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MEDIA RELEASE
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MINCOR ANNOUNCES HALF-YEAR RESULTS

Resource estimates and initial feasibility studies for up to three new mines targeted by calendar year-end as robust production enables Mincor to maintain its dividend record

- Mincor delivers healthy EBITDA of **$14.87M** (1HFY14: $14.36M) after posting a strong half-year operating performance.
- First-half net after tax loss of **$1.89M** (1HFY14: $0.03M loss) after depreciation and amortisation charges of $16.66M, $3.80M of exploration costs expensed, negative provisional nickel pricing adjustments from the previous year of $0.70M, and an income tax expense of $0.43M.
- First-half production of **162,216 tonnes of ore at 3.07% nickel for 4,986 tonnes nickel-in-ore**, at cash costs of **A$5.00 per pound payable nickel** – with the Company on track to meet or better production and cost guidance for FY15.
- Directors maintain Mincor's outstanding record of dividend payments, with a **fully-franked interim dividend of 2 cents per share** (1HFY14: 2 cents)
- Mincor's balance sheet remains strong, with **$53.6M** cash at bank at 31 December 2014 (30 June 2013: $56.90M).
- **Outstanding recent exploration success** paves the way for four significant new organic growth opportunities for Mincor: resource estimates and initial Feasibility Studies targeted for up to three new Kambalda mines by year-end.

Australian nickel miner Mincor Resources NL (**ASX: MCR**) has posted solid operating earnings after beating its production and cost guidance for the half-year to December 2014, allowing it to maintain its unbroken track record of dividends and continue to fund an aggressive organic growth strategy driven by exploration success.

The Company has declared a fully-franked interim dividend of **2 cents per share** (1HFY14: 2 cents) after posting earnings before interest, tax, depreciation and amortisation (EBITDA) of **$14.87 million** for the six months to 31 December 2014 (1HFY14: $14.36 million) on sales revenue of **$52.01 million** (1HFY13: $52.99 million).

The result was underpinned by another robust operating performance, with production of 4,986 tonnes of nickel-in-ore at cash costs of A$5.00 per pound payable nickel. This was achieved from production of 162,216 tonnes of ore at an average nickel grade of 3.07% (1HFY14: 169,971 tonnes of ore grading 3.31% nickel for 5,618 tonnes of nickel-in-ore).

Despite the strong operating performance, the Company declared a net loss after tax of $1.89 million (1HFY14: loss of $0.03 million), after non-cash depreciation and amortisation charges of $16.66 million (1HFY14: $14.61 million) and after expensing $3.80 million of exploration costs.

The bottom-line loss includes a tax charge of $0.43 million arising from the reversal of a deferred tax asset relating to a previously anticipated capital gains event. The result also incorporates a negative provisional nickel pricing adjustment of $0.70 million, due to the sharp drop in nickel prices during the half-year.

Mincor's average realised nickel price for the half-year was A$7.95 per pound (1HFY14: A$7.01 per pound). However the nickel price outlook is considered positive, and prices are currently trending higher, at around A$8.80 per pound.

Mincor's Kambalda nickel mines generated an 'operating surplus' of $18.6 million for the half-year (revenues minus cash operating costs), which was used to fund $11.6 million in mine capital costs, $6.7 million in exploration expenditures (of which $3.8 million is expensed), $3.8 million in dividends and $2.2 million in head office costs. Mincor also spent $7 million on new capital equipment, which was financed via a lease arrangement.

Mincor is on track to achieve the upper end of its targeted full-year production range of 8,000 to 9,000 tonnes of nickel-in-ore, and to outperform its cash cost guidance of A$5.30/lb of payable nickel.

Active exploration programs are continuing across the Company's Kambalda tenements, with three surface rigs and three underground rigs focusing on the exciting new Cassini and Voyce discoveries, as well as the Durkin and Burnett deposits.

Commenting on the first-half results, Mincor's Managing Director David Moore said:

"Our operating team has again delivered a solid production performance at very competitive costs, with the small half-year loss including some fairly significant non-cash items. This was against the backdrop of a nickel price which, through the half-year, probably did not live up to earlier expectations.

"Looking ahead, we expect to see the full benefit of our new equipment flow through in the second half. At this point we are tracking towards the top end of our production guidance and out-performing our cost guidance. We are also seeing something of a rebound in nickel prices at present, which is greatly assisted by the lower Australian Dollar.

"On the exploration front we are enjoying considerable success and we now see a range of organic growth options emerging – at Burnett, at Durkin, at Cassini and at Voyce. Our intention is to drill aggressively for the remainder of the financial year, with a view to finalising resource numbers in the first quarter of FY16 and, if warranted, completing initial feasibility studies on up to three potential new mines by about the end of this calendar year.

"So the Kambalda Nickel District continues to deliver for Mincor and its shareholders, and as the largest single holder of nickel exploration tenements in the District, I believe it will continue to do so well into the future."

Mincor, which is listed on the Australian Securities Exchange, is a leading Australian nickel producer and self-funded exploration company. Mincor operates two mines 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 2014/15
(31 December 2014)

FINANCIAL RESULTS

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Financial Highlights of the Half-Year to December 2014

- First half loss of **$1.89M** (1HFY14: $0.03M Loss) after D&A of $16.66M, exploration expensed of $3.80M, negative provisional pricing adjustments of $0.70M, and a one-off tax cost of $0.43M;
- Healthy EBITDA of **$14.87M** (1HFY14: $14.4M) on the back of a strong operating performance;
- Directors declare a **2 cps fully franked interim dividend**;
- Major expenditures included $6.7M in exploration (of which $3.80M is expensed), $11.6M in mine capital, $7.0M in new mining equipment (lease financed) and $3.8M in dividends;
- Strong balance sheet maintained, with $55.1M in cash and receivables net of current interest-bearing liabilities, creditors and accruals (30 June 2014: $61.3M).
- Cash at bank of $53.6M (30 June 2014: $50.6M).

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Operational Highlights of the Half-Year to December 2014

- Production of 162,216 tonnes of ore grading 3.07% nickel for 4,986 tonnes of nickel-in-ore, at cash costs of A$5.00/lb payable nickel;
- Mincor tracking towards the upper end of its production target range, and likely to outperform its cost target;
- Major equipment upgrade program completed;
- **Outstanding exploration results** – an enviable pipeline of organic growth opportunities emerging:
  - Cassini and Voyce – new high-grade discoveries
  - Burnett – reinvigorated North Miitel potential
  - Durkin North – Upgrade and Infill drilling underway
  - Full-year exploration budget lifted 40% to $14M

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Operational Results for the Half-Year to December 2014

	Dec Half' 14	Dec Half' 13	Dec Half' 12	Dec Half' 11	Dec Half '10
Ore Delivered (tonnes)	162,216	169,971	157,863	166,423	206,934
Nickel Grade	3.07%	3.31%	3.21%	3.12%	2.68%
Nickel-in-Ore (tonnes)	4,986	5,618	5,063	5,184	5,553
Nickel-in-Concentrate (tonnes)	4,395	5,006	4,516	4,632	4,900
Pounds Payable Nickel	6,297,643	7,173,165	6,471,311	6,626,096	7,003,043
Average Nickel Price (A$/lb)	7.95*	7.01	8.26	9.20	11.01
Average Cash Cost (A$/lb)	5.00	4.46	5.07	6.05	7.24
Average Cash Margin (A$/lb)	2.95	2.55	3.19	3.15	3.77

*Excludes the impact of negative prior period nickel sales adjustment on the establishment of final nickel prices for April, May and June 2014 ($0.70 million). Based on estimates of the nickel price for October, November and December 2014; see explanation on following page. This is the price realised by Mincor after taking into account Mincor's hedging.

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Earnings for the
Half-Year to December 2014

	Dec Half' 14	Dec Half' 13	Dec Half' 12	Dec Half' 11	Dec Half '10
Revenues ($M)	52.01*	52.99	55.53	62.44	80.38
EBITDA ($M)	14.87	14.36	14.77	15.50	11.40
Net Profit/(Loss) After Tax ($M)	(1.89)	(0.03)	(2.21)	0.35	(2.14)
Earnings/(Loss) per Share (CPS)	(1.0)	(0.0)	(1.2)	0.2	(1.1)
Interim Dividend per Share (CPS)	2.0	2.0	2.0	2.0	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 2014 half-year accounts for the production months of October, November and December 2014 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 2014. As a result Mincor has recognised a negative sales revenue adjustment of $0.70 million attributable to those production months. This negative adjustment is incorporated in the above figures.

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Balance Sheet at 31 December 2014

	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Assets ($M)	137.49	131.55	169.37	193.96	247.57
Liabilities ($M)	35.51	20.23	28.62	31.82	56.92
Shareholder's Equity ($M)	**101.98**	**111.32**	**140.75**	**155.83**	**189.74**
Return on Equity (annualised)	0%	0%	N/A	0.4%	N/A

Note: Shareholder's Equity has been adjusted to remove the impact of cash flow hedges. The adjustment for 31 December 2014 was nil. 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 2014

	Dec Half' 14	Dec Half' 13	Dec Half' 12	Dec Half' 11	Dec Half '10
Operating Earnings (Revenue less Cash Costs) ($M)*	**18.61**	**18.26**	**20.62**	**20.84**	**25.72**
Less: Exploration Costs Expensed ($M)	(3.80)	(1.71)	(2.85)	(2.20)	(3.28)
Less: Corporate Overheads ($M)**	(2.21)	(2.27)	(2.56)	(2.98)	(2.61)
Less: Foreign Exchange Gain/(Loss)	3.27	0.67	(0.35)	2.46	(7.59)
Add: Other Income/Expenses	(0.36)	(0.18)	0.84	(0.60)	0.63
EBITDA before recognition of provisional pricing adjustments ($M)	**15.51**	**14.77**	**15.70**	**17.52**	**12.87**
Add/(less) : Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2014 ($M)	(0.64)	(0.41)	(0.93)	(2.02)	(1.47)
EBITDA ($M)	**14.87**	**14.36**	**14.77**	**15.50**	**11.40**
Depreciation and Amortisation ($M) Impairment Loss ($M)	(16.66) -	(14.61) -	(18.24) -	(15.98) -	(16.27) -
EBIT ($M)	**(1.79)**	**(0.25)**	**(3.47)**	**(0.47)**	**(4.87)**
Net Interest Income ($M)	0.33	0.52	0.71	1.18	1.71
Income Tax Benefit/(Expense) ($M)	(0.43)	(0.3)	0.55	(0.36)	1.02
Net Profit/(loss) after Tax ($M)	**(1.89)**	**(0.03)**	**(2.21)**	**0.35**	**(2.14)**

*Excludes the impact of provisional pricing adjustments. ** "Corporate Overheads" include New Business Development costs.

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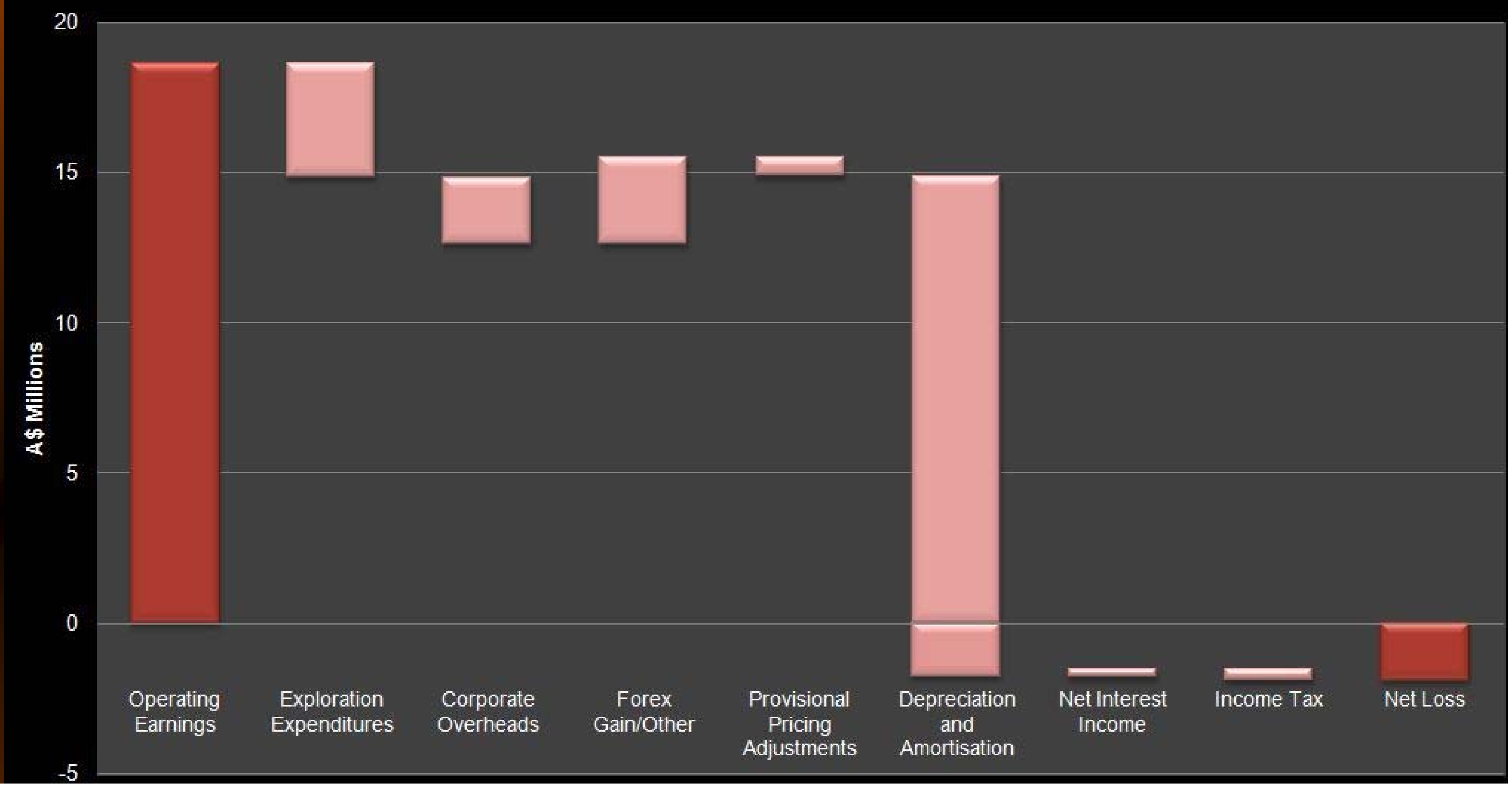
Analysis of Earnings –
Half-Year to December 2014



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Analysis of Cash Flows – Half-Year to December 2014

	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	27,845	16,998	17,457	17,984	20,417
Add/(less): Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2014	(641)	(410)	(932)	(2,015)	(1,469)
Net Operating Cash Inflow	**27,204**	**16,588**	**16,525**	**15,969**	**18,948**
Income Tax (Paid)/Received	-	-	-	972	(9,689)
Lease Payments on New Equipment	(1,098)	-	-	-	-
Payment for Investment	(721)	-	(454)	(5,000)	-
Capital Expenditure (including near-mine exploration exp.)	(15,140)	(13,747)	(12,767)	(11,522)	(20,824)
Exploration Expenditure	(3,698)	(1,873)	(5,720)	(5,312)	(3,119)
Dividends Paid	(3,764)	(3,764)	(3,763)	(3,959)	(12,036)
Proceeds from Issue of Shares	-	-	-	-	359
Payment for On-market Share Buy-Back	-	-	-	(3,868)	-
Other	180	32	234	514	(346)
Net Cash Inflow/(Outflow)	**2,963**	**(2,764)**	**(5,945)**	**(12,206)**	**(26,707)**
Cash at 31 December 2014	53,610*	56,897	69,953	75,136	100,090

*Cash includes Cash and Cash Equivalents ($28,610k) and Term Deposits ($25,000k)

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Analysis of Cash Flows – Half-Year to December 2014