FINANCIAL RESULTS FOR YEAR ENDING 30 JUNE 2011

- **Consistent with previous guidance, Mincor announces an operating loss of $5.9M before impairment charges, and a final net loss after tax of $23.4M, for FY2010/11.**
- **The loss includes $9.9M in exploration costs written-off and $25M in non-cash impairment charges.**
- **A major operational re-structuring is now largely complete – Mincor's mines expected to return rapidly to a sound financial footing.**
- **Board's confidence reflected in 2 cents per share fully franked final dividend – maintaining an unbroken nine-year record of dividend payments.**
- **With new high-grade ore sources entering production, Mincor is targeting production of 10,000 tonnes nickel-in-ore at an average cash operating cost of A$6.10/lb of payable nickel for FY11/12.**
- **$12M exploration budget for FY11/12 to pursue high-value growth opportunities in Kambalda, Papua New Guinea and New South Wales.**
- **After a difficult year, Mincor is back on track – with a strong cash balance of $87.3M at year-end and no debt, healthy operations and outstanding growth prospects.**

Australian nickel miner Mincor Resources NL (**ASX: MCR**) has maintained its unbroken record of dividend payments despite reporting a loss for the year ended 30 June 2011. The final 2 cents per share dividend reflects Mincor's confidence that the operational difficulties experienced over the previous financial year are now behind it.

The operating loss of **$5.9 million** before impairment charges and net after tax loss of **$23.4 million** – both in line with Mincor's previous guidance – draws the curtain on a challenging year for the Kambalda nickel miner during which a number of operational setbacks ultimately flowed through to the bottom line. This represents only the second loss in Mincor's 10-year mining history.

The loss includes $9.9 million in exploration expenditures written off against profits, and non-cash impairment charges of $24.99 million, and compares with a net profit after tax for the preceding financial year of $28.1 million.

Reflecting its confidence in the future, Mincor's Board has announced a fully franked final dividend of 2 cents per share, bringing the full-year payout to 4 cents per share and maintaining its unbroken record of dividend payments since 2003. This return to shareholders is in addition to Mincor's current on-market share buy-back.

The Company maintained its strong balance sheet, with cash of $87.34 million and working capital of $92.97 million as at 30 June 2011, and no debt.

Mincor's production for FY2010/11 was 395,979 tonnes of ore at an average grade of 2.61% nickel, for 10,372 tonnes of nickel-in-ore. Gross revenues for the year were $152.11 million (FY09/10: $184M), from which Mincor derived earnings from operations of $40.83 million (FY09/10: $83.1M), and earnings before interest, tax, depreciation and amortisation of $16.29 million (FY09/10: $77.62M).

Cash costs were high at A$7.95 per pound of payable nickel (FY09/10: A$5.66/lb), reflecting the operational difficulties experienced during the year. These higher cash costs together with the unfavourable US Dollar exchange rate reduced Mincor's cash margin to $3 per pound of payable nickel.

As previously announced, Mincor has undertaken a fundamental re-structuring of its Kambalda operations. This recognises the Company's reduced production capacity following the events of the past year, and is designed to restore the operations to a sound financial footing. The management structure has been unified across the northern and southern operations, manning levels reduced, the roster system changed and Miitel switched to owner-operator, with Mariners to follow shortly.

In addition, the substantial capital investments incurred during the year ($37.75 million) have provided access to new high-grade ore sources that will enter production over the next few months. The high-grade Terrace ore shoot at Mariners is already in production and the N10 ore body will enter production within six months, while the MN03 ore body at McMahon will start producing ore during the current (September) Quarter.

Mincor has announced a production target of 10,000 tonnes of nickel-in-ore for the 2011/12 financial year, at cash costs before royalties targeted at A$6.10 per pound. The Company has budgeted $12 million for exploration in Kambalda and across its suite of high-potential projects in Australian and Papua New Guinea.

"While it's been a tough year for our Kambalda operations, I'm confident that we have now got them back on track," said Mincor's Managing Director, Mr David Moore.

"Importantly, we have also been able to maintain our exemplary track record of dividend payments and a strong balance sheet. Our cash balance and ongoing cash flows provide a solid foundation from which to pursue the outstanding range of growth opportunities in front of us, both in Kambalda and further afield."

"With no debt, healthy operations and outstanding growth prospects, Mincor is in great shape and we look forward to the future with confidence," he added.

Mincor is a leading Australian nickel producer and an emerging multi-commodity resources growth company, and is listed on the Australian Securities Exchange. 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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MINCOR RESOURCES NL

2011 Full Year Financial Results

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2011 Highlights

- As previously announced, Mincor incurred an operating loss of $5.9M before impairment charges;
- Full-year net loss after tax was **$23.4M** after non-cash impairment charges of $24.99M and exploration costs written-off of $9.9M;
- Earnings from Operations were **$40.83M** (2010: $83.10M) (revenue less cash costs before provisional pricing adjustment); EBITDA was **$16.29M**;
- Capital expenditures of **$37.75M** were completed – providing access to new high-grade production sources for FY2012 and beyond;
- Kambalda operations re-structured to improve efficiencies, minimise costs, maximise grade and increase operating margins;
- Strong balance sheet: Cash at **$87.34M**; working capital at **$92.97M;** no debt;
- Board declares **2 cents per share fully-franked final dividend;**
- Previously announced **share buy-back** continues.

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Outlook for 2012 and Beyond

- Kambalda operations expected to return to sound financial footing based on re-structuring and production from new high-grade ore sources;
- Upside to current four-year mine life through ongoing conversion of Mincor's substantial resource base – consistent with the Company's ten-year track record;
- Strong exploration upside in Kambalda – active drilling programs underway;
- Outstanding growth opportunities in PNG and NSW – fully-funded exploration programs underway;
- Strong cash balance, healthy operations and ongoing nickel cash flows provide solid foundation for Mincor's next stage of growth.

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Key Operational Results

	2011	2010	2009	2008	2007
Ore Delivered (tonnes)	395,979	371,159	573,124	722,615	616,230
Nickel Grade	2.61%	3.18%	3.08%	2.63%	2.46%
Nickel-in-Concentrate (tonnes)	9,056	10,673	15,768	16,562	12,927
Pounds payable Nickel	12,796,138	15,186,423	22,513,131	23,733,581	18,524,774
Average Ni Price (A$/lb)	10.95*	11.11*	8.39	13.53	17.28
Average Cash Cost (A$/lb)	7.95	5.66	5.37	6.40	6.59
Average Cash Margin (A$/lb)	3.00	5.45	3.02	7.13	10.69

*Excludes the impact of negative sales adjustments on the establishment of final nickel prices for April, May and June 2010 ($1.40 million). Based on price estimates pending the fixing of the nickel price for the months of April, May and June 2011 – see explanation on following pages.

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Headline Earnings

	2011	2010	2009	2008	2007
Revenues ($M)	152.11*	184.03	191.87	329.30	334.51
EBITDA ($M)	16.30	77.62	45.16	140.81	175.67
Net Profit/(Loss) After Tax ($M)	(23.39)	28.10	(16.66)	64.04	101.33
Earnings/(Loss) per Share (CPS)	(11.7)	14.0	(8.40)	32.10	51.30
Dividends per Share (CPS)	4.0	9.0	6.0	12.0	12.0

*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 June 2011 full year accounts for the production months of April, May and June 2011 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 April, May and June 2011 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 year have been adjusted to take account of the final nickel prices established for April, May and June 2010. As a result Mincor has recognised a negative sales revenue adjustment of $1.4 million attributable to those production months. This adjustment is incorporated in the above figures.

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Analysis of Earnings

	2011	2010	2009	2008	2007
Earnings from Operations (Revenue less Cash Costs) ($M)*	**40.83**	**83.10**	**67.15**	**171.15**	**191.36**
Less: Exploration Costs Expensed ($M)	(9.92)	(6.31)	(10.13)	(12.82)	(10.33)
Less: Corporate Overheads ($M)	(5.80)	(4.96)	(4.58)	(5.59)	(5.36)
Less: Foreign Exchange Gain/(Loss) ($M)	(8.37)	(0.53)	(1.54)	(2.01)	(5.59)
Add: Net Other Income ($M)	1.02	0.58	1.13	-	-
EBITDA before recognition of provisional pricing adjustments ($M)	**17.76**	**72.41**	**53.57**	**152.74**	**175.67**
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2010($M)	(1.47)	5.21	(8.41)	(11.93)	-
EBITDA ($M)	**16.29**	**77.62**	**45.16**	**140.81**	**175.67**
Depreciation and Amortisation ($M)	(28.13)	(40.17)	(57.11)	(55.64)	(35.00)
Impairment Loss ($M)	(24.99)	-	(17.86)	-	-
EBIT ($M)	**(36.83)**	**37.45**	**(29.81)**	**85.17**	**140.67**
Net Interest Income ($M)	3.42	2.48	3.50	6.77	4.34
Income Tax Benefit/(Expense) ($M)	10.02	(11.83)	9.65	(27.90)	(43.68)
Net Profit/(Loss) after Tax ($M)	**(23.39)**	**28.10**	**(16.66)**	**64.04**	**101.33**

*Excludes the impact of provisional pricing adjustments.

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Balance Sheet

	2011	2010	2009	2008	2007	2006
Assets ($M)	210.89	260.43	251.20	328.96	310.77	169.93
Liabilities ($M)	40.04	55.38	51.87	90.47	160.51	98.81
Shareholder's Equity ($M)	**164.79**	**203.07**	**187.91**	**219.43**	**177.66**	**90.78**
Return on Equity	N/A	14%	N/A	29%	57%	27%

Note: Shareholder's Equity has been adjusted (by $6.06 million) to remove the impact of cashflow hedges. Under Australian International Financial Reporting Standards (AIFRS), hedges must be fair valued with mark to market adjustments made against equity. As this fair value fluctuates with nickel and currency prices, the adjustment has been removed in the above table to allow comparisons with previous years.

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Analysis of Cash Flows

	2011 $000	2010 $000	2009 $000	2008 $000	2007 $000
Net Operating Cashflow before recognition of provisional pricing adjustments	37,908	95,273	51,933	159,575	205,750
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2010	(1,469)	5,208	(8,418)	(11,928)	-
Net Operating Cash Inflow	**36,439**	**100,481**	**43,515**	**147,647**	**205,750**
Income Tax Paid	(10,238)	(990)	(3,662)	(53,809)	(13,592)
Payment for Acquisition of GMM	-	(1,561)	(6,575)	(55,074)	(11,750)
Capital Expenditure	(39,163)	(28,370)	(43,674)	(37,398)	(28,764)
Exploration and Development Expenditure	(9,873)	(5,171)	(9,634)	(35,331)	(10,549)
Dividends Paid	(16,049)	(14,012)	(15,911)	(23,722)	(17,596)
Proceeds from Issue of Shares	359	1,002	149	1,763	2,168
Other	(930)	(383)	(906)	(1,144)	(1,235)
Net Cash Inflow/(Outflow)	**(39,455)**	**50,996**	**(36,698)**	**(57,068)**	**124,432**
Cash at 30 June 2011	87,342	126,797	75,801	112,499	169,567

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Analysis of Cash Flows