FINANCIAL RESULTS FOR YEAR ENDING 30 JUNE 2014

Mincor accelerates Kambalda exploration and maintains dividends after strong profit turnaround

- Net profit after tax of **$1.85M** (2013: loss of $22.45M), including **$3.4M** in exploration write-offs.
- **259% increase** in EBITDA to **$31.52M** (2013: $8.78M) and **36% increase** in cash margins, despite nickel prices averaging only 5.7% above previous year's lows.
- Profit turnaround built on a strong operational performance, with the Company beating its FY14 targets and generating **10,219 tonnes** of nickel-in-ore at cash costs of **A$4.96/lb** payable nickel (2013: 9,688t @ A$5.34/lb).
- Directors maintain unbroken dividend record: **fully franked final 2 cps dividend** (2013: 2cps).
- **44% increase** in earnings from operations to **$40.14M** (2013: $27.88M), providing strong cash flows to fund **$7.5M** in dividends, **$22.1M** in mine capital development, **$4.2M** in new mining equipment and **$8.8M** in near-mine and regional exploration.
- Mincor ends the 2014 financial year with **$50.65M** in cash and working capital of **$61.16M**.
- **Strong outlook for FY2015**, with a continued focus on the Company's core businesses:
    - **Nickel mining** at Kambalda – FY15 production guidance of **8,500-9,000 tonnes** of nickel-in-ore at targeted cash cost of **A$5.30/lb** payable nickel; and
    - **Nickel exploration** in Kambalda – $10M budget for drilling in this world-class nickel district, including priority follow-up of the emerging new discovery at the Voyce Prospect.

Australian nickel miner Mincor Resources NL (**ASX: MCR**) has outlined plans to capitalise on its dominant land position in the Kambalda Nickel District with an accelerated exploration push, after delivering a substantial profit turnaround. The Company today reported a net profit after tax of **$1.85 million** for the year to 30 June 2014.

The profit, which compares with a loss of $22.45 million for the previous financial year, comes after another year of low nickel prices – which on average were only 5.7% above the lows reached in the previous year. However, Mincor's continued excellent operational performance and tight cost control enabled it to convert this relatively small increase in received prices into:

- a **36% increase** in cash margins;
- a **44% increase** in earnings from operations to **$40.14 million** (pcp: $27.88 million); and
- an outstanding **259% increase** in Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) to **$31.52 million** (pcp: $8.78 million).

Rising nickel prices in the second half lifted the year's average prices and point to a sustained recovery for the nickel price. Mincor is well-placed to benefit from the turnaround in the nickel market, with its competitive cost structure reflected in a further 7% reduction in cash costs for the year on top of last year's 7% reduction and the 27% reduction achieved the year before that.

The bottom line profit of $1.85 million is after regional exploration write-offs of $3.4 million. The Company also spent $5.4 million on near-mine exploration, which has been capitalised according to the Company's normal practice. The strong increase in earnings from operations (revenue less cash costs before provisional pricing adjustments) to $40.14 million reflected the higher volumes achieved at higher margins. Sales revenues were up 11.3% to **$109.67 million** (pcp: $98.58 million).

The healthy cash flows from operations enabled Mincor to fund a further $7.5 million in dividend payments, $3.4 million in regional exploration and $5.4 million in near-mine exploration, as well as $22.1 million in capital development at the mines and an important program of mining equipment upgrades (financed via hire purchase arrangements).

Mincor's production for the year was 319,766 tonnes of ore (pcp: 312,075 tonnes) at an average grade of 3.2% nickel for **9,067 tonnes of nickel-in-concentrate** (pcp: 8,637 tonnes) at an average cash cost of **A$4.96/lb** of payable nickel (pcp: A$5.34/lb).

The strong operational performance enabled Mincor's Board to maintain the Company's unbroken record of dividend payments by declaring a fully franked final dividend of **2 cents per share**, bringing the full-year payout to 4 cents per share. Mincor ended the year with cash of **$50.65 million** and working capital (cash plus receivables minus creditors and accruals) of **$61.16 million**.

Outlook

Mincor will continue to focus on its core mining and exploration businesses in the Kambalda Nickel District, with a major focus on accelerating exploration to discover and develop new mining operations and to increase its resource/reserve inventory and grow mine life.

An aggressive exploration program commenced in the previous quarter and will continue throughout the year, with an accelerated budget of $10 million. A key focus will be to follow up on the early success achieved at the exciting new Voyce Prospect, while numerous other high quality targets are slated for priority drilling throughout the year. In addition, the strong near-mine exploration results achieved at the Company's two operating mines will be vigorously pursued.

The Company expects to produce approximately 295,000 tonnes of ore at an average grade of 2.9% nickel from its Kambalda Operations for **8,500-9,000 tonnes of nickel-in-ore** for FY15. Cash operating costs are targeted at A$5.30/lb of payable nickel (including royalties). Mine development capital is budgeted at $18 million.

Mincor's Managing Director, David Moore, said the key highlights of the 2014 Financial Year were the strong operational performance of the Company's Kambalda mines and the outstanding exploration results achieved from major new exploration programs which commenced in the second half.

"Our focus now will be to capitalise on our early exploration success and bring the full weight of our resources to bear on this outstandingly prolific nickel field. We have committed a total of $28.5 million to our Kambalda Nickel Business in FY15, including capital development, extensional exploration at Mariners and Miitel and emerging regional discoveries such as Voyce and Cassini."

"Mincor has the dominant land position in Kambalda and we are convinced that there are many more ore bodies out there yet to be discovered," he said.

Mincor is a leading Australian nickel producer and an active and self-funded explorer, and is listed on the Australian Securities Exchange. Mincor operates two mines in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.

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2014 Full Year Financial Results

2014 Highlights

- Net Profit after Tax of **$1.85M** (FY2013 loss of $22.45M), after writing off $3.4M in regional exploration costs, as per Mincor's normal practice.
- Average realised nickel price **up 5.6% to $8.02** per pound
- Cash margin **up 36% to $3.06** per pound
- Earnings from operations (revenue less cash costs) **up 44% to $40.14M**
- Earnings before Interest, Tax, Depreciation and Amortisation **up 259% to $31.52M**
- Excellent operational performance, beating cost and production targets to generate 10,219 tonnes Nickel-in-Ore (2013: 9,688t) at a cash cost of $4.96/lb (2013: $5.34/lb).
- 7.1% reduction in cash costs, on top of a 7% reduction in the previous year and a 27% reduction in the year before that – Mincor continues to drive operational improvements.
- Healthy cash flows funded a 4cps fully franked dividend ($7.5M) and investments in future production ($33.7M capex) and future growth ($3.4M exploration).
- Year-end balance sheet strong with **$50.65M** cash (2013: $59.66M).
- Board declares **2 cents per share fully-franked final dividend, bringing full-year payout to 4 cps**.

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Outlook for 2015

- Focus on core business of mining nickel in Kambalda, exploring for new nickel deposits and extending nickel reserves; and returning value to shareholders;

- Kambalda production targeted at 8,500 (+/- 500) tonnes of nickel-in-ore at a cash cost of $5.30/lb payable nickel;

- Capitalise on Mincor's dominant land position in Kambalda through an accelerated $10M exploration programme:

  - Following up the recent highly promising drill results at Voyce

  - Drilling numerous other high-quality targets throughout Kambalda

  - Expanding Ore Reserves and extending the lives of existing operations

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Key Operational Results

	2014	2013	2012	2011	2010
Ore Delivered (tonnes)	319,766	312,075	332,877	395,979	371,159
Nickel Grade	3.20%	3.10%	3.09%	2.61%	3.18%
Nickel-in-Concentrate (tonnes)	9,067	8,637	9,179	9,056	10,673
Pounds payable Nickel	12,993,110	12,376,435	13,138,073	12,796,138	15,186,423
Average Nickel Price (A$/lb)	8.02*	7.59	8.89	10.95	11.11
Average Cash Cost (A$/lb)	4.96	5.34	5.78	7.95	5.66
Average Cash Margin (A$/lb)	3.06	2.25	3.11	3.00	5.45

*Excludes the impact of negative sales adjustments on the establishment of final nickel prices for April, May and June 2013 ($0.44 million). Based on price estimates pending the fixing of the nickel price for the months of April, May and June 2014, see explanation on following pages.

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Headline Earnings

	2014	2013	2012	2011	2010
Revenues ($M)	109.67*	98.58	121.55	152.11	184.03
EBITDA ($M)	31.32	8.78	32.43	16.30	77.62
Net Profit/(Loss) After Tax ($M)	1.85	(22.45)	0.24	(23.39)	28.10
Earnings/(Loss) per Share (CPS)	1.0	(11.9)	0.0	(11.7)	14.0
Dividends per Share (CPS)	4.0	4.0	4.0	4.0	9.0

*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 2014 full year accounts for the production months of April, May and June 2014 must be estimated. The Company's policy is to base this estimate upon the most current published forward nickel price of the third month after delivery. Revenue for April, May and June 2014 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 2013. As a result Mincor has recognised a negative sales revenue adjustment of $0.44M attributable to those production months. This adjustment is incorporated in the above figures.

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Analysis of Earnings

	2014	2013	2012	2011	2010
Earnings from Operations (Revenue less Cash Costs) ($M)*	**40.14**	27.88	42.31	40.83	83.10
Less: Exploration Costs Expensed ($M)	(3.44)	(15.51)	(4.01)	(9.92)	(6.31)
Less: Corporate Overheads ($M)	(4.67)	(5.20)	(5.65)	(5.80)	(4.96)
Less: Foreign Exchange Gain/(Loss) ($M)	(0.75)	2.43	2.68	(8.37)	(0.53)
Add: Net Other Income/(Costs) ($M)	0.77	(0.09)	(1.10)	1.02	1.11
EBITDA before recognition of provisional pricing adjustments ($M)	**32.05**	9.51	34.23	17.76	72.41
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May & June 2014 ($M)	(0.53)	(0.73)	(1.80)	(1.47)	5.21
EBITDA ($M)	**31.52**	**8.78**	**32.43**	**16.29**	**77.62**
Depreciation and Amortisation ($M)	(29.61)	(34.25)	(33.62)	(28.13)	(40.17)
Impairment Loss ($M)	-	(2.82)	-	(24.99)	-
EBIT ($M)	**1.91**	**(28.29)**	**(1.19)**	**(36.83)**	**37.45**
Net Interest Income ($M)	1.28	1.57	2.30	3.42	2.48
Income Tax Benefit/(Expense) ($M)	(1.34)	4.27	(0.87)	10.02	(11.83)
Net Profit/(Loss) after Tax ($M)	**1.85**	**(22.45)**	**0.24**	**(23.39)**	**28.10**

*Excludes the impact of provisional pricing adjustments.

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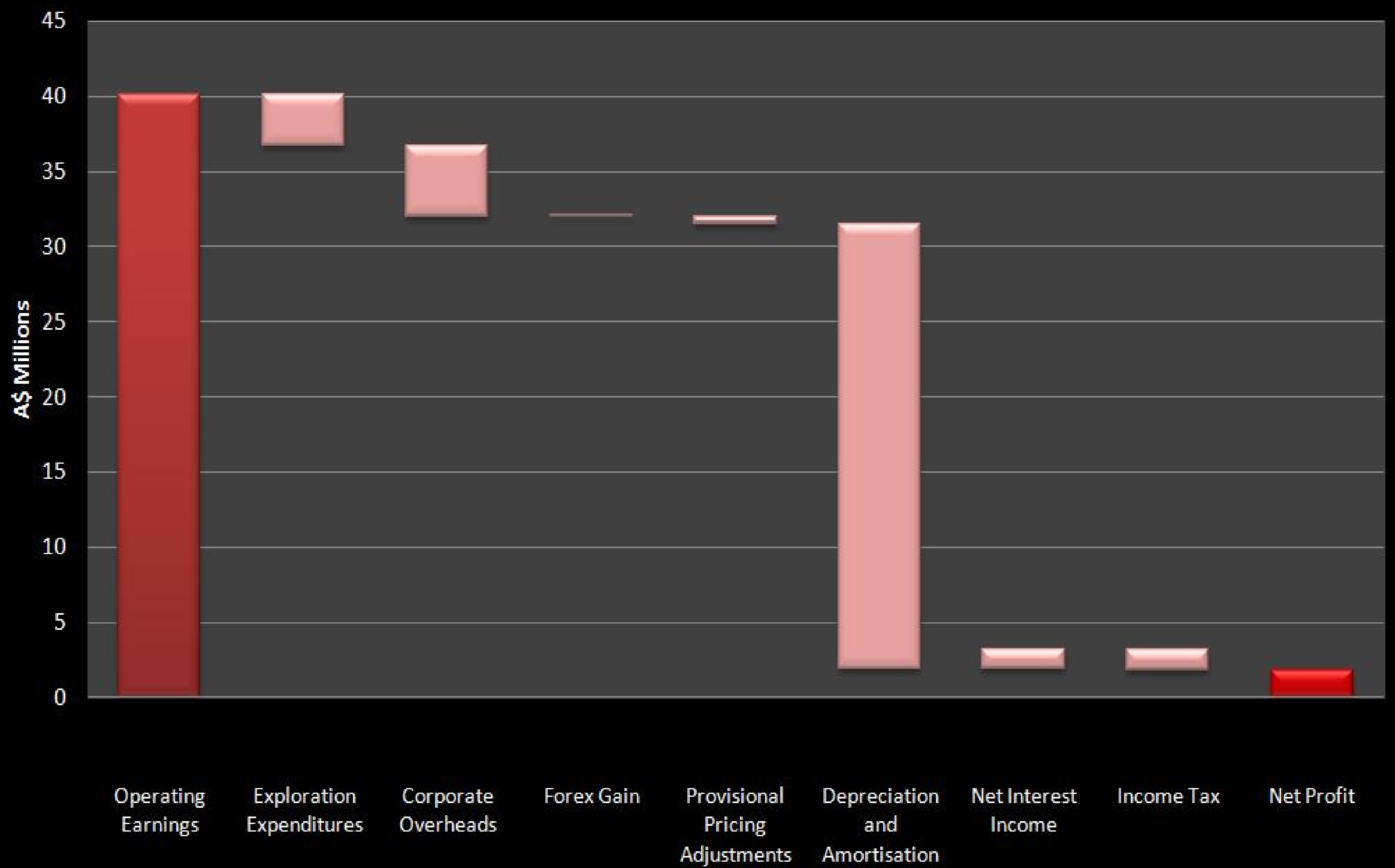
Analysis of Earnings



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Balance Sheet

	2014	2013	2012	2011	2010
Assets ($M)	137.47	134.72	179.66	210.89	260.43
Liabilities ($M)	29.71	19.08	29.95	40.04	55.38
Shareholder's Equity ($M)	107.76	115.65	146.13	164.79	203.07
Return on Equity	1.7%	-19.4%	0.2%	-14.2%	13.8%

NOTE: Shareholder's Equity has been adjusted to remove the impact of cash flow hedges. The adjustment for 30 June 2014 was nil. Under Australian Accounting Standards (AAS), derivatives must be fair valued. Where cash flow hedge accounting is adopted, mark to market adjustments are recognised as part of equity, until the underlying transaction occurs when they are recycled and recognised as part of that transaction. Because this fair value fluctuates with changing nickel and currency price forward estimates, the adjustments have been removed in the above table to allow comparisons with previous years.

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Analysis of Cash Flows

	2014 $000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	32,256	25,496	41,055	37,908	95,273
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2013	(529)	(735)	(1,803)	(1,469)	5,208
Net Operating Cash Inflow	**31,727**	**24,761**	**39,252**	**36,439**	**100,481**
Income Tax (Paid)/Received	-	-	1,357	(10,238)	(990)
Payment for Acquisition of GMM	-	-	-	-	(1,561)
Payment for On-market Share Buy-Back	-	-	(9,090)	-	-
Capital Expenditure (including near-mine exploration)	(29,319)	(22,870)	(21,209)	(39,163)	(28,370)
Exploration and Development Expenditure	(3,595)	(10,192)	(9,110)	(9,873)	(5,171)
Dividends Paid	(7,528)	(7,528)	(7,854)	(16,049)	(14,012)
Proceeds from Issue of Shares	-	-	-	359	1,002
Payment for Investment	-	(504)	(5,000)	-	-
Lease payments	(313)				
Other	14	96	210	(930)	(383)
Net Cash Inflow/(Outflow)	**(9,014)**	**(16,237)**	**(11,444)**	**(39,455)**	**50,996**
Cash at 30 June 2014	50,647	59,661	75,898	87,342	126,797

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Analysis of Cash Flows