



M I N C O R

RESOURCES NL

FINANCIAL REPORT

30 JUNE 2022

ABN 42 072 745 692

FINANCIAL REPORT 2022

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report together with the consolidated financial statements of the Group comprising of Mincor Resources NL ("Mincor" or the "Company") and its subsidiaries for the financial year ended 30 June 2022 and the Auditor's report thereon. The Directors' report and consolidated financial statements are presented in Australian dollars, except where otherwise indicated.

DIRECTORS

The names and particulars of the Directors of Mincor during the financial year and up to the date of this report are:

Name	Particulars		
Brett Thomas Lambert BAppSc (Mining Engineering) Appointed 1 January 2017 Appointed Non-Executive Chairman 6 February 2018 <i>(Appointed Interim Executive Chair from 12 August 2022 on an interim basis until commencement of new Managing Director in November 2022)</i>	Interim Executive Chairman Mr Lambert is a mining engineer and has over 35 years' involvement in the Australian and international resources industry encompassing mining operations, project development, business development and corporate administration. After graduating from the Western Australian School of Mines, Mr Lambert commenced his professional career with Western Mining Corporation ("WMC") at Kalgoorlie in 1983. He progressed to a senior management position with WMC before leaving to take responsibility for the development of Herald Resources' Three Mile Hill gold mine at Coolgardie. Mr Lambert has since held senior roles with a number of junior and mid-tier resource companies, including more than 10 years at a chief executive officer/managing director level. Mr Lambert has served as a director of companies listed on the Australian Securities Exchange ("ASX"), London's Alternative Investment Market, the Toronto Stock Exchange and the Stock Exchange of Thailand.		
	Special responsibilities Chair of the Board Member of the Nomination and Remuneration Committee	Other current ASX listed directorships Australian Potash Limited (appointed 9 May 2017) Metal Hawk Limited (appointed Chair 8 July 2019) Saturn Metals Limited (appointed Chair 9 April 2020) Musgrave Minerals Limited (appointed 4 February 2021)	Former ASX listed directorships in last 3 years Metals X Limited (2019–2020)
David Clifford Southam BComm, CPA, MAICD Appointed 1 February 2019 (resigned 12 August 2022)	Former Managing Director Mr Southam holds a Bachelor of Commerce degree from Curtin University and has significant experience as a senior executive and director of ASX200 companies. He is a Certified Practising Accountant with more than 25 years' experience in accounting, operations, capital markets and finance across the resources and industrial sectors. Mr Southam held the role of executive director at successful nickel producer, Western Areas Limited, immediately prior to his appointment at Mincor in 2019. He has been intimately involved in several large project financings in multiple jurisdictions and has completed significant capital market and merger and acquisition transactions. Mr Southam has negotiated several multi-billion-dollar sales offtake agreements in base metals and bulk commodities and holds extensive industry experience in nickel and other battery metal industries.		
	Special responsibilities Nil	Other current ASX listed directorships Ramelius Resources Limited (appointed 2 July 2018)	Former ASX listed directorships in last 3 years None

Name	Particulars		
Michael Andrew Bohm BAppSc (Mining Engineering), MAusIMM, MAICD Appointed 1 January 2017	Non-Executive Director (Independent) <p>Mr Bohm is a qualified mining professional with extensive corporate, project development and mine operations experience in Australia, South-East Asia, Africa, Chile, North America and Europe. A graduate of the Western Australian School of Mines, Mr Bohm has worked as a mining engineer, mine manager, study manager, project manager, project director and managing director. He has been directly involved in a number of new project developments in the gold, nickel and diamond sectors both in Australia and offshore.</p> <p>Mr Bohm's experience includes previous directorships at Argyle Diamond Mines, Sally Malay Mining Limited (now Panoramic Resources Limited), Perseus Mining Limited and Ashton Mining of Canada Inc.</p>		
	Special responsibilities Chair of the Nomination and Remuneration Committee Member of the Audit and Risk Committee	Other current ASX listed directorships Cygnus Gold Limited (appointed 30 September 2016) Riedel Resources Limited (appointed Chair 12 December 2020)	Former ASX listed directorships in last 3 years Ramelius Resources Limited (2012-2022)
Liza Carpena MBA, FGIA, FCIS, GAICD Appointed 16 April 2018	Non-Executive Director (Independent) <p>Ms Carpena has worked in the resources industry for more than 20 years, and has significant experience in corporate administration, HR, legal, environment, IT and stakeholder relations. Up until February 2018, Ms Carpena was part of Northern Star Resources Limited's ("Northern Star") executive team responsible for its transformational growth, through a combination of acquisition, organic growth and divestment, to an ASX50 company.</p> <p>Prior to Northern Star, Ms Carpena was Company Secretary and Chief Financial Officer for ASX listed exploration companies, Venturex Resources Limited and Newland Resources Limited, and previously held various site and Perth based management roles with Great Central Mines Limited, Normandy Mining Limited, Newmont Australia Limited, Agincourt Resources Limited and Oxiana Limited.</p> <p>Ms Carpena has a Master of Business Administration and a Graduate Diploma in Applied Corporate Governance. She is also a Chartered Secretary and a Graduate of the Australian Institute of Company Directors.</p>		
	Special responsibilities Chair of the Audit and Risk Committee Member of the Nomination and Remuneration Committee	Other current ASX listed directorships Alchemy Resources Limited (appointed 18 March 2015) RLF Agtech Limited (appointed 15 December 2021)	Former ASX listed directorships in last 3 years None
Peter William Bewick B.Eng (Hons), MAusIMM Appointed 2 December 2019	Non-Executive Director (Independent) <p>Mr Bewick is an experienced mining executive and geologist with technical and geological expertise in the nickel sulphide sector.</p> <p>Mr Bewick graduated from the Western Australian School of Mines in 1990 and is a geologist with over 25 years of industry experience. Mr Bewick held a number of senior mine and exploration geological roles during a 14-year career with WMC, including Exploration Manager and Geology Manager of the Kambalda Nickel Operations and Exploration Manager for the St Ives Gold Operations.</p> <p>Mr Bewick has also held corporate roles with WMC as Exploration Manager for the Nickel Business Unit and Exploration Manager for North America, based in Denver, Colorado. Mr Bewick was an Executive Director of Encounter Resources Limited, a successful resource generation company, since its inception until 2021 when he transitioned to a non-executive role. Mr Bewick commenced in the role of Managing Director of Hamelin Gold Ltd following its demerger from Encounter Resources Ltd.</p> <p>Mr Bewick has extensive experience in project generation for a range of commodities including nickel, gold, copper, and bauxite. He has been a member of the MERIWA Exploration Advisory Committee since 2013.</p>		
	Special responsibilities Member of the Audit and Risk Committee	Other current ASX listed directorships Encounter Resources Limited (appointed 7 October 2005) Hamelin Gold Limited (appointed Managing Director 3 November 2021)	Former ASX listed directorships in last 3 years None

COMPANY SECRETARY

The Company Secretary of Mincor during the financial year ended 30 June 2022 and to the date of this report is:

Name	Particulars
Shannon Louise Coates LLB, B(Juris), AGIA, ACG, GAICD Appointed 17 November 2017	Company Secretary Ms Coates has over 25 years' experience in corporate law and compliance. She is currently Executive Director of Emerson CoSec, a national corporate advisory, compliance and governance service provider, with clients predominantly in the mineral exploration, development and production sector, and company secretary to a number of ASX listed companies. She has provided company secretarial and corporate advisory services to boards across a variety of industries, including mining and oil and gas exploration and development, financial services, manufacturing and technology both in Australia and internationally. Ms Coates is a qualified lawyer, Chartered Secretary, and a Graduate of the Australian Institute of Company Directors.

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS

KAMBALDA LANDHOLDINGS

The Company's key assets consist of strategic landholdings in the Kambalda District of Western Australia, a major nickel and gold producing area with significantly developed mining infrastructure.

KAMBALDA NICKEL OPERATIONS

During the year, the Company continued with development at its Kambalda Nickel Operations ("KNO"), which comprise the Cassini and Northern Operations. First development ore was extracted from the Northern Operations in December 2021 (ASX announcement 15 December 2021) and Cassini in March 2022 (ASX announcement 23 March 2022).

The Company achieved a number of significant milestones in the second half of the financial year, which included:

- first parcel of ore transported to the BHP Nickel West Kambalda Nickel Concentrator ("NKC") (ASX announcement 15 February 2022);
- terms of the Ore Tolling and Concentrate Purchase Agreement ("OTCPA") with BHP Nickel West ("BHP") updated and enhanced in April 2022 (ASX announcement 29 April 2022). Sales under the enhanced OTCPA are based on Imputed Nickel, Copper and Cobalt in Concentrate production, through the implementation of a grade-recovery curve applied to the nickel ore delivered to the NKC; and
- the receipt of the first payment of sales revenue in June 2022 total \$25.3 million (net proceeds) (ASX announcement 23 June 2022).

COVID-19

During the year, the Company conservatively managed the ongoing effects of the COVID-19 outbreak in Western Australia on its personnel and operations, implementing a number of risk mitigation measures which included installation of an automated contact tracing system for site operations. Other programs were also implemented to manage the health and well-being of staff and contractors, while maintaining safe operations.

Environment, Social and Governance

In December 2021, Mincor released its inaugural Sustainability Report for FY2021. The Sustainability Report marked an important step in the Company's environmental, social and governance (ESG) journey. The Sustainability Report was produced in alignment with the United Nations Sustainable Development Goals and sets the tone for the Company's future ESG goals and aspirations, as well as reporting on key sustainability activities.

Heritage

The Company continues to maintain its strong relationship and regular communication with representatives of the Traditional Owners from the Ngadju Native Title Aboriginal Corporation. The Company has provided an update on current and future mining and exploration activities and discussed various joint initiatives designed to continue to promote and protect Ngadju cultural heritage and values, as they relate to Mincor's tenements and activities.

Safety and Environment

There were no lost-time injuries ("LTI") during the financial year. At 30 June 2022, the LTI frequency rate was zero and the 12-month moving average Total Reportable Injury Frequency Rate ("TRIFR") was 19.6.

Mincor continues to focus on reducing the Group's TRIFR as a priority, as mining activities continue to ramp-up across all operating sites.

Personnel

During the year, Mincor was successful with the recruitment of its personnel to both Operations in Management, Technical Services and OHS positions, bolstering operational support required as the Company transitioned from capital development to ore development and into production.

Cassini Operation

During the year, Cassini establishment was completed with the connection of the BHP-supplied grid power and installation of the remaining infrastructure, such as the Safescape ladderway and primary ventilation fan. The first development ore was intersected in the 2050 N1 Ore Drive, in the very upper part of the Cassini orebody in March 2022.

Total development of 2,664 metres was achieved at Cassini during the financial year. The Woodall Decline continued to advance, and at the end of June 2022 there were multiple ore drives under development.

Northern Operations

Northern Operations comprise the Durkin North operation (a new orebody proximal to the existing Durkin Mine) and the Long Operation, purchased from IGO Ltd in 2019. The Northern Operations also comprise the "Golden Mile" exploration zone; the corridor between the existing Long Operation and Durkin North Operation and host of the recent new LN04a discovery.

In December 2021, high-grade development ore was first intersected in the development heading on the 485 level at Durkin North, approximately 36 metres ahead of the modelled first ore contact.

Total development of 4,792 metres was achieved at Northern Operations for the financial year.

In the June 2022 quarter, reaming of the Durkin North central return air rise was completed and a Safescape ladderway was installed. The installation of this escapeway allows stoping to occur from the Durkin North orebody, with the first stope fired in the 495 Level in June 2022.

NICKEL EXPLORATION

During the year, the Company's exploration activities primarily focused on drilling at the Golden Mile and Hartley prospects.

'Golden Mile' and New Mineralised Surface 'LN04a'

The Company's exploration drilling programs in the second half of the year were focused on the Golden Mile and, more specifically, on extensional and infill drilling of the LN04a surface (see ASX announcements 2 June 2022). Drilling expanded and increased confidence in the LN04a surface, paving the way for the initial Mineral Resource Estimate (MRE) that was completed in July 2022 (see ASX announcement 25 July 2022).

Significant intersections at LN04a during the year (see ASX announcement 28 October 2021, 25 January 2022, 22 April 2022 and 2 June 2022) included:

- ULG-21-030 – 8.1m @ 4.2% Ni, including 3.7m @ 6.0% Ni and 1.7m @ 4.5% Ni (all on-contact)
- ULG-21-028 – 2.6m @ 3.7% Ni, including 0.3m @ 8.2% Ni (on-contact)
- ULG-21-052 – 6.8m @ 2.6% Ni
- ULG-21-069 – 5.8m @ 2.4% Ni
- ULG-21-048 – 4.3m @ 3.0% Ni
- ULG-22-021 – 9.9m @ 3.4% Ni
- ULG-21-045 – 1.2m @ 8.2% Ni

- LG137-084 – 7.0m @ 3.8% Ni
- ULG-22-045 – 3.7m @ 8.6% Ni
- ULG-22-046 – 3.7m @ 6.8% Ni
- ULG-22-060 – 5.0m @ 4.5% Ni

Hartley Prospect

Exploration activities at the Hartley Prospect during the year included diamond drilling, down-hole electromagnetic ("DHEM") surveys and interpretation and modelling of existing and new geological, geochemical and geophysical data.

A broad spaced drill programme was completed to test for the presence of nickel sulphide mineralisation along the basal contact, and to obtain geological, structural, geochemical and DHEM data to understand channel architecture. Drilling to date has defined nickel sulphide mineralisation at the Hartley Prospect over a strike extent of 1.1km with the high-MgO channel and mineralisation remaining open to the north, south and down-dip (see ASX announcement 27 July 2022).

Carnilya Hill

A 2D seismic survey over the interpreted down-plunge continuation of the Carnilya Hill syncline was completed in March 2022. The aim of the survey was to further refine the existing geological model and structural architecture of the area. Results from the interpretation of the data will be used in conjunction with all other existing data sets to define new nickel sulphide targets at Carnilya Hill.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Zoran Seat, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM"). Dr Seat is a full-time employee of Mincor Resources NL. Dr Seat has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Seat consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

CORPORATE

Capital Raising

In September 2021, the Company announced a \$65.0 million Capital Raising, which comprised a \$60.0 million Placement and a \$5.0 million Share Purchase Plan ("SPP") (refer to ASX announcement 7 September 2021). The SPP closed early and oversubscribed at \$6.3 million with all subscriptions accepted and no scale-backs applied.

Project Financing Facility

Following the Capital Raising, the Company replaced the previous \$55.0 million Project Finance Facility with a \$30.0 million Revolving Credit Facility ("RCF") with BNP Paribas. At 30 June 2022, the RCF was fully drawn.

PRINCIPAL ACTIVITIES

The principal activities of the Group, consisting of Mincor Resources NL and its subsidiaries, during the course of the year were exploration, evaluation, development and production of mineral deposits.

There were no significant changes in nature of the activities of the Group during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there have been no other changes in the state of affairs of the Group during the financial year.

GROUP RESULTS

The Group incurred loss after tax of \$14.7 million for FY2022 (30 June 2021: \$13.4 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA)² for the year is as follows:

	2022 \$'000	2021 \$'000
Adjusted revenue		
Gross revenue ¹ , net of freight cost	36,789	-
Pricing adjustments associated with processing costs	(4,219)	-
Fair value adjustments on derivatives	(327)	-
	32,243	
Costs and Other income		
Direct mining costs, net of stockpile movements	(15,065)	-
Administrative expense	(6,760)	(5,497)
Exploration expenditure	(15,309)	(7,310)
Impairment expense	(3,955)	-
Gain on disposal of exploration and evaluation assets	3,082	-
Fair value adjustments on non-derivative financial instruments	(1,607)	(139)
Share-based payments	(2,328)	(910)
Other income and expenses	(170)	824
	(42,112)	(13,032)
EBITDA²	(9,869)	(13,032)

¹ Gross revenue is an unaudited non-IFRS measure and represents amounts due from BHP using forward prices at the expected date of settlement, excluding price adjustments associated with processing costs.

² Earnings before interest, taxes, depreciation and amortisation (EBITDA) is an unaudited non-IFRS measure and is a common measure used to assess profitability before the impact of different financing methods, income taxes, depreciation and amortisation of property, plant and equipment.

Reconciliation of EBITDA to the loss before income tax

	2022 \$'000	2021 \$'000
EBITDA	(9,869)	(13,032)
Depreciation and amortisation, net of stockpile movements	(2,528)	(336)
Finance costs	(2,309)	(61)
Loss before income tax	(14,706)	(13,429)

Revenue and hedging

Nickel ore tonnes delivered to BHP in FY2022 totalled 66,627 tonnes of lower grade development ore at an average grade of 2.11% Ni for 1,404 tonnes of nickel in ore, which generated \$36.8 million in gross revenue (before deduction of pricing adjustments associated with processing costs). The price is based on the prevailing forward metal price on the relevant metal price index in the month of delivery, reflecting an estimate of the final price.

In the June 2022 quarter, the Company completed short-term quotational period (QP) hedging with BNP Paribas following execution of forward contracts for 762 nickel tonnes at an average price of \$39,137/t, with maturity in July 2022. The QP hedging is used to manage the risk of price fluctuation for the imputed nickel concentrate production already delivered and sold to BHP, where the nickel price is yet to be finalised.

Costs

Cost of sales for FY2022 totalling \$17.3 million, include mining contractor costs, mine administration and services costs, stockpile movements and royalties.

Other costs predominantly include exploration expenditure totalling \$15.3 million, reflecting an increase in exploration activities, general and administrative expenses of \$6.8 million, share-based payments of \$2.3 million, offset by a gain on the sale of exploration and evaluation assets of \$3.1 million.

Finance costs of \$2.3 million were primarily attributable to borrowing costs expensed as a result of the replacement of the Project Finance Facility with the RCF.

Assets and Liabilities

At 30 June 2022, the Group's cash balance totalled \$79.1 million (2021: \$58.9 million) with \$30 million fully drawn on the RCF (2021: Nil).

The Group's total assets increased by \$98.1 million to \$224.5 million at 30 June 2022 (2021: \$126.4 million). The net increase was primarily attributable to capitalised mine properties and development expenditure of \$67.4 million, and an increase in cash balance of \$20.2 million.

At 30 June 2022, the Group's total liabilities were \$122.6 million, an increase of \$85.6 million from 30 June 2021. The increase was mainly due to the negative mark-to-market adjustment on the mandatory nickel hedges of \$39.1 million at year-end, draw down on the RCF of \$30.0 million and \$14.5 million increase in trade and other payables reflecting increase in the level of activities at KNO as the project transitioned from development to production.

DIVIDENDS

The Directors recommend that no dividend to be declared or paid for FY2022 (2021: Nil).

MEETINGS OF DIRECTORS

The number of Board and Committee meetings attended by each Director during the financial year were:

	Directors Meetings		Committee Meetings			
			Audit and Risk		Nomination and Remuneration	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
B Lambert	8	7	-	-	3	3
D Southam	8	8	-	4*	-	3*
M Bohm	8	8	4	4	3	3
L Carpena	8	7	4	3	3	3
P Bewick	8	8	4	4	-	-

* Attendance by invitation.

FUTURE DEVELOPMENTS

Details of important developments that occurred during the financial year have been covered in the Review of Operations. The Company will continue to actively explore for minerals, and any significant information or data will be released to the market and the Shareholders pursuant to the Continuous Disclosure rules applicable to the Company, as and when they are to hand.

REMUNERATION REPORT

This Remuneration Report, which forms part of the Directors' Report, sets out information on the remuneration of the key management personnel ("KMP") of the Company for the financial year ended 30 June 2022. The information in the Remuneration Report has been prepared in accordance with Section 300A of the *Corporations Act 2001 (Cth)* and has been audited as required by Section 308(3C) of the *Corporations Act 2001 (Cth)*.

The Remuneration Report is set out under the following main headings:

- a) Key Management Personnel;
- b) Remuneration Policy;
- c) Principles Used to Determine the Nature and Amount of Remuneration;
- d) Link Between Performance and Remuneration Outcomes;
- e) Details of Remuneration;
- f) Service Agreements;
- g) Share Based Compensation;
- h) Shareholdings of Key Management Personnel; and
- i) Other Transactions with Key Management Personnel

A) KEY MANAGEMENT PERSONNEL

The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company. For the purpose of this report, the term 'executive' encompasses the Managing Director and other executives.

The following people were KMP during the financial year and unless otherwise indicated were KMP for the entire financial year:

Directors	Position	Executives	Position
B Lambert ¹	Non-Executive Chairman	C Sun	Chief Financial Officer
D Southam ¹	Managing Director	D Will	Chief Operating Officer
M Bohm	Non-Executive Director		
L Carpena	Non-Executive Director		
P Bewick	Non-Executive Director		

¹ Subsequent to year-end, Mr D Southam resigned effective 12 August 2022 and Mr B Lambert was appointed Interim Executive Chair on an interim basis until commencement of new Managing Director in November 2022.

B) REMUNERATION POLICY

Mincor's remuneration policy is designed to provide rewards that:

- attract, motivate and retain executives;
- align executive interests with the Company's strategic and business objectives and the creation of Shareholder value;
- incentivise executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- provide remuneration arrangements that are competitive by market standards; and
- comply with applicable legal requirements and appropriate standards of governance.

C) PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The Company's remuneration policy is overseen by the Nomination and Remuneration Committee on behalf of the Board. The Committee is responsible for making recommendations to the Board on the:

- Company's remuneration policy and framework;
- remuneration for Non-Executive Directors;
- remuneration for executives; and
- terms and conditions of employee incentive schemes.

The Nomination and Remuneration Committee Charter is approved by the Board and is published on the Company's website.

Remuneration levels of executives are set by reference to other similar-sized mining and exploration companies with similar risk profiles. The Company's remuneration practices are designed to attract, retain, motivate and reward high calibre individuals capable of delivering the strategic objectives of the business.

Remuneration levels for executives are determined by the Board based upon recommendations from the Nomination and Remuneration Committee. Remuneration of Non-Executive Directors is determined by the Board within the Director remuneration fee pool limit approved by the Shareholders from time to time. The Board undertakes an annual review of its performance and that of the Audit and Risk Committee and the Nomination and Remuneration Committee. No bonuses are paid to Non-Executive Directors.

The Company's remuneration framework aligns KMP remuneration with the achievement of strategic objectives and the creation of value for Shareholders. The Nomination and Remuneration Committee seeks to ensure that the remuneration of KMP is competitive and reasonable, acceptable to Shareholders, and aligns remuneration with performance. In performing its function, the Nomination and Remuneration Committee may seek advice from independent remuneration consultants. The structure and level of remuneration for KMP is reviewed annually by the Nomination and Remuneration Committee and approved by the Board taking into consideration the Company's circumstances and performance.

During the financial year, the Nomination and Remuneration Committee engaged BDO Rewards Pty Ltd to benchmark the remuneration of the Non-Executive Directors to ensure it is appropriate and in line with the market. The remuneration data was provided to the Committee as input into decision making. The work completed did not constitute a remuneration recommendation in accordance with the *Corporations Act 2001 (Cth)*.

Remuneration of Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the time commitment and responsibilities of their role and are reviewed annually by the Board.

Directors' fees

Fees for the Chair and Non-Executive Directors are determined within an aggregate Director fee pool limit of \$600,000, which was last approved by Shareholders in 2019. During the financial year, total remuneration for the Chair and other Non-Executive Directors was inclusive of all Committee fees. Remuneration for Non-Executive Directors is not linked to individual performance.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Non-Executive Directors are not provided with retirement benefits other than statutory superannuation.

Remuneration of Executives

The Company's remuneration policy for executives is designed to promote performance and long-term commitment to the Company. In considering the Company's performance in relation to the remuneration policy, due regard is given to Shareholder wealth creation including movements in the market value of the Company's shares.

The intention of the Company's remuneration framework is to ensure remuneration and reward structures are aligned with Shareholders' interests by:

- being market competitive to attract and retain high calibre individuals;
- rewarding superior individual performance;
- recognising the contribution of each executive to the continued growth and success of the Company; and
- linking long-term incentives to Shareholder value.

To achieve these objectives, the remuneration structure of executives provides a combination of fixed and variable pay, and comprises of:

- total fixed remuneration, inclusive of base pay, superannuation and other benefits;
- performance based short-term incentives; and
- performance based long-term incentives.

i) Total fixed remuneration

Total fixed remuneration ("TFR") for each executive is influenced by the nature and responsibilities of each role and the knowledge, skills and experience required for each position. TFR comprises base salary, statutory superannuation and other benefits.

Base salary for each executive is reviewed annually by the Nomination and Remuneration Committee and approved by the Board. The process includes a review of the Company and individual's performance and the market rate for the position, which is determined with the assistance of external advisors (where necessary) and reference to relevant surveys and reports. There is no guaranteed base pay increase included in any executive contracts.

ii) Short-term incentives

Short-term incentives ("STIs") comprise generally a cash bonus or incentive. The STIs are structured as performance-based remuneration which are linked to achievement of shorter-term performance targets or objectives in a period of 12 months.

STIs payments are recommended by the Nomination and Remuneration Committee and approved at the discretion of the Board based on the attainment of Key Performance Indicators ("KPIs"). KPIs are set annually by the Nomination and Remuneration Committee and approved by the Board.

iii) Long-term incentives

Long-term incentives ("LTIs"), which may comprise shares, options and/or performance rights, are granted at the discretion of the Board, subject to obtaining relevant approvals if required, and vest on attainment of both service period and performance hurdles. These LTIs are granted under the Company's Employee Equity Incentive Plan. The LTIs are designed to align the remuneration of executives with creation of value for Shareholders and provide a link between executive remuneration and the level of their performance and the performance of the Company.

iv) Securities Trading Policy

The trading of shares issued to participants under any of the Company's Employee Equity Incentive Plans is subject to, and conditional upon compliance with the Company's Securities Trading Policy. Executives are prohibited from entering into any hedging arrangements over unvested securities under the Company's Employee Incentive Plans and the Securities Trading Policy.

D) LINK BETWEEN PERFORMANCE AND REMUNERATION OUTCOMES

The remuneration framework detailed above has been tailored with the objective of attracting and retaining high calibre individuals who contribute to the success of the Company, while maintaining alignment between Company performance and individual rewards. The remuneration policies seek a balance between the interests of stakeholders and competitive market remuneration levels.

Company Performance

The Group's performance for FY2022 and the previous four financial years, and its impact on Shareholder wealth as required to be disclosed under the *Corporations Act 2001 (Cth)* is summarised in the table below.

Year ended 30 June	Units	2022	2021	2020	2019	2018
Market capitalisation	\$m	808.9	467.0	269.9	126.2	83.7
Closing share price at 30 June	\$	1.67	1.08	0.78	0.44	0.38
Loss for the year	\$m	(\$14.7)	(\$13.4)	(\$14.3)	(\$13.7)	(\$4.7)
Loss per share	cents	(3.1)	(3.1)	(4.4)	(6.1)	(2.3)

Short-term Incentives

The KPIs for FY2022 STIs were linked to the Company's safety performance, Mineral Resource/Ore Reserve and exploration, development of KNO and environment and sustainability reporting milestones. Subsequent to 30 June 2022, the Board determined to pay STIs to the executives in recognition of achievements made against performance targets set at the beginning of the financial year:

KPI	Weighting	Measures	Outcome
Group safety performance	20%	<ul style="list-style-type: none"> Improvement of TRIFR against previous year Nil Lost Time Injuries Total number of TRIFR classified incidents in FY2022 	Ranges between target and not achieved metrics due to minor reportable incidents during the year.
KNO development and production	30%	<ul style="list-style-type: none"> Pre-production CAPEX against Board Approved Plan First concentrate production 	Ranges between target and stretch metrics following delivery of first ore to the Kambalda Nickel Concentrator in May 2022.
Nickel Mineral Resources/Ore Reserves and exploration success	20%	<ul style="list-style-type: none"> Significant nickel intersection(s) in Golden Mile Significant nickel intersection(s) in a Greenfield environment 	Stretch metric achieved with announcements of significant drilling intersections at various exploration project areas.
Sustainability reporting	10%	<ul style="list-style-type: none"> Publish the inaugural Sustainability Report 	Stretch metric achieved with the release of the inaugural Sustainability Report
Personal performance	20%	<ul style="list-style-type: none"> A range of short-term performance measures which were aligned with important objectives of the Company and its operations including pre-production cost controls, working capital and cash position. Compliance with the Company's debt facility and ongoing development of company culture. 	As per the executive's performance review.
Total	100%		

Based on an assessment undertaken by the Nomination and Remuneration Committee and subsequently approved by the Board, STI awards for FY2022 to KMP were as follows:

Executives	Position	Maximum STI % of TFR	Achieved STI (\$)	Awarded STI % of TFR
David Southam	Managing Director	60% of TFR	364,000	52.0%
Chen Sun	Chief Financial Officer	40% of TFR	115,600	34.0%
Dean Will	Chief Operating Officer	40% of TFR	124,382	30.3%

Long-term Incentives

Details on the Performance Rights issued to executives during the financial year are included in Section (G)(ii) of this report.

On 21 July 2022, the Board determined the outcome of the Performance Rights with a performance period measurement of 1 February 2019 to 30 June 2022 issued to the Managing Director and 1 July 2019 to 30 June 2022 issued to Other Executives:

Vesting conditions	Managing Director and Other Executives	
	Weighting of total Performance Rights	Outcome
Total Shareholder Return ("TSR") for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale.	30%	30%
TSR for the Company over the Performance Period of greater than 15% compound annual growth.	40%	40%
Company being listed in the ASX300 within the Performance Period.	30%	0%
Total	100%	70%

These outcomes have been accounted for in the FY2022 Remuneration Report.

E) DETAILS OF REMUNERATION

Details of the remuneration for KMP are set out in the following tables.

2022	Short-term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments (LTI) ³		Total \$	Linked to performance %
	Directors fees \$	Salary \$	STI bonus \$	Other ² \$	Super-annuation \$	Long service leave \$	Performance Rights \$	Options \$		
Name										
Non-Executive Directors										
B Lambert	147,000	-	-	-	14,700	-	-	-	161,700	-
M Bohm	98,000	-	-	-	9,800	-	-	-	107,800	-
L Carpene	98,000	-	-	-	9,800	-	-	-	107,800	-
P Bewick	85,000	-	-	-	8,500	-	-	-	93,500	-
Subtotal	428,000	-	-	-	42,800	-	-	-	470,800	
Executive Director										
D Southam ¹	-	672,500	364,000	55,730 ⁵	27,500	(22,153) ⁴	(73,666) ⁴	83,541	1,107,452	34%
Other KMP										
C Sun	-	312,500	115,600	25,665	27,500	12,895	217,523	-	711,683	47%
D Will	-	383,000	124,382	23,388	27,500	6,906	270,937	-	836,113	47%
Subtotal	-	695,500	239,982	49,053	55,000	19,801	488,460	-	1,547,796	
TOTAL	428,000	1,368,000	603,982	104,783	125,300	(2,352)	414,794	83,541	3,126,048	

¹ Subsequent to year-end, Mr D Southam resigned effective 12 August 2022.

² Other short-term employee benefits include FY2022 movement in annual leave provisions.

³ Relates to the non-cash value of Performance Rights and Options expensed during the financial year under Australian Accounting Standards.

⁴ Amount represents reversal of long service leave entitlements accrued and share-based payments expensed in previous financial years.

⁵ Mr D Southam's leave entitlements at 30 June 2022 totalling \$125,017 were paid out on resignation.

2021 Name	Short-term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments (LTI) ²		Total \$	Linked to performance %
	Directors fees \$	Salary \$	STI bonus \$	Other ¹ \$	Super-annuation \$	Long service leave \$	Performance Rights \$	Options \$		
Non-Executive Directors										
B Lambert	122,500	-	-	-	11,638	-	-	-	134,138	-
M Bohm	82,500	-	-	-	7,838	-	-	-	90,338	-
L Carpena	82,500	-	-	-	7,838	-	-	-	90,338	-
P Bewick	72,500	-	-	-	6,888	-	-	-	79,388	-
Subtotal	360,000	-	-	-	34,202	-	-	-	394,202	
Executive Director										
D Southam	-	550,000	296,125	30,692	25,000	10,348	243,030	141,825	1,297,020	53%
Other KMP										
C Sun	-	278,000	101,505	18,678	25,000	7,313	123,959	-	554,455	41%
D Will	-	369,000	131,990	11,908	25,000	6,336	137,574	-	681,808	40%
Subtotal	-	647,000	233,495	30,586	50,000	13,649	261,533	-	1,236,263	
TOTAL	360,000	1,197,000	529,620	61,278	109,202	23,997	504,563	141,825	2,927,485	

¹ Other short-term employee benefits include FY2021 movement in annual leave provisions.

² Amounts relates to the non-cash value of Performance Rights and Options expensed during the financial year under Australian Accounting Standards.

F) SERVICE AGREEMENTS

Remuneration and other terms of employment for executives are formalised in employment contracts. The employment contracts specify the components of remuneration, benefits and notice periods. Participation in LTIs is at the discretion of the Board.

The agreements relating to remuneration and other terms of employment for the Managing Director and other executives for the financial year are set out below.

Name and position	Term of agreement	Base salary including superannuation	Maximum STI Potential	Maximum A\$ value of LTI	Notice period	Termination benefit
D Southam Managing Director	Commencing 1 February 2019	\$700,000	60% of TFR	100% of TFR	3 months' notice by employee 12 months' notice by the Company	12 months' termination payment and accrued leave entitlements
C Sun Chief Financial Officer	Ongoing commencing 18 March 2008	\$340,000	40% of TFR	50% of TFR	3 months' notice by employee 6 months' notice by the Company	6 months' termination payment and accrued leave entitlements
D Will Chief Operating Officer	Ongoing commencing 1 July 2019	\$410,500	40% of TFR	50% of TFR	3 months' notice by employee 6 months' notice by the Company	6 months' termination payment and accrued leave entitlements

Subsequent to year-end, Mr D Southam resigned effective 12 August 2022. There were no termination benefits paid to him other than the payment of the statutory leave entitlements.

G) SHARE BASED COMPENSATION

i) Incentive Options pursuant to Shareholder approval

The following Incentive Options were granted to Mr Southam for nil cash consideration as part of his service agreement on appointment as the Managing Director, as approved by Shareholders on 13 March 2019:

- 1,500,000 Incentive Options at an exercise price of \$0.40 per share, and

- 1,500,000 Incentive Options at an exercise price of \$0.50 per share.

These options vested on 1 February 2022 and remain unexercised at 30 June 2022.

The terms and conditions of Incentive Options affecting remuneration in the reporting period are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Fair value per option at grant date	Vested and exercisable
13 March 2019	1 February 2022	13 March 2024	\$0.40	\$0.1535	1,500,000
13 March 2019	1 February 2022	13 March 2024	\$0.50	\$0.1304	1,500,000

Fair value of Incentive Options granted

The fair value at grant date stated in the table above was determined using the Black-Scholes valuation methodology of Incentive Options and takes into account the following inputs:

Metric	Options expiring 13 March 2024
a. Exercise price	\$0.40 and \$0.50
b. Grant date	13 March 2019
c. Expiry date	13 March 2024
d. Share price at grant date	\$0.365
e. Expected price volatility of the Company's shares	49%
f. Expected dividend yield	0%
g. Risk-free interest rate	1.601%

ii) Performance Rights

Performance Rights issued under the Incentive Plan

Executives were granted Performance Rights under the Company's Employee Equity Incentive Plan ("Incentive Plan") which are subject to vesting conditions related to achieving a matrix of performance targets measured over a three-year period. The number of Performance Rights granted was capped at 50% of TFR for executives other than the Managing Director.

As part of Mr Southam's appointment as Managing Director on 1 February 2019, he was granted 1,404,889 Performance Rights under the Incentive Plan. Pursuant to the terms of his employment, Mr Southam was not eligible to participate in another performance rights grant until the commencement of the 2021 financial year.

The Performance Rights over ordinary shares are granted under the Incentive Plan for nil cash consideration and carry no dividend or voting rights. When exercised, each Performance Right will be converted into one ordinary share.

The terms and conditions of each grant of Performance Rights affecting remuneration in the reporting period are set out below:

Grant date	Performance measurement period	Expiry date	Vesting conditions	Value per Performance Right at grant date
Executives (excluding Managing Director)				
15 November 2019 ¹	1 July 2019 to 30 June 2022	2 years after vesting of Performance Rights	30% of Performance Rights vest based on the TSR for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale, over the same period.	\$0.62
			40% of the Performance Rights vest based on achieving a TSR for the Company over the Performance Period of greater than 15% compound annual growth.	\$0.44
			30% of the Performance Rights upon the Company being listed in the ASX300 within the Performance Period.	\$0.42

Grant date	Performance measurement period	Expiry date	Vesting conditions	Value per Performance Right at grant date
30 October 2020	1 July 2020 to 30 June 2023	2 years after vesting of Performance Rights	50% of Performance Rights vest based on the TSR for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale, over the same period.	\$0.66
			50% of the Performance Rights vest based on achieving a TSR for the Company over the Performance Period of greater than 15% compound annual growth.	\$0.55
24 September 2021	1 July 2021 to 30 June 2024	2 years after vesting of Performance Rights	50% of Performance Rights vest based on the TSR for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale, over the same period.	\$0.91
			50% of the Performance Rights vest based on achieving a TSR for the Company over the Performance Period of greater than 15% compound annual growth.	\$0.74
Managing Director				
13 March 2019 ¹	1 February 2019 to 30 June 2022	2 years after vesting of Performance Rights	30% of Performance Rights vest based on the TSR for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale, over the same period.	\$0.29
			40% of Performance Rights vest based on achieving a TSR for the Company over the performance period of greater than 15% compound annual growth.	\$0.18
			30% of Performance Rights vest upon the Company being listed in the ASX300 within the performance period.	\$0.15
13 November 2020 ²	1 July 2020 to 30 June 2023	2 years after vesting of Performance Rights	50% of Performance Rights vest based on the TSR for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale, over the same period.	\$0.66
			50% of the Performance Rights vest based on achieving a TSR for the Company over the Performance Period of greater than 15% compound annual growth.	\$0.56
23 December 2021 ²	1 July 2021 to 30 June 2024	2 years after vesting of Performance Rights	50% of Performance Rights vest based on the TSR for the Company over the performance period relative to the TSR of each of the companies in a peer group, on a sliding scale, over the same period.	\$1.16
			50% of the Performance Rights vest based on achieving a TSR for the Company over the Performance Period of greater than 15% compound annual growth.	\$1.12

¹ At 30 June 2022, 70% of the Performance Rights vested and the remaining 30% lapsed, refer to section D above.

² Performance Rights lapsed on 12 August 2022 following Mr Southam's resignation.

A component of the TSR performance conditions for Performance Rights are measured against TSR of a benchmark peer group, as approved by the Board. The peer group comprises base metal companies listed on the ASX which are of similar size to the Company.

The fair value at grant date stated in the table above is determined using a hybrid employee share option pricing model, Monte Carlo simulation and Trinomial valuation methodology, depending on the relevant performance conditions attached to the award, and takes into consideration the following inputs:

Metric	Performance Rights granted to Executives		
Exercise price	Nil	Nil	Nil
Grant date	15 November 2019 ¹	30 October 2020	24 September 2021
Expiry date	2 years after vesting of Performance Rights	2 years after vesting of Performance Rights	2 years after vesting of Performance Rights
Share price at grant date	\$0.66	\$0.95	\$1.28
Expected price volatility of the Company's shares	50%	50%	50%
Expected dividend yield	0%	0%	0%
Risk-free interest rate	0.85%	0.130%	0.220%

Metric	Performance Rights granted to Managing Director		
Exercise price	Nil	Nil	Nil
Grant date	13 March 2019 ¹	13 November 2020 ²	23 December 2021 ²
Expiry date	2 years after vesting of Performance Rights	2 years after vesting of Performance Rights	2 years after vesting of Performance Rights
Share price at grant date	\$0.365	\$0.955	\$1.625
Expected price volatility of the Company's shares	50%	50%	50%
Expected dividend yield	0%	0%	0%
Risk-free interest rate	1.60%	0.115%	0.90%

¹ At 30 June 2022, 70% of the Performance Rights vested and the remaining 30% lapsed, refer to section D above.

² 1,469,549 unvested Performance Rights lapsed on 12 August 2022 following Mr Southam's resignation.

Performance Rights issued under the Retention Plan

During the year, the Company introduced a Retention Plan to reflect the Company's commitment to retain valued employees for the long-term. The Performance Rights issued pursuant to the Plan were issued under the Company's existing Employee Equity Incentive Plan. Under the Plan, 284,946 Performance Rights were issued to Executives as follows:

Grant date	Performance measurement period	Expiry date	Vesting conditions	Value per Performance Right at grant date
Executives (excluding Managing Director)				
22 September 2021	1 July 2021 to 31 December 2022	2 years after vesting of Performance Rights	At 31 December 2022: <ul style="list-style-type: none"> - remain employed with the Company; - have not been issued with a notice of termination nor delivered a resignation notice; and - not under a performance management plan nor subject to disciplinary action. 	\$1.29

With the vesting condition considered a non-market-based vesting condition, the Black-Scholes options pricing model was used to determine the fair value at grant date, which took into consideration the following inputs:

Metric	Performance Rights granted to Executives
Exercise price	Nil
Grant date	22 September 2021
Expiry date	2 years after vesting of Performance Rights
Share price at grant date	\$1.285
Expected price volatility of the Company's shares	50%
Expected dividend yield	0%
Risk-free interest rate	0.005%

Performance Rights holdings

The number of Performance Rights over ordinary shares in the Company held during the financial year by KMP, including their personally related parties, are set out below.

Name	Outstanding Performance Rights at 1 July 2021		Granted as compensation	Vested ¹	Forfeited/ Lapse/ Cessation as KMP ¹	Outstanding Performance Rights at 30 June 2022 ²	
	Vested and exercisable	Unvested				Vested and exercisable	Unvested
D Southam	-	2,186,139	688,299	983,422	(421,467)	983,422	1,469,549
C Sun	98,882	543,837	295,189	236,597	(101,399)	335,479	501,030
D Will	-	716,381	358,734	314,102	(134,615)	314,102	626,398

¹ At 30 June 2022, 70% of the Performance Rights granted to Mr Southam on 13 March 2019 and to Ms Sun and Mr Will on 15 November 2019 vested and the remaining 30% lapsed, refer to section D above.

² 1,469,549 unvested Performance Rights lapsed on 12 August 2022 on Mr Southam's resignation.

H) SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

The number of shares in the Company held during the financial year by KMP of the Company, including their personally related parties, are set out below.

Name	Balance at 1 July 2021	Received on the exercise of Performance Rights	Other changes ¹	Balance at 30 June 2022
2022				
Directors of Mincor				
B Lambert (Chair)	183,333	-	23,427	206,760
D Southam	-	-	-	-
M Bohm	997,602	-	(173,126)	824,476
L Carpine	170,833	-	23,437	194,270
P Bewick	-	-	-	-
Other KMP				
C Sun	199,877	-	-	199,877
D Will	-	-	-	-

¹ Other changes represent shares that were purchased or sold (including via the Share Purchase Plan) during the year or shares held by KMP who ceased to be a KMP.

I) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with KMP during the 2022 and 2021 financial year.

THIS CONCLUDES THE REMUNERATION REPORT.

SHARES UNDER OPTION

Unissued ordinary shares in the Company under option at the date of this report are as follows:

Date Options granted	Expiry date	Exercise price of Options	Number of Options
13 March 2019	13 March 2024	\$0.40	1,500,000
13 March 2019	13 March 2024	\$0.50	1,500,000

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares in the Company pursuant to the Incentive Plan at the date of this report are as follows:

Date Performance Rights granted	Expiry date	Number of Performance Rights
19 March 2019	30 June 2023	209,827
13 March 2019	30 June 2024	983,422
15 November 2019	30 June 2024	871,023
30 October 2020	30 June 2025	922,236
22 February 2021	30 June 2025	157,179
29 April 2021	30 June 2025	18,096
22 September 2021	31 December 2024	1,625,256
24 September 2021	30 June 2025	1,350,090
17 December 2021	30 June 2025	88,905
22 December 2021	31 December 2024	169,494
6 May 2022	30 June 2025	92,237

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during and/or since the year ended 30 June 2022 and up to the date of this report on the exercise of Options granted by the Company.

SHARES ISSUED ON THE VESTING OF PERFORMANCE RIGHTS

During the financial year and up to the date of the report, 242,936 ordinary shares of the Company were issued on exercise of Performance Rights granted by the Company.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to 30 June 2022, Mr David Southam, Managing Director of the Company, resigned effective 12 August 2022. Ms Gabrielle Iwanow has been appointed to replace Mr Southam and will commence in November 2022. Mr Brett Lambert was appointed as Interim Executive Chairman during the transition period.

There has not been any other matter or circumstance occurring subsequent to end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

CORPORATE GOVERNANCE

A summary of the Company's corporate governance policies and practices and compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) will be provided at the same time as the 2022 Annual Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001(Cth)* for leave to bring any proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

ENVIRONMENTAL MATTERS

The Group is subject to environmental regulation on its mineral properties. To this extent, the Group has raised rehabilitation provisions of \$13.7 million (2021: \$11.4 million).

NATIONAL POLLUTANT INVENTORY AND GREENHOUSE GAS AND ENERGY DATA REPORTING REQUIREMENTS

The Group is subject to the reporting requirements of the *National Environmental Protection (National Pollution Inventory) Measures 1998*. This requires the Group to measure and report its annual emissions of specified substances to air, land and water if usages of certain substances or fuel exceed reporting thresholds. The Cassini, Otter Juan and Long Victor Nickel Operations have exceeded a number of these thresholds and will submit its 2021/2022 National Pollutant Inventory Report to the Department of Agriculture, Water and the Environment by the legislated due date of 30 September 2022. The Group has implemented systems and processes for the collection and calculation of the data required for this report.

The *National Greenhouse and Energy Reporting Act 2007* requires the Group to track its annual greenhouse gas emissions and energy use. During the financial year, the Group's annual greenhouse gas emission and energy usage were above the reporting threshold for National Greenhouse and Energy Reporting, and therefore was required to submit a 2021/2022 National Greenhouse and Energy Report.

INSURANCE OF OFFICERS

During financial year, the Company paid a premium in respect of Directors' and Executive Officers' insurance. The contract contains a prohibition on disclosure of the amount of the premium and the nature of the liabilities under the policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

NON-AUDIT SERVICES

The Company may decide to engage the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the current auditor (Deloitte Touche Tohmatsu) for audit and non-audit services provided during the financial year are detailed in Note 32 to the financial statements.

The Board of Directors has considered the position and in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 32, did not compromise the auditor independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out separately in this report (page 21).

ROUNDING OF AMOUNTS

The Company has relied on the relief provided by the 'ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191', issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Dated in Perth this 30th day of August 2022 in accordance with a resolution of the Directors.



Brett Lambert
Interim Executive Chairman

The Board of Directors
Mincor Resources NL
Ground Floor
9 Havelock Street
West Perth WA 6005

30 August 2022

Dear Board Members

Auditor's Independence Declaration Mincor Resources NL

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration independence to the directors of Mincor Resources NL.

As lead audit partner for the audit of the financial report of Mincor Resources NL for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	32,374	114
Cost of sales	5	(17,316)	-
Gross profit		15,058	114
General and administrative expenses		(6,760)	(5,497)
Exploration and evaluation expenditure	16	(15,309)	(7,310)
Impairment of exploration and evaluation assets	16	(1,458)	-
Impairment of property, plant and equipment	17	(2,497)	-
Depreciation and amortisation		(277)	(336)
Gain from sale of property, plant and equipment		278	-
Gain from sale of exploration and evaluation asset	13	3,082	-
Loss from financial instruments at fair value through profit or loss	6	(1,607)	(139)
Adjustments to rehabilitation and mine closure cost provision	22	(857)	(452)
Share-based payments	28	(2,328)	(910)
Other income and expenses		278	1,162
Operating loss before interest and income tax		(12,397)	(13,368)
Finance costs	7	(2,309)	(61)
Loss before income tax		(14,706)	(13,429)
Income tax expense	8	-	-
Loss after income tax		(14,706)	(13,429)
Other comprehensive income			
Effective portion of changes in fair value of cash flow hedges	18	(39,068)	(14,330)
Other comprehensive income for the year		(39,068)	(14,330)
Total comprehensive loss for the year attributable to the members of Mincor Resources NL		(53,774)	(27,759)
		Cents	Cents
Loss per share	9	(3.1)	(3.1)
Diluted loss per share	9	(3.1)	(3.1)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
Current Assets			
Cash and cash equivalents	10	78,636	58,634
Restricted cash	10	424	295
Trade and other receivables	11	2,196	659
Derivative financial assets	18	4,821	-
Inventories	12	1,644	177
Investments at fair value	13	2,011	526
Assets classified as held for sale	14	-	201
Other current assets	15	1,007	777
Total Current Assets		90,739	61,269
Non-Current Assets			
Exploration and evaluation assets	16	1,119	2,577
Property, plant and equipment	17	132,677	60,230
Other non-current assets	15	-	2,366
Total Non-Current Assets		133,796	65,173
TOTAL ASSETS		224,535	126,442
Current Liabilities			
Trade and other payables	19	20,382	7,590
Lease liabilities	20	64	191
Borrowings	21	14,318	-
Provisions	22	1,717	1,191
Derivative financial liabilities	18	41,251	-
Total Current Liabilities		77,732	8,972
Non-Current Liabilities			
Trade and other payables	19	2,018	278
Lease liabilities	20	57	110
Borrowings	21	14,919	-
Provisions	22	13,868	11,490
Derivative financial liabilities	18	12,147	14,330
Other financial liabilities	23	1,855	1,845
Total Non-Current Liabilities		44,864	28,053
TOTAL LIABILITIES		122,596	37,025
NET ASSETS		101,939	89,417
Equity			
Contributed equity	24	218,348	154,337
Reserves	25	(49,903)	(12,900)
Accumulated losses		(66,506)	(52,020)
TOTAL EQUITY		101,939	89,417

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Contributed equity \$'000	Accumulated losses \$'000	Share-based payment reserve \$'000	Cash flow hedge reserve \$'000	Total \$'000
Balance at 1 July 2020		95,340	(38,591)	1,197	-	57,946
Loss for the year		-	(13,429)	-	-	(13,429)
Effective portion of changes in fair value of cash flow hedges		-	-	-	(14,330)	(14,330)
Total comprehensive loss for the year		-	(13,429)	-	(14,330)	(27,759)
Transactions with owners in their capacity as owners:						
- Share Placement	24	50,000	-	-	-	50,000
- Share Purchase Plan	24	10,354	-	-	-	10,354
- Share issue cost	24	(2,044)	-	-	-	(2,044)
- Shares issued on exercise of options	24	10	-	-	-	10
- Employee share options and performance rights	28	-	-	910	-	910
- Transfer between reserves arising from issued and expired Options and Performance Rights	28	677	-	(677)	-	-
		58,997	-	233	-	59,230
Balance at 30 June 2021		154,337	(52,020)	1,430	(14,330)	89,417
Loss for the year		-	(14,706)	-	-	(14,706)
Effective portion of changes in fair value of cash flow hedges		-	-	-	(39,068)	(39,068)
Total comprehensive loss for the year		-	(14,706)	-	(39,068)	(53,774)
Transactions with owners in their capacity as owners:						
- Share Placement	24	60,000	-	-	-	60,000
- Share Purchase Plan	24	6,281	-	-	-	6,281
- Share issue cost	24	(2,313)	-	-	-	(2,313)
- Employee share options and performance rights	28	-	-	2,328	-	2,328
- Transfer between reserves arising from issued Options and Performance Rights	28	43	220	(263)	-	-
		64,011	220	2,065	-	66,296
Balance at 30 June 2022		218,348	(66,506)	3,495	(53,398)	101,939

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers		27,953	145
Payments for operating activities		(18,897)	(4,917)
Payments for exploration and evaluation expenditure		(15,202)	(7,261)
		(6,146)	(12,033)
Interest received		168	327
Other income		94	47
Other expenses		-	(542)
Net cash outflow from operating activities	10	(5,884)	(12,201)
Cash flows from investing activities			
Payments for property, plant and equipment		(6,564)	(3,017)
Payments for mine development		(60,228)	(28,482)
Proceeds from disposal of property, plant and equipment		92	75
Proceeds from disposal of assets held for sale		403	-
Proceeds from disposal of exploration and evaluation asset		-	700
Payments for exploration and evaluation expenditure		-	(958)
Net cash outflow from investing activities		(66,297)	(31,682)
Cash flows from financing activities			
Proceeds from the issue of shares, net of capital raising costs		63,968	58,320
Proceeds from borrowings		30,000	-
Lease payments		(199)	(114)
Payments for transactions costs associated with undrawn debt facility		(698)	(2,349)
Interest paid on financing facilities		(759)	-
Payments from cash restricted cash accounts		(129)	(64)
Net cash inflow from financing activities		92,183	55,793
Net increase in cash and cash equivalents		20,002	11,910
Cash and cash equivalents at the beginning of the financial year		58,634	46,724
Cash and cash equivalents at the end of the financial year	10	78,636	58,634

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

NOTE 1. GENERAL INFORMATION

Mincor Resources NL ("Mincor", or "the Company") is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange Limited ("ASX"). At 30 June 2022, the Company's registered office was Ground Floor, 9 Havelock Street, West Perth, Western Australia. The Company changed its registered office and principal place of business to Level 1, 8 Richardson Street, West Perth, Western Australia on 29 July 2022.

The principal activities of the companies in the Group, consisting of Mincor and its subsidiaries, during the financial year were exploration and mining for mineral resources.

NOTE 2. ABOUT THIS FINANCIAL REPORT

The financial report comprises of:

- consolidated financial statements for the year ended 30 June 2022;
- notes to the consolidated financial statements; and
- the Directors' declaration about the statements and notes.

The consolidated general-purpose financial report for the Group for the year ended 30 June 2022 was authorised for issue by the Directors on 30 August 2022. The Directors have the power to amend and reissue the financial report.

The financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and Interpretations issued by the Accounting Standards Board ("AASB"). The consolidated financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value;
- adopt all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2021;
- early adopts *AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use (Effective for annual reporting periods beginning on or after 1 January 2022)*. The amendment prohibits an entity offsetting proceeds from sale of items produced from the cost of an item of property, plant and equipment before the asset is available for use. An entity is also required to measure production costs of the sold items by applying *AASB 102 Inventories*;
- other than as noted above, do not early adopt any Australian Accounting Standards and Interpretations issued or amended by the AASB but not yet effective, adoption of these Standards and Interpretations are expected not to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions; and
- are presented in Australian Dollars, being the Company's functional currency.

a) Basis of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results of all subsidiaries for the financial year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. A list of controlled entities is detailed in Note 27 to the consolidated financial statements.

ii) Transactions eliminated on consolidation

Intra-group transactions, balances and unrealised gains arising from intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

b) Key estimates and judgements

In preparing the consolidated financial statements, management has made a number of judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates are based on management's experience and knowledge of relevant facts and circumstances at that time. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key accounting estimates and judgements which are material to the financial report are found in the following sections:

- Note 4 Revenue;
- Note 8 Income Tax;
- Note 11 Trade and Other Receivables;
- Note 16 Exploration and Evaluation;
- Note 17 Property, Plant and Equipment;
- Note 18 Derivative Financial Instruments; and
- Note 22 Rehabilitation and Mine Closure Costs.

c) New accounting standards and interpretations

The Group has applied amendments to Standards and Interpretations issued by the Australian Accounting Standard Board that are effective for an annual period that begins on or after 1 July 2022. Other than the early adoption of AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use, described in Note 2, adoption of these amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTE 3. OPERATING SEGMENTS

a) Description of segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and his executive team (the Chief Operating Decision Maker ("CODM")) in assessing performance and determining the allocation of resources.

Reportable segments have been identified as:

- Kambalda Nickel Operations ("KNO"):
 - KNO comprises Northern Operations (Durkin North and Long North mines) and the Cassini mine located in the Kambalda district, Western Australia.
 - Nickel sulphide ore mined from KNO are transported to the Kambalda Nickel Concentrator, which is sold to BHP Nickel West Pty Ltd ("BHP") under the Ore Tolling and Concentrate Purchase Agreement ("OTCPA") executed in August 2019 and amended in April 2022.
- Exploration:
 - Exploration activities comprise the Group's exploration and evaluation prospects in Australia, including sites on care and maintenance. The Group's General Manager Exploration regularly reports to the CODM against annual exploration budgets. Should an exploration prospect lead to the construction of a mining operation, that operation would be disaggregated from the exploration and become a separate reportable segment or be added to an existing segment, such as KNO, as appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

b) Segment information

	Exploration \$'000	Kambalda Nickel Operations \$'000	Total \$'000
2022			
Revenue	-	32,374	32,374
Cost of sales	-	(17,316)	(17,316)
Exploration and evaluation expenditure	(15,309)	-	(15,309)
Impairment of exploration and evaluation assets	(1,458)	-	(1,458)
Impairment of property, plant and equipment	-	(2,497)	(2,497)
Depreciation and amortisation	(259)	-	(259)
Gain on disposal of exploration and evaluation assets	3,082	-	3,082
Gain on disposal of property, plant and equipment	-	278	278
Loss from financial instruments at fair value through profit or loss	(1,597)	-	(1,597)
Adjustments to rehabilitation provision	(857)	-	(857)
Finance costs	-	(2,309)	(2,309)
Total segment results	(16,398)	10,530	(5,868)
Segment assets	1,573	141,274	142,847
Segment liabilities	6,892	111,826	118,718
2021			
Exploration and evaluation expenditure	(7,339)	-	(7,339)
Depreciation and amortisation	(73)	-	(73)
Adjustments to rehabilitation provision	(359)	-	(359)
Gain on disposal of exploration and evaluation assets	1,223	-	1,223
Gain on disposal of property, plant and equipment	-	75	75
Other income and expenses	-	70	70
Total segment results	(6,548)	145	(6,403)
Segment assets	2,923	63,356	66,279
Segment liabilities	6,297	28,750	35,047

c) Reconciliation of operating loss

	2022 \$'000	2021 \$'000
Segment loss	(5,868)	(6,403)
Sundry income	-	373
Loss from financial instruments at fair value through profit or loss	(10)	(139)
Depreciation, amortisation and impairment	(18)	(263)
Share-based payments	(2,328)	(910)
Corporate expenses	(6,482)	(6,087)
Loss before income tax	(14,706)	(13,429)

d) Reconciliation of assets and liabilities

	2022 \$'000	2021 \$'000
Segment assets	142,847	66,279
Corporate assets	2,628	1,234
Cash, cash equivalents and restricted cash	79,060	58,929
Consolidated Total Assets	224,535	126,442
Segment liabilities	118,718	35,047
Corporate liabilities	3,878	1,978
Consolidated Total Liabilities	122,596	37,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

NOTE 4. REVENUE

	2022 \$'000	2021 \$'000
Revenue from contracts with customers		
Revenue from the sale of goods	32,570	-
Other revenue from contracts with customers	131	114
Realised and unrealised pricing adjustments¹		
Provisional pricing adjustments	(5,148)	-
Quotational period hedge adjustments	4,821	-
	32,374	114

¹ Represents realised and unrealised fair value movement on receivables and Quotational period hedges.

a) Recognition and measurement

i) Sale of goods

Revenue from the sale of goods is derived from the sale of imputed nickel, copper and cobalt concentrate from ore deliveries to BHP under the OTCPA. The Group recognises revenue when control passes to the buyer under the OTCPA, which is when the ore is delivered to Kambalda Nickel Concentrator ("NKC"). At this point, the Group has the right to payments and the buyer has accepted legal ownership of the ore and the performance obligation under the OTCPA is met.

Revenue is recognised based on the expected consideration receivable that is highly probable of not reversing by reference to the relevant commodity price and substantially finalised mineral specifications. Price adjustments subsequent to the delivery of the ore and recognition of the sale, are recognised as embedded commodity derivatives, refer to (ii) below.

Revenue from the sale of goods is recognised net of ore processing and freight costs which are provided under the OTCPA. Processing and freight are not considered to be a distinct service under the OTCPA as the Group's promise to provide these services are not separately identifiable from the promise to deliver the ore.

ii) Realised and unrealised pricing adjustments

These adjustments comprise of:

- Provisionally priced sales for which price finalisation is referenced to the relevant metal price index, have an embedded commodity derivative. The embedded derivative is carried at fair value through profit or loss as part of trade receivables, with adjustments recognised separately rather than as Revenue from the sale of goods. The period between provisional pricing and final invoicing is generally two months;
- Gains and losses on derivatives (Quotational Period hedge) executed to manage the risk associated with commodity price fluctuations on the embedded commodity derivative between delivery and settlement; and
- Transfer of the cash flow hedge relating to the reclassification of the effective portion of nickel swaps when the forecast sales occur. Subsequent adjustments are recognised as other income until hedge settlement occurs, refer to Note 18 for further details on cash flow hedges.

b) Key estimates and judgements

Judgement is exercised in determining when revenue is recognised which considers when the Company's performance obligation under the OTCPA has been satisfied. Management has concluded that the performance obligation is satisfied when the ore is delivered to the ROM pad at the NKC and the control of the ore has been passed to the buyer.

Ore was delivered from all three mine sites although only Durkin North achieved mine production start date during the financial year, refer to Note 17.

Revenue from the sale is determined based on the prevailing forward metal price on the relevant metal price index in the month of delivery, which reflects an estimate of the final price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

NOTE 5. COST OF SALES

Mining and production costs
Employee benefits
Royalties
Amortisation and depreciation
Direct costs, net of costs capitalised to mine development
Stockpile movements

2022 \$'000	2021 \$'000
9,966	-
5,593	-
610	-
2,584	-
18,753	-
(1,437)	-
17,316	-

NOTE 6. LOSS FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Loss from revaluation of investments carried at fair value through profit or loss (refer to Note 13)
Loss from revaluation of financial liability (refer to Note 23)

2022 \$'000	2021 \$'000
(1,597)	(24)
(10)	(115)
(1,607)	(139)

NOTE 7. FINANCE COSTS

Interest on lease liabilities (refer to Note 20)
Unwinding of discount rate on provisions (refer to Note 22)
Borrowing costs written off (refer to Note 15)
Interest expense on borrowings (refer to Note 21)
Other finance costs

2022 \$'000	2021 \$'000
(19)	(13)
(154)	(48)
(1,784)	-
(317)	-
(35)	-
(2,309)	(61)

NOTE 8. INCOME TAX

a) Numerical reconciliation of income tax expenses to prima facie tax payable

Loss before income tax expense
Tax at the Australian tax rate of 30% (2021: 30%)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:
- Share-based payment
- Non-deductible expenses
- Non-taxable income
- Immediately deductible expense
Non-recognition of deferred tax assets
Income tax benefit

2022 \$'000	2021 \$'000
(14,706)	(13,429)
(4,412)	(4,029)
699	273
19	126
-	(11)
(453)	(315)
4,147	3,956
-	-

The tax rate of 30% represents the rate at which the Company expects to utilise the tax losses. The Group has calculated tax losses of \$179,810,000 (2021: \$126,745,000) that are available indefinitely for offsetting against future taxable profits of the companies within the tax consolidated group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

b) Franking credits

Franking credits available for subsequent financial years based on a tax rate of 30% (2021: 30%)

2022 \$'000	2021 \$'000
64,604	64,604

The amounts represent the balance of the franking account as at the reporting date, adjusted for franking credits that may be prevented from being distributed in subsequent financial years.

c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Deferred tax liabilities

Inventories
Exploration and evaluation assets
Property, plant and equipment
Other

Total deferred tax liabilities

Deferred tax assets

Tax losses
Derivative financial instruments
Employee benefits
Leases
Rehabilitation
Other

Total deferred tax assets

Deferred tax asset recognised in equity
Cash flow hedge
Blackhole expenditure
Total deferred tax asset recognised in equity

Non-recognition of tax assets

Net deferred tax asset/(liability)

2022 \$'000	2021 \$'000
(100)	-
(333)	(770)
(17,023)	(3,180)
(29)	(6)
(17,485)	(3,956)
53,943	38,023
375	-
446	257
36	90
2,751	2,069
1,150	404
58,701	40,843
16,019	4,299
935	935
16,954	5,234
(58,170)	(42,121)
-	-

d) Recognition and measurement

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the tax rate, which is adjusted by deferred tax expense which reflects the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

i) Current income tax

The current income tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

iii) Tax Consolidation

Mincor and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The head entity, Mincor and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts, as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

Mincor recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Mincor for any current tax payable assumed and are compensated by Mincor for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Mincor. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

e) Key estimates and judgements

Management has assessed the probability that sufficient future taxable income (including the reversal of taxable temporary differences) will be generated to utilise the carried forward tax losses. Given the significant tax losses available for use and various tax legislation the Federal Government has introduced to accelerate capital allowances, Management has concluded that recognition of deferred tax assets is not appropriate at 30 June 2022 and has not recognised deferred tax assets of \$58,170,000 (2021: \$42,121,000). A reassessment will be performed when development at all mine sites are completed.

NOTE 9. LOSS PER SHARE

	2022	2021
Loss for the year (\$'000)	(14,706)	(13,429)
Loss attributable to the ordinary equity holders of the Company (\$'000)	(14,706)	(13,429)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	474,351,095	429,221,819
Loss per share (cents)	(3.1)	(3.1)
Diluted loss per share (cents)	(3.1)	(3.1)

The Performance Rights and Options with the potential to be converted to ordinary shares are not included in the calculation of diluted loss per share as they are antidilutive.

NOTE 10. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	2022 \$'000	2021 \$'000
Cash and cash equivalents	78,636	58,634
Restricted cash	424	295
	79,060	58,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

a) Reconciliation of net cash outflow from operating activities to loss before income tax

	2022 \$'000	2021 \$'000
Loss for the year	(14,706)	(13,429)
Add/(less): non-cash items		
Depreciation and amortisation	2,861	336
Impairment of property, plant and equipment and exploration and evaluation assets	3,955	-
Loss from financial instrument at fair value through profit or loss	1,607	139
Gain on disposal of exploration and evaluation assets	(3,082)	(1,223)
Gain on disposal of property, plant and equipment	(278)	(75)
Adjustments to rehabilitation provision	857	423
Share-based payments	2,328	910
Finance costs	2,309	-
Change in operating assets and liabilities		
Increase in trade and other receivables, including associated derivatives	(6,588)	(582)
Decrease in other current assets	-	650
Increase in inventories	(1,467)	-
Increase in operating creditors and accruals	5,700	589
Increase in employee entitlement provisions	620	61
Net cash outflow from operating activities	(5,884)	(12,201)

b) Recognition and measurement

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes deposits at call with financial institutions, term deposits, short-term bank bills, and cash at bank and in transit, all of which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Restricted cash represents cash deposits held as security against the Group's bond and credit card facility.

c) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Note 13 non-cash consideration received for sale of exploration and evaluation asset; and
- Note 28 options and performance rights issued to employees for no cash consideration.

NOTE 11. TRADE AND OTHER RECEIVABLES

	2022 \$'000	2021 \$'000
Trade receivables (subject to provisional pricing) – fair value	2,175	-
Other receivables	21	659
	2,196	659

a) Recognition and measurement

Trade receivables are non-interest bearing and are measured at fair value less any allowance for expected credit losses. Trade receivables represent amounts due from BHP under the OTCPA. Amounts are settled by the payment of a provisional invoice, and a final invoice settled generally two months from ore delivery. During the period of delivery, when revenue is recognised, until the final invoice is issued, trade receivables are revalued using forward prices for nickel, copper and cobalt with changes in fair value recognised as outlined in Note 4.

The Group measures impairment of trade and other receivables using the simplified approach to measuring expected credit losses (ECL). Given the Group's historical credit loss experience with its customer the risk of default is considered to be negligible and no allowance for ECL has been recognised as at 30 June 2022 (30 June 2021: Nil). Refer to Note 26 for further information on the Group's accounting policy on the impairment of financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

KEY NUMBERS

b) Key estimates and judgements

Trade receivables are remeasured with reference to the prevailing forward metal price on the relevant metal exchange which reflects an estimate of the final price. Refer to Note 4 for further information.

NOTE 12. INVENTORIES

Consumables
Ore Stockpiles

2022 \$'000	2021 \$'000
207	177
1,437	-
1,644	177

a) Recognition and measurement

Inventories including ore stockpiles, work in progress and finished goods are recognised and valued at the lower of cost or net realisable value ("NRV"). NRV is the estimated future selling price, less the estimated costs necessary to make the sale. NRV assessments are undertaken at each reporting date. Cost represents direct costs and an appropriate portion of fixed overhead costs and includes a portion of depreciation and amortisation.

b) Key estimates and judgements

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the amount of contained metal based on assay data, and the estimated recovery percentage based on the expected processing method. Prior to the mine production start date at a mine, a portion of mining and fixed overhead costs is allocated to the production of ore stockpiles, in line with the early adoption of AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use.

NOTE 13. INVESTMENTS AT FAIR VALUE

Opening balance
Acquisition
Loss from revaluation of investments carried at fair value through profit or loss
Balance at end of year

2022 \$'000	2021 \$'000
526	-
3,082	550
(1,597)	(24)
2,011	526

Equity instruments relate to the Company's share and option holdings in Auric Mining Limited and Locksley Resources Limited ("Locksley").

Shares and options in Locksley were received as non-cash consideration for the sale of the Tottenham project during the period, resulting in a gain on sale of exploration and evaluation assets totalling \$3,082,000. These instruments were issued as part of an Initial Public Offering completed in July 2021 and are subject to an escrow period until July 2023.

The equity instruments are recognised as financial assets measured fair value through profit or loss. Refer to Note 26 for accounting policy on the classification and measurement of equity instruments.

a) Key estimates and judgements

At 30 June 2022, the Group holds 25.9% of Locksley (30 June 2021: Nil). Pursuant to AASB 128 Investment in Associates and Joint Venture, the Group is presumed to have significant influence if holds more than 20% of an investee. The Group has determined it does not have significant influence over Locksley as it does not have representation on the board nor participate in any of its financial and operating activities. As a result, the Group recognises the equity instruments as investments at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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NOTE 14. ASSETS CLASSIFIED AS HELD FOR SALE

Property, plant and equipment held for sale

Cost

Accumulated depreciation

2022 \$'000	2021 \$'000
-	388
-	(187)
-	201

a) Recognition and measurement

Non-current assets held for sale are classified as current assets and measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

NOTE 15. OTHER ASSETS

Current

Prepayments

Non-current

Prepaid transaction costs associated with debt facility

2022 \$'000	2021 \$'000
1,007	777
-	2,366

a) Key estimates and judgements

As a result of the replacement of the \$55 million Syndicated Project Finance Facility ("SPFF") with the \$30 million Revolving Credit Facility ("RCF"), refer to Note 21, prepaid transaction costs totalling \$1,784,000 have been written off during the year. The remaining balance was transferred to borrowings as part of the carrying value.

NOTE 16. EXPLORATION AND EVALUATION

Exploration and evaluation expenditure

Exploration and Evaluation Assets

Opening balance at the beginning of year

Impairment of area of interest where no further work is being undertaken

Current year expenditure capitalised

Adjustment to rehabilitation provision

Acquisition of additional interest in exploration phase project

Transfer to mine properties and development

Disposal of gold tenement

Total Exploration and Evaluation Asset

2022 \$'000	2021 \$'000
15,309	7,310
2,577	19,866
(1,458)	-
-	586
-	27
-	204
-	(18,079)
-	(27)
1,119	2,577

a) Recognition and measurement

Exploration and evaluation activities involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource in an individual geological area ("area of interest").

Exploration and evaluation activities include:

- Researching and analysing historical exploration data;

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- Gathering exploration data through geophysical studies;
- Exploratory drilling and sampling;
- Determining and examining the volume and grade of the resource;
- Surveying transportation and infrastructure requirements; and
- Conducting mining and evaluation studies.

All exploration and evaluation expenditure incurred up to completion of a Definitive Feasibility Study ("DFS") is expensed as incurred. These costs include directly attributable employee remuneration, materials used, surveying costs, drilling costs and payments made to contractors.

When it has determined with a high degree of confidence that it is probable that future economic benefits will flow to the Group, such as completion of a positive DFS, exploration and evaluation expenditure is capitalised and carried forward in the consolidated financial statements, in respect of areas of interest for which the rights of tenure are current.

Identifiable exploration assets acquired, including mineral rights, are capitalised at their cost of acquisition.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and an investment decision has been made by the Board, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then transferred to mine properties and development.

b) Impairment

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest, as well as to determine if events or changes in circumstances indicate that the carrying value may not be recoverable.

In the event that an area of interest is abandoned or, if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset is impaired, then the accumulated costs carried forward are written off in the year in which the assessment is made.

c) Key estimates and judgements

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest. The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carrying forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amounts.

During the year, \$1,458,000 (30 June 2021: Nil) was written-off in relation to an area of interest where further exploration activities are not planned.

During the prior year, the Board of Directors made a final investment decision to recommence nickel operations in Kambalda. As a result of this decision and in accordance with the Group's accounting policy, exploration and evaluation assets for KNO were assessed for impairment prior to transferring to mine properties and development. The recoverable amount of KNO was in excess of the carrying value at the date of assessment and accordingly, the total exploration and evaluation assets attributable to KNO were transferred to mine properties and development.

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NOTE 17. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Mine properties and development \$'000	Plant and equipment \$'000	Right-of-use assets \$'000	Capital work- in-progress \$'000	Total \$'000
At 30 June 2020					
Cost or valuation	166	4,867	275	1,921	7,229
Accumulated depreciation	-	(844)	(71)	-	(915)
Net book amount	166	4,023	204	1,921	6,314
Year ended 30 June 2021					
Opening net book amount	166	4,023	204	1,921	6,314
Transfer from exploration and evaluation asset (refer to Note 16)	18,079	-	-	-	18,079
Additions	31,377	2,965	152	2,703	37,197
Adjustment to rehabilitation provision (refer to Note 22)	(454)	-	-	-	(454)
Transfer to assets held for sale (refer to Note 14)	-	(201)	-	-	(201)
Transfers	2,257	(283)	-	(1,974)	-
Depreciation/ amortisation charge	-	(594)	(111)	-	(705)
Closing net book amount	51,425	5,910	245	2,650	60,230
At 30 June 2021					
Cost or valuation	51,425	7,348	427	2,650	61,850
Accumulated depreciation	-	(1,438)	(182)	-	(1,620)
Net book amount	51,425	5,910	245	2,650	60,230
Year ended 30 June 2022					
Opening net book amount	51,425	5,910	245	2,650	60,230
Additions	67,393	1,625	-	7,978	76,996
Borrowing costs capitalised (refer to Note 21)	905	-	-	-	905
Adjustment to rehabilitation provision (refer to Note 22)	1,262	-	-	-	1,262
Transfers	94	2,574	-	(2,668)	-
Disposals	-	(18)	-	-	(18)
Impairment	-	(2,497)	-	-	(2,497)
Depreciation/ amortisation charge	(2,542)	(1,522)	(137)	-	(4,201)
Closing net book amount	118,537	6,072	108	7,960	132,677
At 30 June 2022					
Cost or valuation	121,080	8,791	427	7,960	138,258
Accumulated depreciation	(2,543)	(2,719)	(319)	-	(5,581)
Net book amount	118,537	6,072	108	7,960	132,677

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a) Recognition and measurement

i) Costs

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the items. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment.

Subsequent costs incurred on an item of property, plant and equipment are capitalised, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in consolidated statement of profit or loss.

ii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

iii) Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment loss.

The Group leases several assets including the corporate office, plant and IT equipment. The average lease terms are 3–5 years. Refer to Note 20 for the details on the corresponding lease liabilities.

iv) Mine properties and development

Pre-production activities

Mine properties represent acquired mining land and the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of a mineral resource has commenced. Once technical feasibility and commercial viability of an area of interest are demonstrable, and a development decision has been made by the Board, any exploration and evaluation expenditure capitalised is transferred to mine properties.

All expenditure incurred prior to the commencement of commercial levels of production from each development area, is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development area, or the sale of the area, is reasonably assured.

Post-production activities

When further development expenditure is incurred in respect of a mine property after the commencement of commercial production, such expenditure is carried forward as part of the mine development only when it is probable that the associated future economic benefits will flow to the Group, otherwise such expenditure is classified as part of the cost of production and expensed as incurred.

Stripping costs incurred during the production phase of a mine are assessed to determine whether the benefit accruing from that activity provides access to ore that can be used to produce inventory or whether it improves access to ore that will be mined in future periods.

In March 2022, production start date was achieved at Durkin North, refer to section d) below on key estimates and judgements.

v) Mine rehabilitation assets

Under AASB 116 *Property, Plant and Equipment*, the cost of an asset includes any estimated costs of dismantling and removing the asset and restoring the site on which it is located. The capitalised rehabilitation and mine closure costs are depreciated (along with the other costs included in the asset) over the asset's useful life. Refer to Note 22 for the accounting policy on rehabilitation and mine closure costs provision.

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b) Depreciation

Depreciation of property, plant and equipment commences when the assets are ready for their intended use. The depreciation of mine properties and development commences when the mine is commissioned or deemed ready for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting period and adjusted prospectively, if appropriate. Where depreciation rates have changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate, with the change accounted for prospectively.

Depreciation methods and useful lives adopted are as follows:

Category	Depreciation method and useful life
Mine properties and development	
Freehold land	Not depreciated
Mine properties and development	Units of production over the relevant economically recoverable mineral reserve
Mine buildings	Unit of production, reducing balance or straight line over the shorter of the applicable mine life and five years, depending on the nature of asset
Property, plant and equipment	
Machinery and equipment	Unit of production, reducing balance or straight line over the shorter of the applicable mine life and two to ten years, depending on the nature of asset
Office plant and equipment	Reducing balance or straight line over two to five years, depending on the nature of asset
Office furniture and fittings	Reducing balance or straight line over three to ten years, depending on the nature of asset
Other assets	
Right-of-use of assets	Unit of production or straight line over the shorter of the applicable mine life and lease contract, depending on the nature of assets

c) Impairment

A review is undertaken at each reporting date to determine if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash generating unit ("CGU") exceeds the recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or CGUs.

The impairment losses are recognised in the consolidated statement of profit or loss.

Previously impaired assets are reviewed for possible reversal of the impairment at the end of each reporting period.

d) Key estimates and judgements

i) Mine production start date

The Group assesses the stage of a mine under development to determine when it moves into the commercial production phase, this being when the mine is substantially complete and ready for its intended use. The criteria used to determine the production start date are based on the unique nature of each mine development project. Some of the criteria the Group uses to identify production start date include, but are not limited to:

- Level of capital expenditure incurred compared with the original construction cost estimate;
- Majority of the assets making up the mining project are substantially complete and ready for use;
- A specified percentage of design capacity for the mine has been achieved;
- The percentage grade (metal content) of ore being mined is sufficiently economic and consistent with the overall mine plan;

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- Ability to produce metal in saleable form (within specifications); and
- Ability to sustain ongoing production of metal.

When a mine site moves into the production phase, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

With the mine sites reaching first ore during the financial year, an assessment has been completed for each mine site to determine whether the production milestone has been achieved. Management has determined that Durkin North has reached the production phase in March 2022.

ii) Impairment

At 30 June 2022, the Group has determined there are no indicators of impairment in relation to the carrying value of the KNO CGU. This assessment takes into consideration the generation of first revenue from KNO in May 2022, the announcement of a new Mineral Resource LN04a at Northern Operations subsequent to year-end and the continued strong demand for nickel with limited supply, which supports an upward trajectory of the nickel price.

Changes in reported Mineral Resource and Ore Reserve estimates can impact the carrying value of property, plant and equipment.

Other property, plant and equipment, which was included in the acquisition of Mincor Long Pty Ltd and which has a carrying value of \$2,497,000, is not included in the mine plan and consequently is not expected to be used and therefore has been fully impaired.

NOTE 18. DERIVATIVE FINANCIAL INSTRUMENTS

	2022 \$'000	2021 \$'000
Derivative financial assets		
<i>Nickel swaps at fair value through profit or loss</i>		
Current	4,821	-
	4,821	-
Derivative financial liabilities		
<i>Nickel swaps designated as cash flow hedges</i>		
Current	41,251	-
Non-current	12,147	14,330
	53,398	14,330

a) Recognition and measurement

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value. The method of recognising the gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

Derivatives that are not designated as hedges are subsequently measured at fair value through profit or loss.

The Group documents at the inception of a transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items.

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i) Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. When a derivative is designated as a cash flow hedging instrument, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. The gain or loss relating to the effective portion of the nickel swap is recognised in profit or loss within 'sales revenue'.

Cash flow hedges are tested prospectively for effectiveness on a regular basis to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

The main sources of hedge ineffectiveness in these hedge relationships are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item;
- if the forecast transaction will happen earlier or later than originally expected; or
- if the volume of the forecast transaction changes.

b) Nickel swaps designated as cash flow hedges

The Company has a mandatory hedging program with BNP Paribas maturing between September 2022 to February 2024. These hedging arrangements have been designated as cash flow hedges of highly probable nickel sales. Details of the arrangement are as follows:

	Hedged nickel concentrate	Average price	Carrying value recognised as derivative financial liabilities	Change in value of hedging instrument recognised in comprehensive income
	Tonnes	A\$/t	A\$'000	A\$'000
Floating-for-fixed Australian dollar nickel swaps	4,666	21,000-22,000	53,398	39,068

c) Nickel swaps at fair value through profit or loss

The Company has entered into discretionary hedges to manage its exposure to movements in nickel prices during the quotation period (QP hedge). At 30 June 2022, 762 nickel concentrate tonnes were hedged at an average price of A\$39,137/t for cash settlement in August 2022.

NOTE 19. TRADE AND OTHER PAYABLES

	2022 \$'000	2021 \$'000
Current		
Trade payables	5,204	776
Other creditors and accruals	15,178	6,814
	20,382	7,590
Non-current		
Other payables	2,018	278
	22,400	7,868

a) Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. Refer to Note 26 for accounting policy on the classification and measurement of trade and other payables.

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NOTE 20. LEASE LIABILITIES

	2022 \$'000	2021 \$'000
Current	64	191
Non-current	57	110
	121	301

a) Maturity analysis

	2022 \$'000	2021 \$'000
Maturity analysis		
Within one year	71	198
Later than one year and not later than three years	52	108
	123	306
Less: unearned finance cost	(2)	(5)
	121	301

b) Recognition and measurement

The Group, as a lessee will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If the contract is assessed to be, or contains a lease, the Group will recognise a right-of-use asset and a lease liability at the lease commencement date.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if this rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Recognition exemption – Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases with lease term of 12 months or less and leases for low-value assets. The Group will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

c) Variable lease payments

	2022 \$'000	2021 \$'000
Variable lease payments	47,504	22,229

Payments made and accrued during the financial year recognised as leases but are variable in nature are not included in the minimum lease payments used to calculate lease liabilities. These payments relate to the Group's mining contract at the Cassini Operation and Northern Operations.

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d) Amounts recognised in profit or loss

Amount recognised in profit or loss arising from leases:

Depreciation on right-of-use assets
Interest expense on lease liabilities

2022 \$'000	2021 \$'000
137	111
19	13

Key estimates and judgements

On commencement of the mining contract in November 2020, the Group completed an assessment under AASB 16 *Leases* which concluded that the mining contract contained a lease on the mining equipment required to deliver the mining services. However, the lease payments are considered 100% variable as they are based on delivery of physicals, such as metres advanced and volumes moved. Consequently, a lease liability in relation to the mining contract has not been recognised.

NOTE 21. BORROWINGS

Current
Non-current

2022 \$'000	2021 \$'000
14,318	-
14,919	-
29,237	-
30,000	-
(1,261)	-
317	-
905	-
(724)	-
29,237	-

Movement analysis

Drawdown on revolving credit facility
Costs associated with borrowing facilities
Interest expense
Interest expense capitalised to mine development (refer to Note 17)
Interest payments

a) Revolving credit facility

On 9 September 2021, the \$55 million Syndicated Project Finance Facility ("SPFF"), was replaced with a \$30 million Revolving Credit Facility ("RCF") finance by BNP Paribas. At 30 June 2022, the RCF was fully drawn. The interest rate on the facility is BBSY plus a margin of 360 basis points with interest payable quarterly. The facility will be reduced quarterly commencing from 31 December 2022 to 30 September 2023. The term may be extended for two further 1-year periods at each annual review date. Security for the facility is given over all the assets of the Project companies, being Mincor Resources NL, Goldfields Mine Management Pty Ltd (GMM), Mincor Operations Pty Ltd and Mincor Long Pty Ltd (Long), including a share mortgage over all the shares in GMM and Long.

b) Recognition and measurement

Borrowings are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

The effective interest rate applied to the facility is 6.75%,

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NOTE 22. PROVISIONS

Current

Employee benefits
Other provisions

Non-Current

Employee benefits
Rehabilitation and Mine Closure Costs

	2022 \$'000	2021 \$'000
Employee benefits	1,288	762
Other provisions	429	429
	1,717	1,191
Employee benefits	200	95
Rehabilitation and Mine Closure Costs	13,668	11,395
	13,868	11,490

Rehabilitation and Mine Closure Costs

Balance at beginning of year
Unwinding of discount rate
Adjustments to provision estimates
- Recognised in Statement of Profit or Loss
- Recognised as adjustment to Exploration and Evaluation Assets
- Recognised as adjustment to Property, Plant and Equipment (refer to Note 17)
- Acquisition of additional interest in exploration phase project

Balance at end of year

	2022 \$'000	2021 \$'000
Balance at beginning of year	11,395	11,114
Unwinding of discount rate	154	48
Adjustments to provision estimates		
- Recognised in Statement of Profit or Loss	857	452
- Recognised as adjustment to Exploration and Evaluation Assets	-	27
- Recognised as adjustment to Property, Plant and Equipment (refer to Note 17)	1,262	(454)
- Acquisition of additional interest in exploration phase project	-	208
	13,668	11,395

a) Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

i) Rehabilitation and Mine Closure Costs

The Group has obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment and areas of disturbance during mining operations and exploration activities. The provision is based on estimated costs to rehabilitate areas disturbed up to the reporting date but not yet rehabilitated and discounted to their present value based on expected future cash flows. The provision includes contractors' demobilisation costs.

When the provision is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining or exploration and evaluation assets and is amortised on a unit-of-production basis. The unwinding effect of discounting the provision is recorded as a finance cost in the consolidated statement of profit or loss.

Changes in rehabilitation costs, including changes in discount rates and timing or amounts of cash flows, will be recognised as changes to the corresponding asset and rehabilitation liability.

Changes to estimates that relate to an existing condition caused by past operations, and do not have future economic benefits, are recognised in the consolidated statement of profit or loss.

ii) Employee Benefits – Short Term

Liabilities for salaries, wages and leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised and are measured at the amounts expected to be paid when the liabilities are settled. The leave liability is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as other payables.

iii) Employee Benefits – Long Term

This comprises the liability for long service leave and annual leave that are not expected to be settled within 12 months after the end of the reporting period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value

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of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, estimates of employee departures and periods of service.

The obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

b) Key estimates and judgements

The value of the rehabilitation provision is based on a number of assumptions with significant judgement including the nature of rehabilitation activities required, estimates of the cost of performing the work, changes in legislation, changes in technology, the timing of future cash flows and the appropriate risk-free discount rate. A change in any, or a combination, of these assumptions used to determine current provisions could have a material impact to the provision.

At each reporting date, the rehabilitation and mine closure cost provision is remeasured to reflect any changes in discount rates and timing or amounts of costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and added to, or deducted from, the related asset, subject to recoverability.

NOTE 23. OTHER FINANCIAL LIABILITIES

Contingent consideration

2022 \$'000	2021 \$'000
1,855	1,845

a) Recognition and measurement

Any contingent consideration arising from an acquisition that does not constitute a business combination is recognised as a financial liability at fair value at the acquisition date. Refer to Note 26 for accounting policy on the classification and measurement of financial liabilities.

b) Key estimates and judgements

In May 2019, the Company acquired 100% of the issued share capital of Mincor Long Pty Ltd (formerly, Independence Long Pty Ltd). The consideration included:

- \$2,000,000 payable on production of 2,500 tonnes of contained nickel in ore from the Long Nickel Operations, payable in either cash or Mincor shares, at the Company's discretion; and
- \$4,000,000 payable on production of 7,500 tonnes of contained nickel in ore from the Long Nickel Operations, payable in either cash or Mincor shares, at the Company's discretion.

At 30 June 2022, the contingent consideration was revalued resulting in a \$10,000 (30 June 2021: \$115,000) fair value loss recognised in the consolidated statement of profit or loss.

NOTE 24. CONTRIBUTED EQUITY

a) Issued and paid-up capital

484,367,097 (2021: 432,367,093) fully paid ordinary shares

2022 \$'000	2021 \$'000
218,348	154,337

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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b) Movements in ordinary share capital

	No. of shares	Issue price	\$'000
2021			
Opening balance	346,007,212		95,340
Capital raising placement, for cash	69,444,445	\$0.72	50,000
Share purchase plan	14,380,578	\$0.72	10,354
Share issue costs	-	-	(2,044)
Shares issued from exercise of options	20,000	\$0.50	10
Transfer between reserves arising from exercised Options (refer to Note 28)	2,514,858	-	677
Closing balance	432,367,093		154,337
2022			
Opening balance	432,367,093		154,337
Capital raising placement, for cash	46,875,000	\$1.28	60,000
Share purchase plan	4,906,540	\$1.28	6,281
Share issue costs	-	-	(2,313)
Transfer between reserves arising from exercised Performance Rights (refer to Note 28)	218,464	-	43
Closing balance	484,367,097		218,348

c) Options and performance rights

Information relating to Options and Performance Rights, including details of instruments issued, exercised and lapsed during the financial year and outstanding at the end of the reporting period, is set out in Note 28.

d) Recognition and measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or Options are shown in equity as a deduction, net of tax, from the proceeds.

e) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTE 25. RESERVES

	2022 \$'000	2021 \$'000
Share-based payment Reserve	3,495	1,430
Cash flow hedge Reserve	(53,398)	(14,330)
	(49,903)	(12,900)

a) Share-based payment reserve

The share-based payment Reserve represents the cumulative expense of outstanding Options and Performance Rights granted under the Mincor Employee Equity Incentive Plan. After vesting date, the cumulative expense is transferred to retained earnings (accumulated loss) if the options or performance rights lapse, or to share capital if the instruments are exercised.

b) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items. Refer to Note 18 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

RISK MANAGEMENT

NOTE 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

This note focuses on the financial instruments held by the Group and the Group's Financial Risk Management policy.

FINANCIAL INSTRUMENTS

The Group holds the following financial assets and liabilities:

	2022 \$'000	2021 \$'000
Financial assets		
Cash and cash equivalents	78,636	58,634
Restricted cash	424	295
Trade and other receivables	2,196	659
Derivative financial instruments	4,821	-
Investments at fair value	2,011	526
	88,088	60,114
Financial liabilities		
Trade and other payables	22,400	7,868
Borrowings	29,237	-
Derivative financial instruments	53,398	14,330
Financial liability	1,855	1,845
	106,890	24,043

a) Recognition and measurement

At initial recognition, the Group assesses the classification of its financial assets, which determines the subsequent measurement of the financial asset. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial instruments, which includes financial assets, financial liabilities and equity instruments, are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

b) Subsequent measurement

Subsequent to initial recognition, all financial instruments other than hedging instruments, are measured at:

- amortised cost, such as trade payables, and borrowings, or
- fair value through profit or loss (FVTPL).

Borrowings are subsequently carried at amortised cost using the effective interest method.

Any contingent consideration arising from an asset acquisition is classified as a financial liability measured at fair value, with changes in fair value recognised in the consolidated statement of profit or loss.

c) Impairment

Financial assets are accounted for impairment using the forward-looking expected credit loss ("ECL") approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has not recognised a loss allowance at 30 June 2022 as given the historical credit loss experience with its customer, the risk of default is considered negligible.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

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RISK MANAGEMENT

d) Fair value measurement and estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

In accordance to *AASB 7 Financial Instruments Disclosure*, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used):

Financial asset/liability	Fair value hierarchy	Valuation technique	Significant input(s)
Investments – shares	Level 2	Quoted bid prices in an active market	Not applicable
Investments – options	Level 3	Black-Scholes model	The following variables were taken into consideration: options strike price, time until expiration (expressed as a per cent of a year), implied volatility of the underlying instrument, as well as the risk-free interest rate.
Trade Receivables	Level 2	Nickel, copper and cobalt forward prices quoted on the London Metals Exchange	Not applicable
Derivative financial instruments	Level 2	Discounted cash flow	Future cash flows are estimated based on forward commodity prices (from observable forward rates at the end of the reporting period) and discounted at a rate that reflects the credit risk of various counterparties.
Other financial liabilities	Level 3	Discounted cash flow	Future cash flows are estimated based on budgeted production profiles and a discount rate reflected of the weighted cost of capital.

There have been no transfers between the levels of the fair value hierarchy during the year.

RISK MANAGEMENT

a) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by senior management and is the responsibility of the Board of Directors. Senior management continuously monitor forecast and actual cash flows and seek Board approval for expenditure greater than \$2,000,000.

b) Market risk

i) Commodity price risk

The Group is exposed to movements in the prices of nickel, copper and cobalt. To limit the exposure to commodity price risk the Group has established mandatory hedging lines under a Master ISDA Agreement

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RISK MANAGEMENT

with BNP and has also entered into discretionary QP hedges. Refer to Note 18 for the mandatory hedging and discretionary hedging completed.

Under the mandatory hedge program, floating-for-fixed nickel swaps totalling 4,666 nickel tonnes at an average strike price of between A\$21,000/t and A\$22,000/t are outstanding at 30 June 2022.

In May and June 2022, the Group entered into discretionary QP hedges for 762 nickel tonnes at an average price at an average price of \$39,137/t, for settlement in August 2022. The QP hedging is used to manage the risk of price fluctuation for the imputed nickel concentrate production already delivered and sold to BHP, where nickel price is yet to be finalised.

The carrying value of the derivative financial instruments significantly changes with changes to the forward nickel prices. Changes to the forward nickel price, while keeping all other variables constant has the following impact:

	Impact on carrying value of financial derivative asset Increase/ (decrease) A\$'000	Impact on carrying value of financial derivative liabilities Increase/ (decrease) A\$'000	Impact Loss after tax (Decrease)/ increase A\$'000	Impact on other compre- hensive income A\$'000
5% increase in nickel forward curve	(1,246)	7,465	1,246	(7,465)
5% decrease in nickel forward curve	1,246	(7,465)	(1,246)	7,465
10% increase in nickel forward curve	(2,492)	14,931	2,492	(14,931)
10% decrease in nickel forward curve	2,492	(14,931)	(2,492)	14,931

ii) Cash flow interest rate risk

Interest rate risk arises from changes in market interest rates in relation to the Group's interest-bearing borrowings and cash and cash equivalents. The significance and management of the risks to the Group are dependent on a number of factors, including:

- interest rates;
- level of cash, liquid investments and borrowings and the term; and
- maturity dates of investments.

At the end of the reporting period, the Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	30 June 2022		30 June 2021	
	Weighted average interest rate	Balance \$'000	Weighted average interest rate	Balance \$'000
Cash, cash equivalents and restricted cash	0.20%	79,060	0.30%	58,929
Revolving credit facility (secured loan)	2.44%	29,237	-	-

The risk for cash, cash equivalents and restricted cash is managed by maintaining an appropriate mix between short-term fixed and floating rate cash and cash equivalents. The Group manages the risk for its revolving credit facility by consideration of interest rate mix between fixed and variable, review of interest rate benchmarks and consideration of refinancing opportunities, where appropriate.

All receivables in the current and prior financial years are non-interest bearing and therefore have no exposure to interest rate risk.

Group sensitivity

Based on the financial instruments at 30 June 2022, if interest rates had changed by ± 150 basis points from the year-end rates, with all other variables held constant, post-tax loss and equity for the year would have been \$954,000 lower/\$954,000 higher (2021: at ± 50 , post-tax loss and equity \$404,000 lower/\$404,000 higher).

iii) Equity securities price risk

The Group is also exposed to equity securities price risk arising from investments held by the Group and classified in the statement of financial position as financial assets at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

RISK MANAGEMENT

c) Credit risk

Credit risk arises from cash and cash equivalents and other financial assets and is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group controls credit risk by setting minimum creditworthiness requirements of counterparties and transacting with high credit quality financial institutions. During the year, the Group maintained all cash, cash equivalents and restricted cash balances with banks and financial institutions holding an AA- rating or higher based on S&P Global ratings.

The carrying amount of financial assets recorded in the consolidated statement of financial position represents the Group's exposure to credit risk, which also represents the maximum exposure to credit risk. The Group does not hold collateral as security.

d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the operating commitments of the business. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, continuously monitoring forecast and actual cash flows, matching the maturity profile of financial assets and liabilities and identifying when further capital raising initiatives are required.

i) Financing arrangements

The Group has access to a \$30 million RCF financed by BNP Paribas. At 30 June 2022, the RCF was fully drawn down. Refer to Note 21 for details of the facility. In addition, the Group have access to a bond and credit card facility at balance date:

	2022 \$'000	2021 \$'000
Bond and Credit Card Facility – secured	424	295
Revolving Credit Facility	30,000	-
Less: Drawdown portion	(30,424)	(295)
	-	-

The Bond and Credit Card Facility is denominated in Australian dollars and is secured by cash. An annual performance bond fee is charged at market rates. No amounts are payable under this facility, other than the annual fee, unless the Group does not adhere to the terms of the agreements guaranteed.

ii) Contractual maturities of financial liabilities

The following table details the Group's remaining contractual maturity for its financial liabilities.

CONSOLIDATED	Less than one year \$'000	Between one and five years \$'000	After five years \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
At 30 June 2022					
Trade payables	20,382	2,018	-	22,400	22,400
Borrowings	16,018	15,166	-	31,184	29,237
Derivative financial liabilities	42,303	13,050	-	55,353	53,398
Other financial liabilities	-	2,000	-	2,000	1,855
Total financial liabilities	78,703	32,234	-	110,937	106,890

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FOR THE YEAR ENDED 30 JUNE 2022

RISK MANAGEMENT

CONSOLIDATED	Less than one year \$'000	Between one and five years \$'000	After five years \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
At 30 June 2021					
Trade payables	7,590	278	-	7,868	7,868
Derivative financial instrument	-	14,781	-	14,781	14,330
Other financial liabilities	-	2,000	-	2,000	1,845
Total financial liabilities	7,590	17,059	-	24,649	24,043

The amounts presented represent the future undiscounted principal and interest cash flows, and reflect Management's expectation of the timing of the cash flows. Actual timing may therefore differ from those disclosed.

The cash flow for the derivative financial instrument is determined by reference to the nickel forward curves existing at reporting date and the maturity date of the cash flow hedges.

e) Capital risk management

The Group manages its capital to ensure entities in the Group will be able to continue as going concern whilst maximising the return to stakeholders through the optimisation of its capital structure comprising equity, debt and cash. The Group reviews the capital structure on an ongoing basis.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the Group, comprising issued capital, reserves and accumulated losses as disclosed in statement of changes in equity.

As at 30 June 2022, the Group had net debt of \$30,000,000 (30 June 2021: Nil).

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GROUP STRUCTURE

NOTE 27. GROUP STRUCTURE

a) Parent entity

The ultimate parent entity within the Group is Mincor Resources NL.

b) Subsidiaries

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2022 (%)	2021 (%)
Mincor Operations Pty Ltd	Australia	Ordinary	100	100
Mincor Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Gold Pty Ltd	Australia	Ordinary	100	100
Mincor Copper Pty Ltd	Australia	Ordinary	100	100
Mincor Tungsten Pty Ltd	Australia	Ordinary	100	100
Mincor Zinc Pty Ltd	Australia	Ordinary	100	100
Goldfields Mine Management Pty Ltd	Australia	Ordinary	100	100
Mincor Coal Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Iron Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor PNG Holdings Pty Ltd	Australia	Ordinary	100	100
Mincor Long Pty Ltd	Australia	Ordinary	100	100

c) Other arrangements

The Group has the following arrangements with other entities:

Name	Principal activity	Percentage interest	
		2022	2021
Carnilya Hill Joint Venture	Nickel exploration	100	100
Tottenham Copper Project ¹	Copper-gold exploration	-	70.51

¹ In April 2021, the Company completed the sale of its interest in the Tottenham Project. Refer to Note 13 for further details.

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NOTE 28. SHARE-BASED PAYMENTS

Share-based payments recognised during the financial year within the consolidated statement of profit or loss were as follows:

	2022 \$'000	2021 \$'000
Options issued	-	142
Performance Rights	2,328	768
	2,328	910

The movements in share-based payments reserves were as follows:

	2022 \$'000	2021 \$'000
Balance at beginning of year	1,430	1,197
Option expense	-	142
Performance Rights expense	2,328	768
Transfer between reserves arising from issued, lapsed and expired Options and Performance Rights	(263)	(677)
Balance at end of year	3,495	1,430

The share-based payments reserve is used to recognise the fair value of Options and Performance Rights at grant date issued to employees but not exercised.

a) Options

Details of the Options granted are set out below.

Grant date	Vesting date	Expiry date	Exercise price	Fair value per option at grant date	Opening balance	Options			Closing balance (Vested and exercisable)
						Vested	Exercised	Lapsed	
13 Mar 2019	1 Feb 2022	13 Mar 2024	\$0.40	\$0.1535	1,500,000	1,500,000	-	-	1,500,000
13 Mar 2019	1 Feb 2022	13 Mar 2024	\$0.50	\$0.1304	1,500,000	1,500,000	-	-	1,500,000

The weighted average contractual life of Options outstanding at the end of the period was 1.70 years (2021: 2.70). Further details of the Options including terms of grants and conditions are provided in the remuneration report.

The fair value at grant date stated in the table above is determined using the Black-Scholes valuation methodology and takes into account the following inputs:

Metric	Options expiring 13 March 2024
Exercise price	\$0.40 and \$0.50
Grant date	13 March 2019
Expiry date	13 March 2024
Share price at grant date	\$0.365
Expected price volatility of the Company's shares	49%
Expected dividend yield	0%
Risk-free interest rate	1.601%

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b) Performance Rights

Set out below are summaries of Performance Rights granted under the Employee Equity Incentive Plan:

Grant date	Performance measurement end date	Outstanding Performance Rights at 1 July 2021	Granted during the year (number)	Vested during the year (number)	Exercised during the year (number)	Lapsed during the year (number)	Outstanding Performance Rights at 30 June 2022	
							Unvested	Vested
13 Mar 2019	30 Jun 2022	1,404,889	-	(983,422)	-	(421,467)	-	983,422
19 Mar 2019	30 Jun 2021	754,605	-	-	(218,464)	(301,841)	-	234,300
15 Nov 2019	30 Jun 2022	1,397,593	-	(871,023)	-	(526,570)	-	871,023
30 Oct 2020	30 Jun 2023	1,123,780	-	-	-	(201,543)	922,237	-
13 Nov 2020	30 Jun 2023	781,250	-	-	-	(781,250)	-	-
22 Feb 2021	30 Jun 2023	183,442	-	-	-	(26,263)	157,179	-
29 Apr 2021	30 Jun 2023	18,096	-	-	-	-	18,096	-
22 Sept 2021	31 Dec 2022	-	1,888,223	-	-	(262,967)	1,625,256	-
24 Sep 2021	30 Jun 2024	-	1,503,188	-	-	(153,098)	1,350,090	-
17 Dec 2021	30 Jun 2024	-	88,905	-	-	-	88,905	-
22 Dec 2021	31 Dec 2022	-	180,998	-	-	(11,504)	169,494	-
23 Dec 2021	30 Jun 2024	-	688,299	-	-	(688,299)	-	-
6 May 2022	30 Jun 2023	-	92,237	-	-	-	92,237	-
Total		5,663,655	4,441,850	(1,854,445)	(218,464)	(3,374,802)	4,423,494	2,088,745

The weighted average fair value of the outstanding performance rights is \$0.79 (2021: \$0.43) and the average contractual life of Performance Rights outstanding at the end of the period was 2.7 years (2021: 3.2).

Performance Rights over ordinary shares are granted under the Incentive Plan for nil cash consideration and expires 2 years after the vesting of the performance rights. Further details of the Incentive Plan including terms of grants and performance hurdles are provided in the remuneration report.

The fair value at grant date of performance rights issued to employees during the year, were determined using hybrid employee share option, hybrid single barrier option and Black-Scholes pricing model, depending on the relevant performance conditions attached to the award, and take into consideration the following inputs, together with the general terms attached to the performance rights:

Metric	Performance Rights issued to Managing Director	Performance Rights granted to employees				
		23 December 2021	22 September 2021	24 September 2021	17 December 2021	22 December 2021
Grant date	23 December 2021					6 May 2022
Share price at grant date	\$1.63	\$1.29	\$1.28	\$1.39	\$1.58	\$2.23
Expected price volatility of the Company's shares	50%	50%	50%	50%	50%	50%
Expected dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	0.90%	0.005%	0.220%	1.00%	0.47%	2.760%

c) Recognition and measurement

Share-based compensation benefits are provided to employees via the Mincor Employee Equity Incentive Plan.

The fair value of Options and Performance Rights granted under the Plan are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the Options or Performance Rights.

The fair value of the Options and Performance Rights at grant date is determined using various option valuation model appropriate to the instrument. Assumptions into the model excludes the impact of any non-

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market vesting conditions (for example, profitability and sales growth targets) and are instead included in assumptions about the number of Options and Performance Rights that are expected to vest.

At reporting date, the Group revises the estimate of the number of Options and Performance Rights that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss with a corresponding adjustment to equity.

d) Key estimates and judgements

The valuation models used to fair value the Options and Performance Rights take into account the exercise price, the term of the options and performance rights, the vesting period, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and assumptions on the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option and performance rights.

Additionally, assumptions are made about the number of Options and Performance Rights that are expected to vest, which could change from period to period. A change in any, or a combination, of these assumptions used in the valuation model could have a material impact on the total valuation of the Options and Performance Rights.

NOTE 29. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms and at conditions no more favourable than those available to other parties unless otherwise stated.

a) Key management personnel ("KMP") compensation

	2022 \$	2021 \$
Short-term employee benefits	2,504,765	2,147,898
Post-employment benefits	125,300	109,202
Long-term employment benefits	(2,352)	23,997
Share-based payments	498,335	646,388
	3,126,048	2,927,485

Disclosures relating to KMP remuneration are set out in the Remuneration Report.

b) Transaction with other related parties

There were no transactions with KMPs of the Group during the 2022 and 2021 financial years, other than those summarised above.

NOTE 30. DEED OF CROSS GUARANTEE

On 16 April 2020, a revocation deed was executed between Mincor Resources NL and Goldfields Mine Management Pty Ltd to revoke the deed of cross guarantee under which each company guarantees the debts of the other. The deed also relieved the wholly-owned entity from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission ("ASIC").

The revocation deed was lodged with ASIC on 21 April 2020, advertised as required by the *Corporations Act 2001 (Cth)* and became effective on 21 October 2020.

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NOTE 31. PARENT ENTITY FINANCIAL INFORMATION

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2022 \$'000	2021 \$'000
Statement of Financial Position		
Current assets	82,165	62,108
Total assets	200,311	101,340
Current liabilities	56,886	5,590
Total liabilities	120,684	27,101
Shareholders' equity		
Issued capital	218,348	154,337
Reserves		
- Share-based payments	3,715	1,430
- Cash flow hedge reserve	(53,398)	(14,330)
- Dividend distribution reserve	61,976	61,976
Accumulated losses	(151,014)	(129,174)
Total Shareholders' equity	79,627	74,239
Loss for the year	(21,840)	(12,068)
Total comprehensive loss	(21,840)	(12,068)

b) Guarantees entered into by the Parent entity

As a result of the revocation of the cross guarantee as per Note 30, the parent guarantee between Mincor Resources NL and Goldfields Mine Management Pty Ltd is no longer effective.

c) Contingent assets and liabilities of the Parent entity

As 30 June 2022, the parent entity had no contingent assets and liabilities. At 30 June 2021, the parent had contingent assets which are detailed in Note 33.

d) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2022 and 2021, the parent entity had contractual commitments, which are detailed in Note 34.

e) Dividend distribution reserve

Mincor Resources NL (the parent entity) established a separate reserve for the purpose of separately identifying profits from prior income years from which the parent entity may pay future dividends. This reserve is referred to as the "Dividend Distribution Reserve". On the date of establishment, an amount of \$61,976,000 was transferred from retained earnings to this reserve. Transferring amounts into this reserve creates no obligation on the parent entity to make dividend payments in the future. The parent entity will, at its sole discretion, assess on a period-by-period basis whether to transfer any further profits into such reserves and also whether to subsequently declare and pay dividends.

f) Recognition and measurement

The financial information for the parent entity, Mincor Resources NL, has been prepared on the same basis as the consolidated financial statements, except as set out below.

i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Mincor Resources NL.

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ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

NOTE 32. AUDITOR'S REMUNERATION

The following fees were paid or payable for services provided by the Company's auditors and other auditors providing audit services, and their related practices and non-related audit firms.

Deloitte Touche Tohmatsu Australian firm

Audit and review of financial statements under the *Corporations Act 2001 (Cth)*

Other services

- Consulting services in relation to modelling assistance

Total remuneration to Deloitte Touche Tohmatsu

2022 \$	2021 \$
162,500	107,500
-	10,000
162,500	117,500

NOTE 33. CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities at 30 June 2022 (30 June 2021: Nil).

At 30 June 2021, the Company had a contingent asset in relation to a tenement sale agreement with Locksley Resources Limited ("Locksley"). The Company sold its 70.51% interest in the Tottenham Project located in New South Wales. The sales consideration included the following securities that were issued under a Prospectus for an Initial Public Offering ("IPO"):

- 14,500,000 ordinary shares, subject to a two-year escrow period; and
- 3,500,000 unlisted options in Locksley at an exercise price of \$0.25, expiring in July 2023, also subject to a two-year escrow period.

The IPO was completed and the securities were issued in July 2021. There were no contingent assets as at 30 June 2022.

NOTE 34. COMMITMENTS

a) Exploration expenditure commitments

Minimum exploration expenditure commitments relating to existing mineral tenements are as follows:

- Within one year

2022 \$'000	2021 \$'000
2,718	2,718

To maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are not provided for in the financial report and are payable within one year.

b) Capital commitments

The Group has entered into a contract to build the Southern Operations Accommodation Village. At 30 June 2022, the Group has a remaining \$5,466,000 commitment under the contract.

In the previous year, the Group had entered into an agreement with BHP Billiton Nickel West Pty Ltd to build an electricity transmission infrastructure which will supply the Cassini Operation with grid power. The remaining future commitment for this arrangement at 30 June 2021 was \$2,500,000. The power supply was connected in August 2021.

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NOTE 35. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to 30 June 2022, Mr David Southam, Managing Director of the Company, resigned effective 12 August 2022. Ms Gabrielle Iwanow has been appointed to replace Mr Southam and will commence in November 2022. Mr Brett Lambert was appointed as Interim Executive Chairman during the transition period.

There has been no other matter or circumstance occurring subsequent to end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and notes set out on pages 22 to 59 are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Interim Executive Chairman and Chief Financial Officer required by section 295A of the *Corporations Act 2001 (Cth)*.

This declaration is made in accordance with a resolution of the Directors.

Dated at Perth this 30th day of August 2022.



Brett Lambert
Interim Executive Chairman

Independent Auditor's Report to the members of Mincor Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mincor Resources NL (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Revenue recognition</p> <p>As disclosed in note 4 of the financial statements, revenue recognised for the sale of ore was \$32.6 million for the year ended 30 June 2022. Adjustments associated with the remeasurement of trade debtors and fair value movements in relation to economic hedges amounted to \$(5.1) million and \$4.8 million respectively.</p> <p>As is customary in the sale of such commodities, the sale of nickel ore is subject to quotational pricing under the offtake agreement with BHP Nickel West.</p> <p>Revenue is required to be recognised at the time the performance obligation is satisfied, being the delivery of ore to the Kambalda Concentrator, and as such, the revenue recognised is based on market forward pricing.</p> <p>During the quotational period, the consideration receivable is remeasured for changes in the commodity price until final settlement occurs, with the fair value movements recognised separately to the related sale.</p> <p>Additionally, to manage the price risk between delivery and settlement, the company has executed economic hedges which are measured at fair value through profit or loss.</p> <p>Both the quotational pricing, which impacts revenue and trade debtors, and the economic hedging increases the complexity of the Group's recognition of revenue.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> obtaining an understanding of the relevant controls management has in place in respect of revenue recognition, and hedge accounting; assessed the revenue recognition policy against the requirements of AASB 15 '<i>Revenue from Contracts with Customers</i>'; obtaining an understanding of the Ore Tolling and Concentrate Purchase Agreement with BHP Nickel West, with regards to the transfer of control and consequent sale, and the contractual pricing terms; agreeing the dry metric tonnes for a sample of parcels of ore delivered to BHP Nickel West to underlying support; agreeing the assay results for sample of parcels to third party reports; assessing the forward pricing utilised for revenue recognition and subsequent remeasurement of trade debtors for reasonableness; evaluating the fair value of the economic hedges at year end; and assessing the independence, competence and objectivity of hedging experts used by management. <p>We also assessed the appropriateness of the disclosures included in Note 4 to the financial statements.</p>
<p>Accounting for Mine Properties and Development</p> <p>At 30 June 2022, the carrying value of mine properties and development assets amounts to \$118.5 million as disclosed in Note 17.</p> <p>During the year the Group incurred \$67.4 million of capital expenditure related to</p>	<p>In respect of the determination of commercial production our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing the Group's policy with respect to determining when a mine has reached commercial production;

<p>mine development assets, capitalised \$0.9 million of borrowing costs and recognised a related amortisation expense associated with Durkin North of \$2.5 million.</p> <p>The accounting for underground operations includes a number of estimates and judgements, including:</p> <ul style="list-style-type: none"> the determination of when commercial production for an operation has commenced; the allocation of mining costs between operating and capital expenditure; and the determination of the units of production used to amortise development assets. 	<ul style="list-style-type: none"> assessing the achievement of commercial production for Durkin North against the Group's policy; and ensuring the cessation of capitalisation of all costs (development and borrowing costs) and the commencement of amortisation has occurred in line with the determined achievement of commercial production. <p>In respect of the allocation of mining costs our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> obtaining an understanding of the key controls management has in place in relation to the capitalisation of both underground mining costs and the production of physical mining data; on a sample basis, testing the mining costs through agreeing to source data; assessing the completeness of mining costs; assessing the allocation of costs between operating and capital expenditure based on the nature of the underlying activity; and recalculating the allocation based on the underlying physical data. <p>In respect of the Group's unit of production amortisation calculations our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> obtaining an understanding of the key controls management has in place in relation to the calculation of the unit of production amortisation rate; testing the mathematical accuracy of the rates applied; and agreeing the inputs to source documentation, including: <ul style="list-style-type: none"> agreeing the allocation of nickel tonnes to the specific mine development assets; comparing the nickel tonnes to the applicable reserves statement; and on a sample basis, agreeing the underlying physical data to external documentation. <p>We also assessed the appropriateness of the disclosures included in Note 17 to the financial statements.</p>
<p>Rehabilitation provision</p> <p>As at 30 June 2022 a rehabilitation provision of \$13.7 million has been recognised as disclosed in Note 22.</p> <p>Judgement is required in the determination of the rehabilitation provision, including:</p> <ul style="list-style-type: none"> assumptions relating to the manner in which rehabilitation will be undertaken; scope of rehabilitation activities and quantum of associated costs; 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> obtaining an understanding of the relevant controls management has in place to estimate the rehabilitation provision; agreeing rehabilitation cost estimates to underlying support, including reports from external experts; holding discussions with external experts to understand the key assumptions and estimates; agreeing a sample of cost estimates to third party quotes;

<ul style="list-style-type: none"> • completeness of rehabilitation obligations given the continued development at the Kambalda Nickel Operations during the current period; • timing of the rehabilitation activities; and • the inflation and discount rates applied to the underlying cost estimate. 	<ul style="list-style-type: none"> • assessing the independence, competence and objectivity of experts used by management; • confirming the closure and related rehabilitation dates are consistent with the latest life of mine estimates; • comparing the inflation and discount rates to available market information; and • testing the mathematical accuracy of the rehabilitation provision. <p>We also assessed the appropriateness of the disclosures included in Note 22 to the financial statements.</p>
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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 17 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Mincor Resources NL, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountants
Perth, 30 August 2022