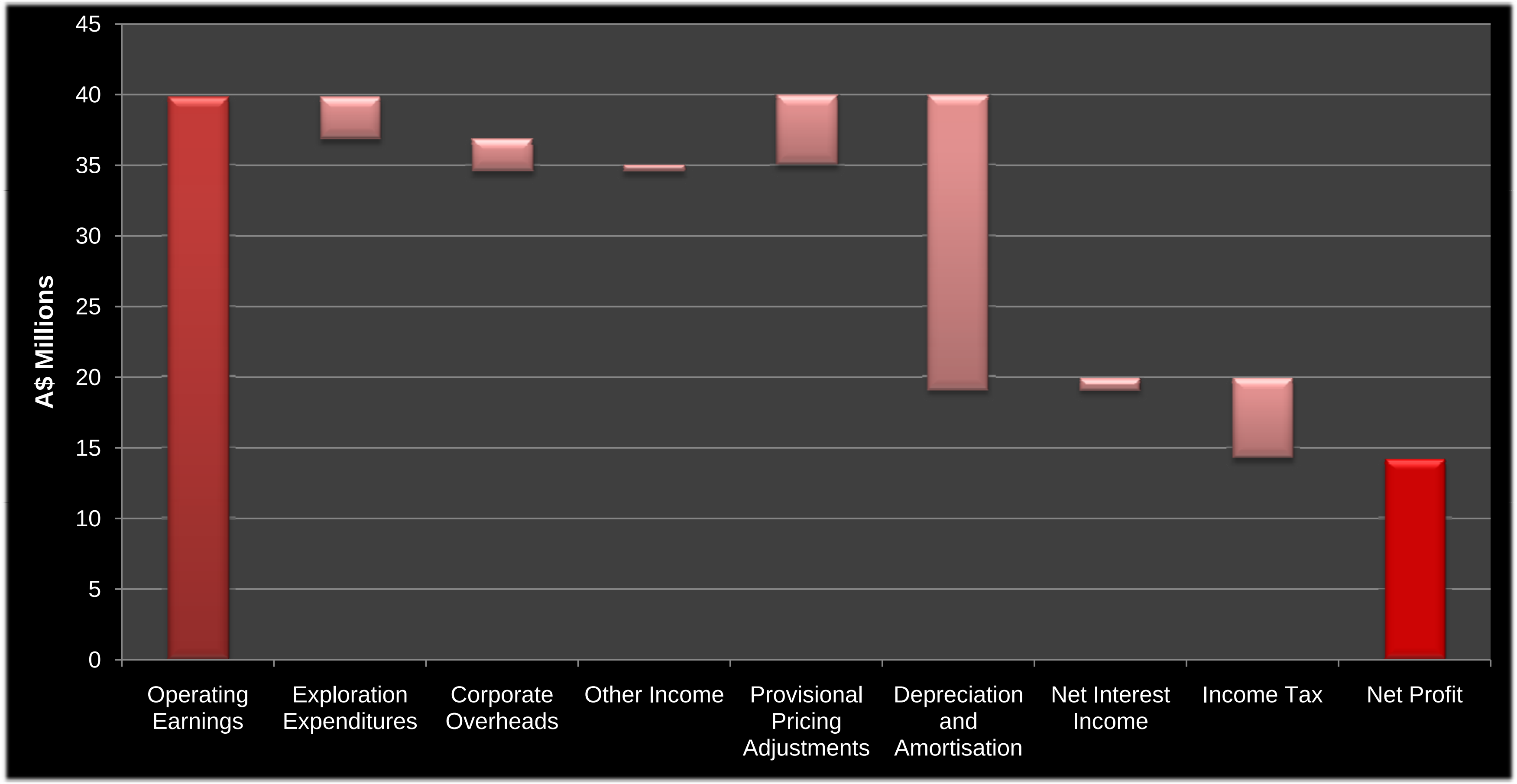
Analysis of Earnings – Half Year to December 2009



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Analysis of Cash Flows – Half Year to December 2009

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	45,911	23,664	82,529	75,095	14,485
Add/(less): Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2009	4,915	(8,418)	(11,928)	-	-
Net Operating Cash Inflow	**50,826**	**15,246**	**70,601**	**75,095**	**14,485**
Income Tax Paid	(1,490)	(13,818)	(37,109)	(8,385)	(3,173)
Payment for Acquisition of GMM	(1,671)	(6,196)	(50,323)	-	-
Capital Expenditure (including near-mine exploration exp.)	(14,955)	(31,957)	(25,455)	(13,690)	(12,057)
Exploration Expenditure	(2,134)	(7,966)	(5,428)	(5,592)	(2,450)
Dividends Paid	(8,007)	(11,933)	(11,854)	(5,840)	(3,893)
Proceeds from Issue of Shares	1,002	-	705	609	-
Other	(13)	(27)	135	70	127
Net Cash Inflow/(Outflow)	**23,558**	**(56,651)**	**(58,728)**	**42,267**	**(6,961)**
Cash at 31 December 2009	99,359	55,848	110,839	87,402	11,244

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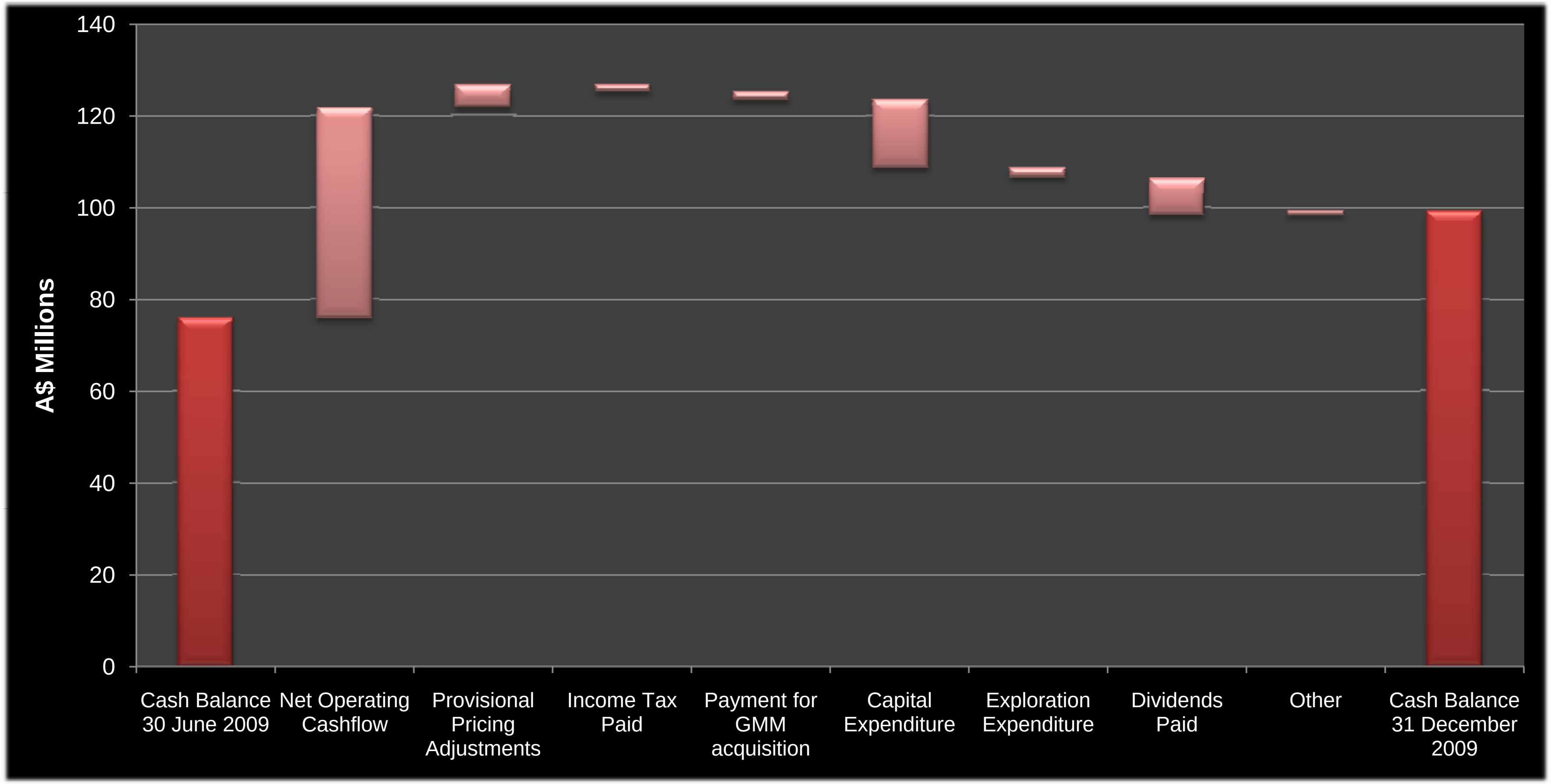
Analysis of Cash Flows – Half Year to December 2009



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