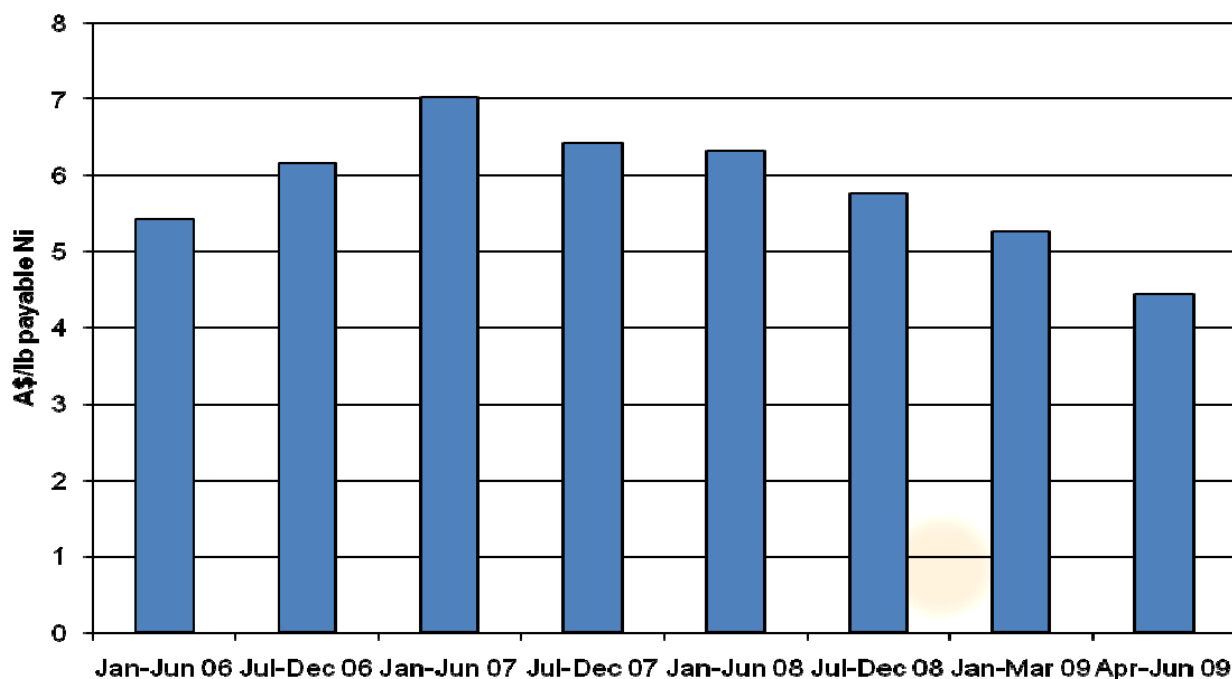


## HIGHLIGHTS OF THE QUARTER

- Another outstanding quarterly performance with cash costs down, production up, and strong net free cash generated
- Cash costs were down a further 15% over the previous quarter to multi-year lows of A\$4.45 per pound payable nickel (US\$3.34/lb)
- Production volumes increased qoq to 3,823 tonnes nickel in ore – bringing Mincor’s full year production to 17,630 tonnes nickel in ore – well ahead of the target range of 16,500 to 17,500 tonnes
- Exceptionally strong cash generation continued, with net free cash (after capital and exploration costs) of \$17.88 million generated for the quarter, up 74% over the previous quarter
- Exploration ramp-up underway with a spectacular intersection achieved in the first major step-out drill-hole at Mariners – 35 metres @ 7% nickel (true width 6.4 metres)
- Exciting drill results at Otter Juan, with the unexpected intersection of two new mineralised contacts – highlighting the potential for the discovery of additional ore bodies within this major ore system
- First interpreted results from the North Kambalda seismic survey confirm a substantial US-NOB target to the east and major prospectivity to the west of Otter Juan
- Airborne VTEM survey over the Bluebush Line identifies 12 high-quality targets with strong ‘massive sulphide’ EM signatures
- Working Capital (cash and receivables minus creditors and accruals) increased to \$93.9 million (up from \$78.5 million at end March). Cash balance increased to \$75.8 million (up from \$60.6 million at the end of March)

## CONTINUED SUCCESS IN COST REDUCTION DRIVES COSTS DOWN, MARGINS UP

Graph 1: Evolution of Mincor’s group-wide cash costs, January 2006 to June 2009



## MINING OPERATIONS, KAMBALDA

**Table 1: Production, Grade, Revenue and Costs – Quarter ending 30 June 2009**

	<b>SOUTH KAMBALDA OPERATIONS<sup>(1)</sup></b>	<b>NORTH KAMBALDA OPERATIONS<sup>(2)</sup></b>	<b>TOTAL FOR JUNE 2009 QUARTER</b>	<b>PRECEDING QUARTER (March 2009) TOTAL</b>
Ore Tonnes Treated (DMT)	45,139	62,081	<b>107,219</b>	111,852
Average Nickel Grade (%)	3.67	3.49	<b>3.57</b>	3.26
Nickel-in-Concentrate Sold (tonnes)	1,488.1	1,998.9	<b>3,487.0</b>	3,304.8
Copper-in-Concentrate Sold (tonnes)	139.0	135.8	<b>274.8</b>	244.6
Cobalt-in-Concentrate Sold (tonnes)	27.6	24.0	<b>51.6</b>	50.9
<i>Sales Revenue* (A\$)</i>	<i>20.84m</i>	<i>25.83m</i>	<b>46.67m</b>	41.93m
<i>Direct Operating Costs** (A\$)</i>	<i>9.44m</i>	<i>12.25m</i>	<b>21.69m</b>	24.84m
<i>Royalty Costs (A\$)</i>	<i>0.70m</i>	<i>0.99m</i>	<b>1.69m</b>	1.59m
<b>Operating Surplus*** (A\$)</b>	<b>10.70m</b>	<b>12.59m</b>	<b>23.29m</b>	15.50m
Capital Costs****	3.15m	2.26m	<b>5.41m</b>	5.20m
<b>Costs Per Pound Payable Nickel</b>				
<i>Payable Nickel Produced (lbs)</i>	<i>2,124,074</i>	<i>2,849,552</i>	<b>4,973,626</b>	4,723,778
<i>Mining Costs (A\$/lb)</i>	<i>2.74</i>	<i>2.61</i>	<b>2.66</b>	3.14
<i>Milling Costs (A\$/lb)</i>	<i>0.81</i>	<i>0.82</i>	<b>0.82</b>	0.86
<i>Ore Haulage Costs (A\$/lb)</i>	<i>0.18</i>	<i>0.06</i>	<b>0.12</b>	0.14
<i>Other Mining/Administration (A\$/lb)</i>	<i>0.82</i>	<i>0.72</i>	<b>0.76</b>	1.01
<i>Royalty Cost (A\$/lb)</i>	<i>0.33</i>	<i>0.35</i>	<b>0.34</b>	0.34
<i>By-product Credits (A\$/lb)</i>	<i>(0.30)</i>	<i>(0.21)</i>	<b>(0.25)</b>	(0.24)
Cash Costs (A\$/lb Ni)	4.58	4.35	<b>4.45</b>	5.25
Cash Costs (US\$/lb Ni @ 0.75c)	3.44	3.26	<b>3.34</b>	3.94

**Table 2: Production, Grade, Revenue and Costs – Financial Year 2008/09**

	<b>SOUTH KAMBALDA OPERATIONS<sup>(1)</sup></b>	<b>NORTH KAMBALDA OPERATIONS<sup>(2)</sup></b>	<b>TOTAL FOR FINANCIAL YEAR 2008/09</b>	<b>PRECEDING FINANCIAL YEAR (2007/08) TOTAL</b>
Ore Tonnes Treated (DMT)	343,042	230,082	<b>573,124</b>	722,615
Average Nickel Grade (%)	2.84	3.42	<b>3.08</b>	2.63
Nickel-in-Concentrate Sold (tonnes)	8,515.2	7,253.0	<b>15,768.1</b>	16,562.1
Copper-in-Concentrate Sold (tonnes)	764.9	483.7	<b>1,248.6</b>	1,430.0
Cobalt-in-Concentrate Sold (tonnes)	162.6	94.6	<b>257.2</b>	323.5
<i>Sales Revenue* (A\$)</i>	<i>106.69m</i>	<i>87.98m</i>	<b>194.67m</b>	334.84m
<i>Direct Operating Costs** (A\$)</i>	<i>68.39m</i>	<i>51.33m</i>	<b>119.72m</b>	147.06m
<i>Royalty Costs (A\$)</i>	<i>4.34m</i>	<i>3.46m</i>	<b>7.80m</b>	18.87m
<b>Operating Surplus*** (A\$)</b>	<b>33.96m</b>	<b>33.19m</b>	<b>67.15m</b>	168.91m
Capital Costs**** (A\$)	22.76m	16.18m	<b>38.94m</b>	38.67m
<b>Costs Per Pound Payable Nickel</b>				
<i>Payable Nickel Produced (lbs)</i>	<i>12,166,518</i>	<i>10,346,613</i>	<b>22,513,131</b>	23,733,581
<i>Mining Costs (A\$/lb)</i>	<i>3.21</i>	<i>3.13</i>	<b>3.17</b>	3.85
<i>Milling Costs (A\$/lb)</i>	<i>1.04</i>	<i>0.81</i>	<b>0.93</b>	1.09
<i>Ore Haulage Costs (A\$/lb)</i>	<i>0.26</i>	<i>0.06</i>	<b>0.17</b>	0.23
<i>Other Mining/Administration (A\$/lb)</i>	<i>1.11</i>	<i>0.86</i>	<b>0.99</b>	1.01
<i>Royalty Cost (A\$/lb)</i>	<i>0.36</i>	<i>0.34</i>	<b>0.36</b>	0.79
<i>By-product Credits (A\$/lb)</i>	<i>(0.28)</i>	<i>(0.22)</i>	<b>(0.25)</b>	(0.57)
Cash Costs (A\$/lb Ni) – Full Year	5.70	4.98	<b>5.37</b>	6.40
Cash Costs (US\$/lb Ni @ 0.75)	4.28	3.74	<b>4.03</b>	4.80

<sup>(1)</sup> Production from Mariners and Redross.

<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 June Quarter, Mincor established the final nickel prices for the production months of January, February and March. As a result Mincor has recognised a positive sales revenue adjustment of **\$3.4 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

Excellent production from each of Mincor's nickel operations generated an outstanding quarter for the Company, with cash costs down by 15% over the preceding quarter, production up by 5%, grades at their highest levels in 6 years, and total nickel in ore for the quarter of 3,823 tonnes (3,487 tonnes nickel-in-concentrate).

As a result Mincor exceeded its previously advised production range for the financial year (16,500 to 17,500 tonnes of nickel in ore), producing 17,630 tonnes of nickel.

The strong performance reflects the success of Mincor's Management Plan and demonstrates the flexibility of its Kambalda mining business, which has allowed it to generate strong cashflows through an immensely difficult period in the mining industry. Even now Mincor continues to hold the valuable optionality of its dormant Miitel Mine, historically the Company's largest producer, which can be placed back into production at any time and at minimal cost.

### Northern Operations

Otter Juan had another strong quarter, with production only marginally below the record tonnes produced in the previous quarter. Importantly this near-record production was at a higher grade than the previous record quarter. The higher grades were due to the stoping of high-grade ore in the main F62 ore body and the U ore body, and proportionally lower tonnes from development ore. Development of the F62 ore body continued to expose strong high-grade ore. The decline continued and, pleasingly, is ahead of the stoping schedule.

Drilling to extend the resource and reserve down plunge generated exciting results, with two new basal contacts identified. See further in the the exploration section below.

An important milestone was achieved at Otter Juan with the 40<sup>th</sup> anniversary of the first cut in the decline portal, which took place on 14 July 1969. Since that time Otter Juan has proved to be one of the world's premier nickel mines, with production to date of over 300,000 tonnes of nickel at grades in excess of 3.5%. Today, the ore system is as strong and consistent as in the upper levels where it was first mined.

Excellent production at Carnilya Hill reflects the success of the change to owner-mining carried out in January. The production ramp-up continued, delivering 25% more ore tonnes than the previous quarter and maintaining the strong grade. Production increased as stoping operations were ramped up in the B01C ore body. The decline continued as per requirements.

Stoping operations at McMahon and Coronet continued as per plan.

### Southern Operations

Excellent production was achieved from Mincor's South Kambalda Operations. This came mainly from Mariners, with Miitel remaining on care and maintenance and only a small contribution from Redross due to its completion in early May.

Despite the end of mining at Redross, production of nickel-in-concentrate increased 4% compared to the previous quarter. Importantly, lower ore tonnes were offset by higher grades. Substantially reduced operating expenditures and strong grades brought about a 22% reduction in cash costs.

Mariners continued to develop and stope high grade ore in the N09 ore body. Very high grade stope ore from the 1580 level made a substantial contribution to the 24% increase in grade over the previous quarter. In several ore drives the widths and grade of ore exceeded reserve expectations. However, geological structures on the 1500 and 1430 levels resulted in less ore than expected in those areas.

The decline continued to progress and by quarter-end accesses to the 1410 level of the N09 ore body had commenced. Overall mining efficiency continued to improve, with costs per tonne decreasing 8% compared to the previous quarter. This, combined with the high grade and increased nickel production, led to a massive 36% drop in operating costs on a per pound of nickel basis.

Extensional exploration commenced with considerable early success. See further in the exploration section below.

Mining at Redross was completed during the quarter, as per schedule. Although not a big operation, Redross must count as one of the most successful mining projects of recent times in Australia, reflecting the rigour of Mincor's original feasibility study and the skill and dedication of its site management and work force.

Mincor commenced development at Redross in December 2003, with first ore generated in August 2004. Since then, the mine has produced 509,260 tonnes of ore at an average grade of 3.18% nickel, for 16,188 tonnes of contained nickel, against feasibility estimates of 526,000 tonnes of ore at 2.95% nickel for 15,517 tonnes of contained nickel. Mincor's innovative mining method proved highly effective, and resulted in higher grades and reduced operating costs, and this combined with the perfect positioning of the operation with respect to the nickel boom enabled Redross to substantially exceed its financial expectations. The mine ultimately generated a net profit before tax of \$100 million,

against original estimates for total gross revenues of \$100 million.

Mincor pays tribute to the men and women who worked at Redross over the past 5 years, whose efforts made it the outstanding success it proved to be.

Remnant ore remains in accessible positions in Redross and will be extracted at an appropriate time in the future.

In line with the overall reduction in production at South Kambalda Operations since December 2008, cost reduction initiatives continued, with expenditures on administrative and support functions down by 50% compared to the last quarter.

The Miitel and Wannaway mines remain on care and maintenance.

**Table 3: Production by mine site, June 2009 quarter (Miitel production reflects only clean-up of over-size material on stockpiles)**

Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel*	383	1.72	7	6
Mariners	41,961	3.78	1,586	1,424
Redross	2,794	2.33	65	59
Otter Juan	30,653	4.06	1,244	1,157
McMahon	2,034	2.34	48	44
Coronet	6,015	2.17	130	121
Carnilya Hill	23,379	3.18	743	677
<b>Totals</b>	<b>107,219</b>	<b>3.57</b>	<b>3,823</b>	<b>3,487</b>

**Table 4: Production by mine site, Financial Year 2008/09**

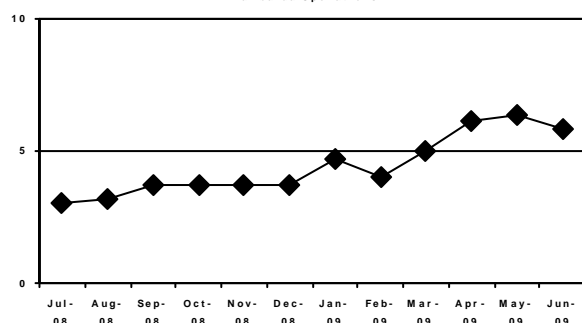
Mine	Tonnes	Grade	Nickel-in-ore	Nickel-in-concentrate
Miitel	87,208	2.41	2,105	1,817
Mariners	187,443	3.11	5,834	5,123
Redross	66,119	2.69	1,779	1,550
Wannaway	2,272	1.43	32	25
Otter Juan	117,362	3.93	4,614	4,261
McMahon	19,064	1.86	355	326
Coronet	23,410	2.49	584	538
Carnilya Hill	70,246	3.31	2,326	2,128
<b>Totals</b>	<b>573,124</b>	<b>3.08</b>	<b>17,630</b>	<b>15,768</b>

## HEALTH, SAFETY AND THE ENVIRONMENT

Two Lost Time Injuries were reported for the June quarter. An Air Leg Miner at Redross was struck on the hand by a scat, resulting in a laceration and tendon damage and a Scraper Operator at Otter Juan was struck by a rock on the foot while moving a Scraper Block.

The 12 month moving average Lost Time Injury Frequency Rate for all Mincor operations is 5.8. This is above the LTIFR 3.7 for Underground Nickel Mining in Western Australia.

12 Month Moving Average (LTI's) Lost Time Injury Frequency Rate  
Kambalda Operations



This is an unsatisfactory performance and Mincor will continue to focus on reducing workplace injuries to deliver its vision of zero harm. Work continues at strengthening the Safety Management System, including Risk Management standards. Work on the cultural aspects of safety, including awareness, attitudes and behaviours continue. The following improvement strategies were undertaken during the quarter:

- Completed the development of two Audit Protocols for Major Hazard Standards (Ground Control Management and Underground Fire Prevention).
- Completed the course development for Control, Coordination and Management of Emergency Incidents.
- Emergency Evacuation Drills completed across all sites.
- Review of Emergency Preparation, Preparedness and Response capabilities completed at Southern Operations.
- Increased the number of Task Observations performed at Otter Juan to 12 per month to identify skills gaps for underground mobile equipment operators and operators performing specialised tasks.
- New Miitel Underground Mine Site Specific Induction developed and fully implemented.
- Three Team Based Risk Assessments completed on specific tasks across Northern and Southern Operations.

Additional key initiatives in the coming quarter will include:

- An external audit at all sites on compliance to statutory and regulatory requirements based on the Department of Mines and Petroleum High Impact Audit Protocols.
- Complete the remaining four Audit Protocols for the 6 Major Hazard Standards developed. Conduct the audits and fully implement the Major Hazard Standards.
- Present and implement the "Control, Coordinate and Manage Emergency Incidents" Course to key personnel at Southern Operations.
- Review and update Training and Competency requirements for employees at Southern Operations.
- Continue work on the Key Safety Strategies outlined in the 3 year Strategic Safety Plan for Southern Operations.
- Continue Task Observations at Otter Juan to identify training and skills gaps for performing specialised tasks.

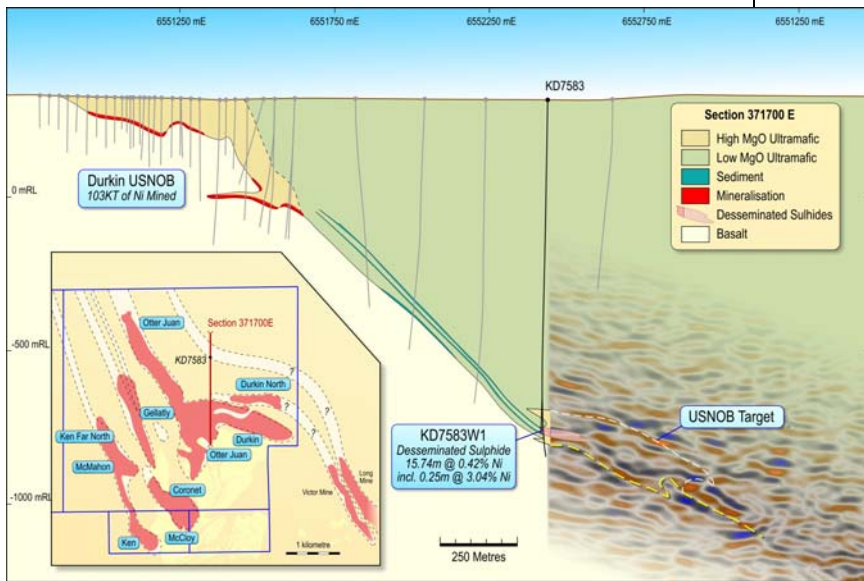
## KAMBALDA NICKEL EXPLORATION

As previously flagged, Mincor stepped up its nickel exploration program very substantially during the quarter. Early success was achieved from extensional drilling at Mariners Mine, and exciting results were generated at Otter Juan. Generative work laid the foundations for major drilling programs testing high-quality targets at North Kambalda, Bluebush and Carnilya Hill through the new financial year.

### North Kambalda Seismic Survey and Ultra-Sized Nickel Ore Body Program

During December 2008 Mincor completed a high resolution 3-dimensional seismic survey in a joint initiative with BHP Billiton, Mincor's tenement neighbour to the north. The survey area covered the northern third of Mincor's North Kambalda tenements. The prospective basal contact in this area is untested by drilling outside the immediate mine trend of Otter Juan. The purpose of the seismic survey was to identify the prospective basal contact at depth and, if possible, to identify structures within the contact that could represent the trough structures that hold ultra-sized nickel ore bodies (US-NOBs) of the type that occur in this part of the Kambalda District.

Figure 1: Section 371700E Geological Section showing US-NOB target



Interpretation of the vast quantity of seismic data is now well underway. Initial results suggest that, for the first time, the deep architecture of the northern third of the Kambalda Dome may be resolved, and that the location of the basal contact throughout this area may be discernable.

Of particular note is the seismic signature of the Otter Juan ore body, which can be detected well-beyond the current workings and appears to continue to at least Mincor's northern lease boundary.

Of great importance is the approximate identification of the basal contact to both the east and west of Otter Juan.

**To the east** of Otter Juan the results of the seismic survey have added support to a very strong geological target previously identified by Mincor. Mincor's detailed geological interpretation identified the area down-dip and west of a deep historical drill hole as an outstanding target for an ultra-sized nickel ore body, possibly the continuation of the Long ore body, a known US-NOB.

The drill hole, one of the deepest in the region that actually intersects the basal contact, intersected a number of ore body "indicators" derived from well-established geological models at Kambalda, including a thick zone of disseminated

mineralisation in the hanging-wall ultramafic rock, a possible re-entrant structure in the basal contact, and fertile high-magnesium ultramafics in the important basal lava flow.

Mincor's seismic data has imaged a full profile immediately down dip of this drill hole. The seismic data suggests that the basal contact contains an embayment up to 75 metres deep and 200 metres wide, with a strike of approximately 300 metres. Within this embayment a moderate seismic reflector can be discerned.

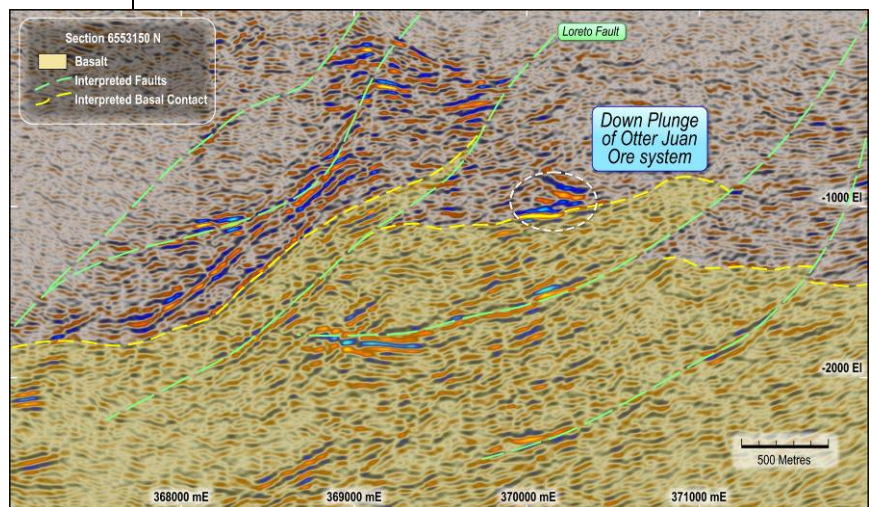
It is possible that the embayment represents a typical Kambalda-style trough structure, and that the contained reflector represents actual mineralisation. Importantly, this seismic target is directly co-incident with the previously identified and high-quality geological target described above.

Follow-up drilling of this outstanding target will take place from underground positions in the Otter Juan ore body, and is planned for next quarter.

**To the west** of Otter Juan the seismic data has enabled the resolution of the complex thrust structures on the western side of the Kambalda Dome. Of critical importance to Mincor is the identification of the basal contact within this thrust stratigraphy, as this basal contact hosts substantial ore bodies in the up-plunge direction, including the Coronet, McMahon, Ken, McCloy, Wroth and Gellatly ore bodies.

The initial interpretation of this western half of the seismic data suggests that the basal contact may be discernable within the thrust blocks, and that drill testing of targets to be derived in this area is easily achievable from underground positions in Otter Juan. Further interpretation is underway and is likely to be followed up by stratigraphic drilling in due course.

Figure 2: Interpreted Geological Cross Section, North Kambalda 6553150N



### Otter Juan Ore System

Routine resource and reserve drilling continued at Otter Juan during the quarter. It is becoming increasingly clear from this drilling that the ore system is entering an area of complexity, such as those present in numerous upper areas of the mine. Such zones of complexity are welcome and valuable, as they

almost invariably lead to the discovery of additional ore bodies within the overall ore system.

First indications of the current complexity were suggested by the steepening of the dip of the ore body first identified by Mincor’s directional drilling program during 2008. More recently (as reported in the previous quarterly report) high-grade hanging wall mineralisation was discovered. During the quarter under review, further evidence of Otter Juan’s expanding potential was revealed, with at least two new basal contact positions being discovered in routine drill holes into the hanging wall.

These holes intersected at least two new mineralised basalt-ultramafic contacts approximately 30 metres above the main ore body. These new contact positions could be the harbinger of a significant new discovery. The mineralisation on these contacts include: (all estimated true width):

- JS48-019: **1.7 metres @ 4.08% nickel** – first basalt outer contact
- JS48-010: **0.2 metres @ 3.37% nickel** – second outer basalt contact (HBOO)
- JS47-012: **0.3 metres @ 2.78% nickel** – first basalt underside contact (HBU)
- JS48-019: **0.1 metres @ 1.85% nickel** – first basalt underside contact (HBU)

These newly discovered and structurally repeated basal contacts could have the potential to host large bodies of massive sulphides remobilised both into the foot-wall and hanging-wall. The significant hanging-wall mineralisation reported in the previous quarter (JS48-009: 4.3 metres @ 3.58% nickel; JS48-008: 6.1 metres @ 3.59% nickel; and JS48-010: 4.0 metres @ 4.98% nickel (all true width)) remains open and is likely to be connected to the repeated basal contacts reported above.

This discovery of repeated basal contacts and high-grade remobilised mineralisation in Otter Juan is a very positive development that will be followed up by a major round of underground exploration drilling in the next quarter.

**Mariners Ore System**

Exploration drilling recommenced at Mariners during the quarter, with a major step-out program aimed at discovering the postulated “N10” ore body below the NO9 ore body, which is currently being mined.

Early success was achieved with the first deep hole intersecting 34.68 metres at 7.01% nickel (true width 6.4 metres). Apart from the spectacular grade and width, the significance of the intersection lay in its location some 180 metres below the current resource boundary and as much as 400 metres below the current level of operations.

As such, the intersection points to the possibility of a very significant extension to the mine life of this productive and profitable operation.

Drilling has continued through the quarter, but the rate of turn-over of drill holes is slow due to their length.

Better intersections to date include:

- MRDH0400: **34.68 metres** (true width 6.4 metres) @ **7.01% nickel** from 460.90 metres
- MRDH0406: **29.70 metres** (true width 3.8 metres) @ **5.12% nickel** from 523.50 metres
- MRDH0413: **9.51 metres** (true width 2.32 metres) @ **2.78% nickel** from 364.10 metres
- MRDH0402: **16.64 metres** (true width 3.3 metres) @ **1.75% nickel** from 450.72 metres

The results so far suggest that the N10 ore body has indeed been discovered and that it is likely to be similar to the N09, in which the bulk of the metal occurs in separate very thick and high grade ore pods. These have proved amenable to productive and low-cost mining with the added benefit of improved control of the local stress field. The N10 mineralisation remains open down plunge and along strike. Drilling continues.

Other drilling was conducted with the objective of adding to the N09 resource and reserve. MRDH0409 was drilled to test a 65 metre vertical gap between two earlier holes within the N09C resource. The hole intersected both the N09C and N09D ore bodies, encountering strong mineralisation in each.

The two intersections are as follows:

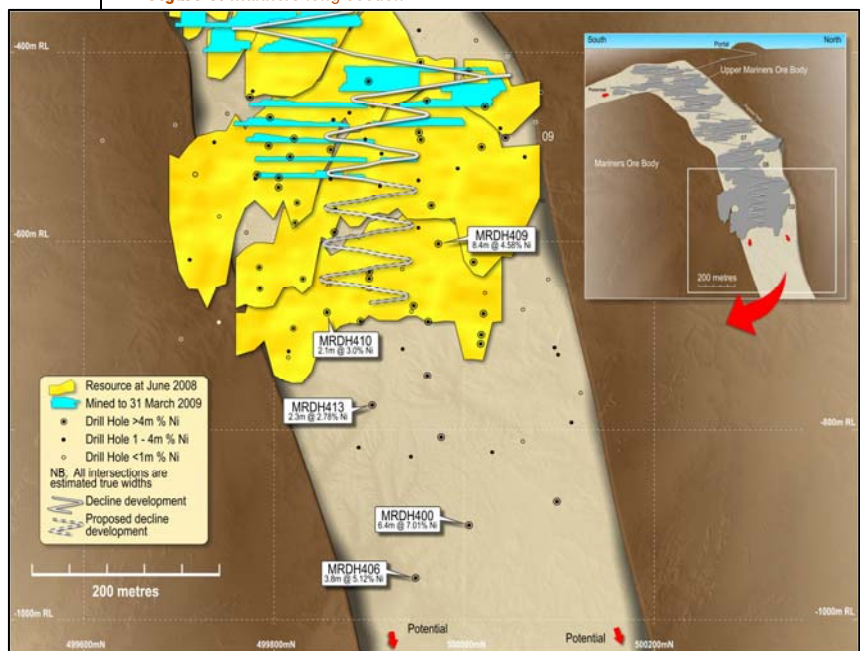
- **22.36 metres @ 4.62% nickel** (true width 8.4 metres)
- **3.81 metres @ 6.35% nickel** (true width 1.44 metres)

MRDH0410 was drilled to test within the N09B south of the basalt pinch-out. The hole intersected the following:

- **7.90 metres @ 3.00% nickel** (true width 2.1 metres)

The intersections in both holes are significant as they substantially improve the estimated tonnes and grade of the resource in that part of the NO9 ore body.

Figure 3: Mariners long section



## Miitel Ore System

Three drill holes were completed during the quarter. These were targeted at the existing inferred Burnett resource (UMI-09-001 and UMI-09-002) and at a northward extension to the resource (UMI-09-003). While high-grade nickel sulphides were intersected these had been structurally attenuated, resulting in sub-economic widths and down-grading the potential of this area (all below true width):

- UMI-09-001: **0.41m @ 6.03% nickel** and;  
**1.34m @ 2.88% nickel**
- UMI-09-002: **0.75m @ 5.24% nickel**
- UMI-09-003: **0.30m @ 1.8% nickel**

The focus of exploration will now shift to the north, where the structural attenuation is expected to be less severe.

## Carnilya Hill Joint Venture

A fixed-loop surface electro-magnetic (EM) survey was undertaken during the quarter covering a large area east of the Carnilya Hill mine and extending to the tenement boundary.

A strong anomaly was identified in a favourable geological setting. The anomaly is positioned immediately west of historic hole CHD397 (0.1 metres @ 10% nickel) and in close proximity to the interpreted keel of the Carnilya Syncline. The anomaly has an interpreted dimension of 80 metres by 100 metres and could represent massive nickel sulphides. Drill testing is planned for the coming quarter.

Also during the coming quarter a major step-out drill hole to test for western extensions to the high-grade Carnilya Hill ore body will be carried out.

## Bluebush Line Tenements

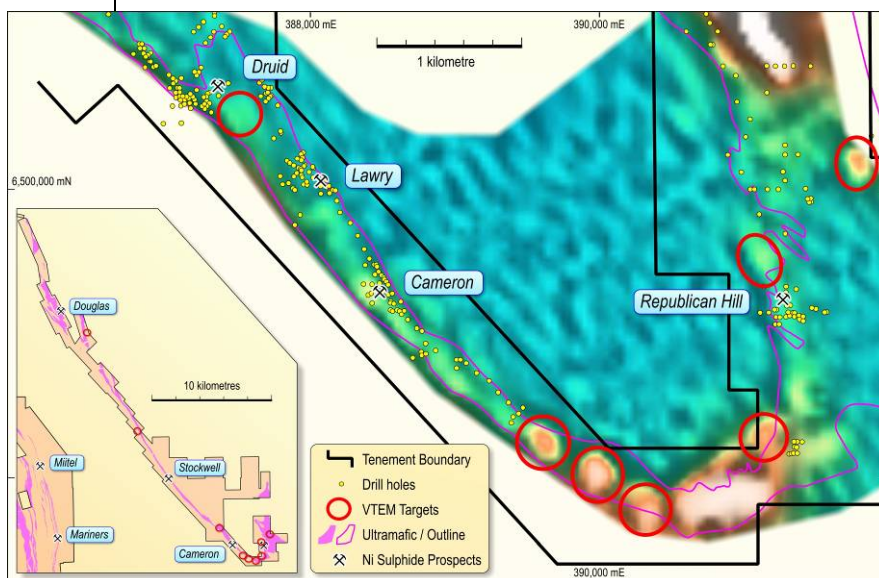
A number of high-quality exploration targets occur along the Bluebush Line, including near-surface high-grade drill intersections at Cameron, Lawry and Stockwell. However, Mincor's regional work has demonstrated that much of the Bluebush Line remains largely untested. Based on this, and on the success of an orientation EM survey completed by Mincor last year, the Company carried out a 582 line-kilometre, helicopter-borne, B-Field, Versatile Electro-magnetic Survey (VTEM) covering approximately 35 kilometres of prospective basal contact.

The results of the VTEM survey were impressive, with a very good signal to noise ratio due to the resistive ground over most of the survey area. The survey successfully identified conductors over known mineralisation at Cameron, Obelisk and Republican Hill.

The survey generated 12 high-priority anomalies, 8 of which lie within the interpreted fertile Bluebush ultramafic package and under younger cover. These are untested and high quality anomalies with EM signatures typical of massive sulphides.

A surface EM survey has now commenced, aimed at providing better anomaly definition to allow the drill-testing of these targets within the next few months.

Figure 4: Bluebush VTEM Targets



## REGIONAL GOLD & BASE METAL EXPLORATION

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

Planning for a systematic investigation of the soil covered areas at Cattle Pool is underway. A RadonX soil-gas sampling system will be used, which allows the indirect measurement of uranium through soil up to 80 metres thick. The system measures the gamma-emitting radon (gas) daughters of uranium that can migrate through variable soil cover, overcoming the limitation of direct surface radiometrics in which gamma radiation can be masked by thin soil cover. This survey will provide greater detail on the potential link between surficial uranium occurrences at Cattle Pool and possible primary uranium mineralisation hosted in buried basement metasediments.

In this regard, analysis of the 2008 Airborne Survey data highlights the prospectivity of basement metasediments as hosts for high grade unconformity-related uranium mineralisation.

### Georgina Zinc Lead Project (Mincor 100%; JOGMEC sole-funding to earn up to 40%)

Field work continues at Mincor's Georgina project, funded by the Japanese government agency JOGMEC.

Work to date has included the generation of a hypothetical 3-dimensional geological and structural model of the region, which can be used to model likely (metal bearing) fluid flow patterns within the basin. Reinterpretation of historical seismic sections using revised stratigraphic logging of diamond drill holes has suggested greater extent and thickness of Neoproterozoic sediments in the deeper parts of the basin. This has positive implications for prospectivity of shallower parts of the basin or areas located above basement

highs or tapped by fault structures acting as regional plumbing systems.

Currently a regional soil geochemical survey is underway designed to locate the interpreted faults that may have channeled metal-bearing fluids. Preliminary results from the first traverses indicate elevated zinc ion concentrations across interpreted fault zones in several areas. Work continues.

#### **Bonaparte Zinc, Lead and Copper Project (Mincor 100%)**

A meeting was held with Traditional Owners as a precursor to Heritage Surveys that will allow field work to commence.

#### **Tottenham Copper Project (Mincor 100%)**

Potential for the delineation of additional near surface oxide copper deposits, together with untested potential for sulphide copper deposits at depth, makes Tottenham a high priority project. Planning is underway for a regional soil sampling and ground geophysics program in the near future, to be followed by drill testing of priority targets.

### **CORPORATE MATTERS**

#### **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 2,425 tonnes of payable nickel metal to June 2011, at an average price of A\$26,245 per tonne.

This represents approximately 14% of Mincor's expected production over that period.

This hedging is distributed as follows:

<b>Jul 2009 to Dec 2009</b>	213 tonnes of nickel per month at a price of A\$28,544/tonne
<b>Jan 2010 to Jun 2010</b>	116 tonnes of nickel per month at a price of \$26,418/tonne
<b>Jul 2010 to Dec 2010</b>	50 tonnes of nickel per month at a price of \$19,156/tonne
<b>Jan 2011 to Jun 2011</b>	25 tonnes of nickel per month at a price of \$20,001/tonne

#### **Cash and Debt**

As at 30 June 2009 Mincor had cash of **\$75.80 million** (end March 2009: \$60.60 million); and receivables net of creditors and accruals of \$18.12 million, giving a working capital position of **\$93.92 million** (end March 2009: \$78.48 million).

During the quarter Mincor earned a **\$3.4 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.

The information in this Public Report that relates to Exploration Results is based on information compiled by Messrs Peter Muccilli and Richard Hatfield both of whom are Members of The Australasian Institute of Mining and Metallurgy. 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. Messrs Muccilli, Hatfield and Hartley are full-time employees of Mincor Resources NL. Messrs Muccilli, Hatfield and Hartley 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, Hatfield and Hartley consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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