



# MINCOR

## RESOURCES NL

ASX CODE: MCR



## An Australian nickel growth company

Investor Presentation | March 2019 | David Southam, Managing Director

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# Mincor – High-Grade Nickel with a Gold Hedge

- ASX-listed nickel sulphide development company with gold mining activities
- Dominant land position at Kambalda - a world-class and prolific nickel and gold mining district
- Strategy to re-establish sustainable high-grade nickel mining
- Resources of 3.3Mt @ 3.6% Ni (118kt of Ni) and Reserves of 1.1Mt @ 2.5% Ni (28kt of Ni)
- Ideally positioned to capitalise on strong nickel market outlook
- Widgiemooltha Gold Project generating cashflow – substantial option value





Mincor – ASX Code: MCR



## Financial Information

Shares on issue	~220m
Share price	~A\$0.42
Market cap (19 March 2019)	~A\$93m
Cash at 31 December 2018	A\$10.5m

## Board of Directors

**Brett Lambert** (Independent Non-executive Chairman)

**David Southam** (CEO & Managing Director)

**Mike Bohm** (Independent Non-executive Director)

**Liza Carpene** (Independent Non-executive Director)

## Management

**Chen Sun** (Chief Financial Officer)

**Paul Darcey** (General Manager, Operations)

**Rob Hartley** (Exploration Manager)

**Shannon Coates** (Company Secretary)

# Kambalda – Location, Location

- Dominant +300km<sup>2</sup> land position
- Kambalda district has **delivered 51Mt @ 3.1% Ni for 1.6Mt of contained nickel**
- Very limited greenfields exploration over past 20 years
- Mincor dominates the majority of the prospective nickel tenure:
  - *Existing mines, proposed new mines, brownfields extensions and greenfields targets*
- Multiple nickel processing options
- Major **new high-grade nickel sulphide discovery** at Cassini
- **Surrounded by significant gold camps** – Goldfields, Northern Star, Westgold and Evolution



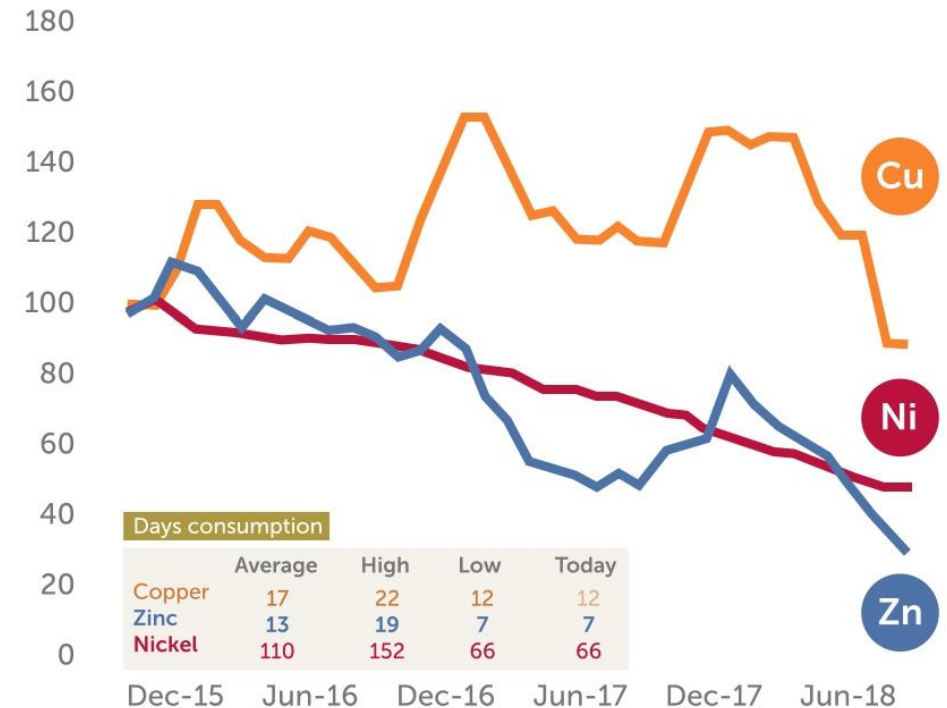
# Why Nickel, Why Mincor

- **TIMING** – Restart studies being progressed to commence mining as class one nickel demand for EV batteries takes off
- **DEMAND** – Demand for 300 series stainless steel remains as strong as ever
- **SCARCITY** – Very few economic high-grade nickel sulphide projects globally
- **OPTIONS** – Multiple processing options available
- **TEAM** – Management team with a strong track record
- **UPSIDE** – Substantial untested greenfields exploration and mine extensions
- **VALUE** – Leverage to nickel price, value in gold now and potential near-term value in high-grade nickel oxide

## ... and inventories significantly reduced<sup>(1)</sup>

Global inventories (rebased 100 = Jan 2015)

Source: Glencore Investor Presentation – December 2018

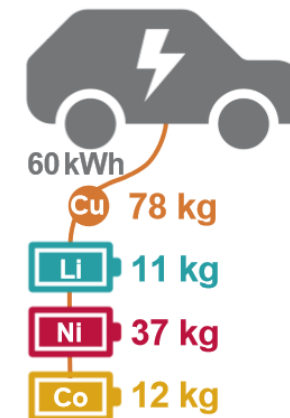




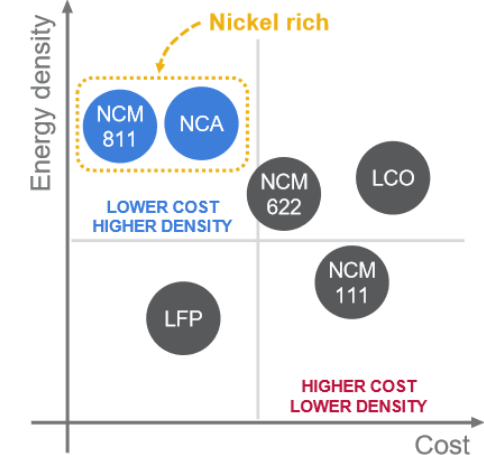
- **TIMING** – General consensus that demand skyrockets for nickel in EV batteries from 2022
- **SUPPLY** – Issue is where class one nickel supply will come from – there is a lack of a sulphide pipeline
- **TECHNOLOGY** – Move to NCM811 with further potential to remove or reduce cobalt
- **INVESTMENT** – >US\$150 billion being spent globally to gear up for EV batteries
- **DEMAND** – OEMs and battery makers taking a greater interest in upstream activities
- **THREATS** – Nickel sulphate produced from laterites (HPAL), however CAPEX and OPEX not economic at current prices, many years to fruition and often below nameplate



**Typical BEV battery composition**  
Using NCM 622 chemistry



**Chemistry favors more nickel and less cobalt**  
Battery types





## Exploration for new mines

- Ongoing regional exploration, building on the greenfields discovery success at Cassini to deliver further growth

## New/ restart mines and products

- Progressing each element of the mine restart plan including Ken/McMahon, Cassini, Durkin North and Miitel/Burnett
- Integrate into an overarching schedule for the district
- Targeting 5 years of Reserves at the time of a restart
- Notional ore throughput of between 400-500ktpa

## Freedom to market all nickel products

- Processing and offtake solution delivered (next slide)
- Price discovery, benchmarking and trade-off analysis well advanced



## Offtake Term Sheet Signed with BHP Billiton Nickel West

- Utilise the adjacent Kambalda Nickel Concentrator
- Tier 1 counterparty
- Best economic return balanced with risk and capital intensity
- Modern offtake terms (payability) for nickel concentrate
- Substantial improvement in revenue and returns
- Max 600ktpa ore throughput (minimum 200ktpa)
- Contract ends December 2025
- Integrated restart on track

## Next Steps

- Long form binding offtake agreement within 2 months
- Ramp up resource extension activity
- Studies to be accelerated to feasibility status

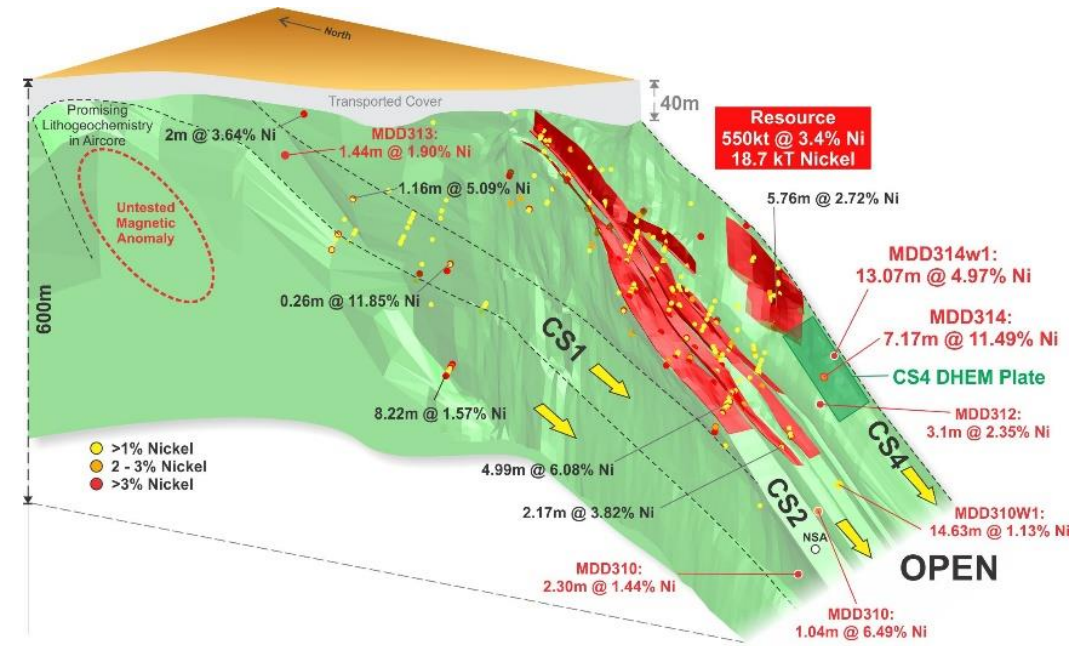


Kambalda Primary Crusher



# Cassini Project – A Major New High-Grade Discovery

- The first major high grade discovery in Kambalda region for many years
- Maiden Mineral Resource (mainly CS2):  
550kt @ 3.4% Ni for 19kt nickel
- Significant Resource upside on several fronts
- Most recent intersection on CS4 trend:
  - *MDD314: 7.2m @ 11.5% Ni from 457m*
- High priority drilling continues
- Upgraded Mineral Resource and maiden Ore Reserve being targeted later in the year
- Studies well underway



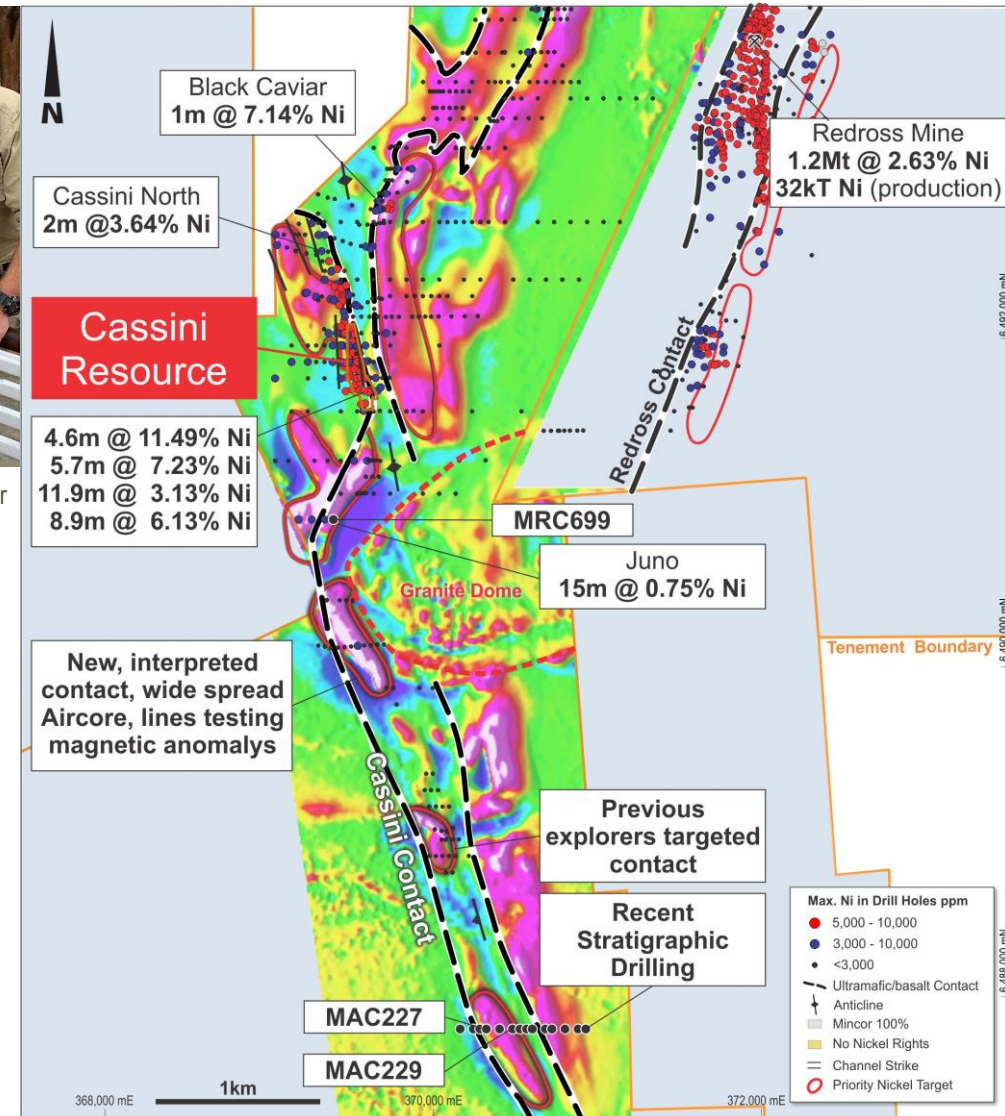
For further details on Cassini exploration results, refer to ASX releases dated 17 December 2018, 1 August 2018, 23 May 2018, 17 May 2018 18 April 2018, 8 March 2018, 5 March 2015, 9 April 2015, 27 November 2014 and September 2018 Quarterly Report.

# Cassini Project – Systematic Exploration Strategy

- New high resolution magnetics enhances regional potential
- Cassini look alike magnetic anomalies (pre-discovery) south of Cassini (Juno Prospects) identified
- New interpretation of basalt contact
- One stratigraphic air core line confirmed theory
- Currently drilling 200 metre spaced air core lines – early indications positive
- Decades of statistics and data modelled to provide the recipe for an economic discovery

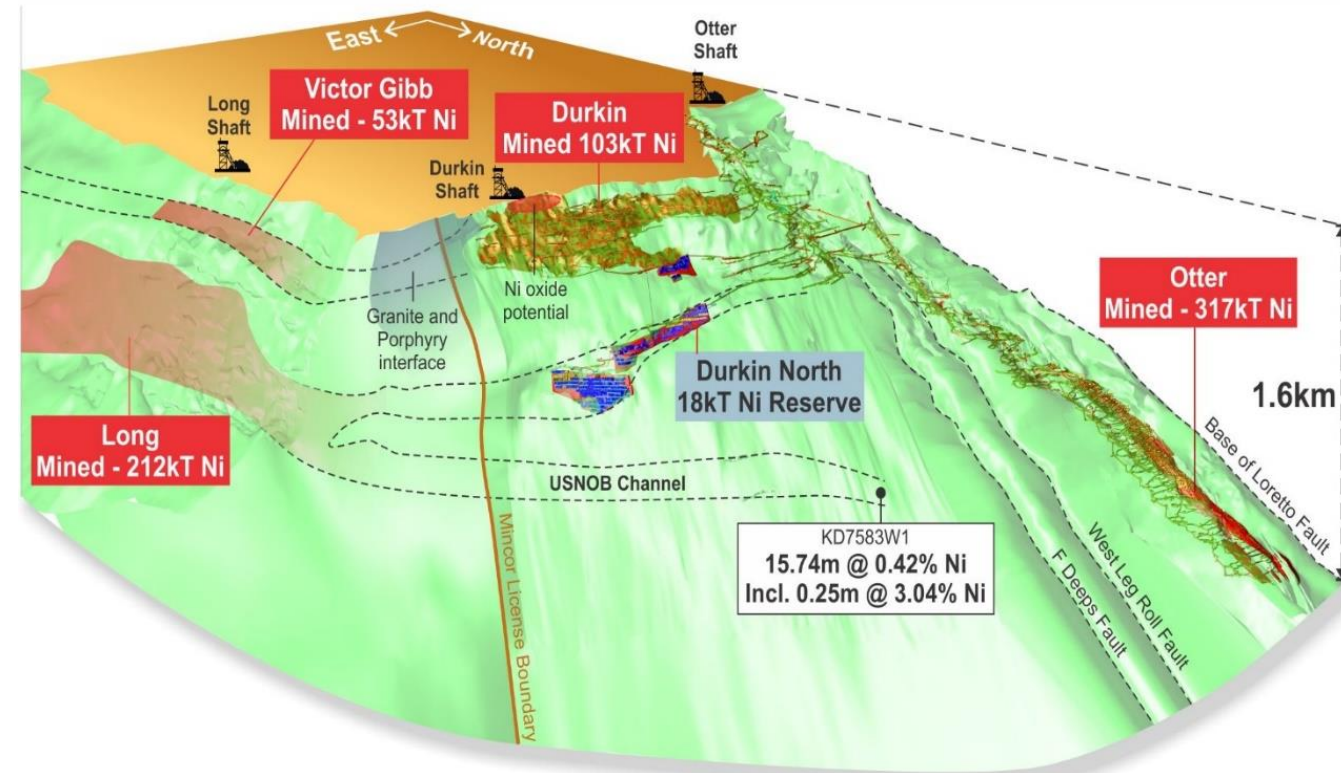


Rob Hartley – Exploration Manager  
Mark Muller – Principal Geologist





- Our largest high-grade Resource: 427kt @ 5.2% Ni for 22.4kt nickel-in-ore
- Current Reserve: 710kt @ 2.5% Ni for 17.7kt of contained nickel
- Initial review of Feasibility Study confirms an increase in Ore Reserve grade is possible with some fine tuning of the mining approach

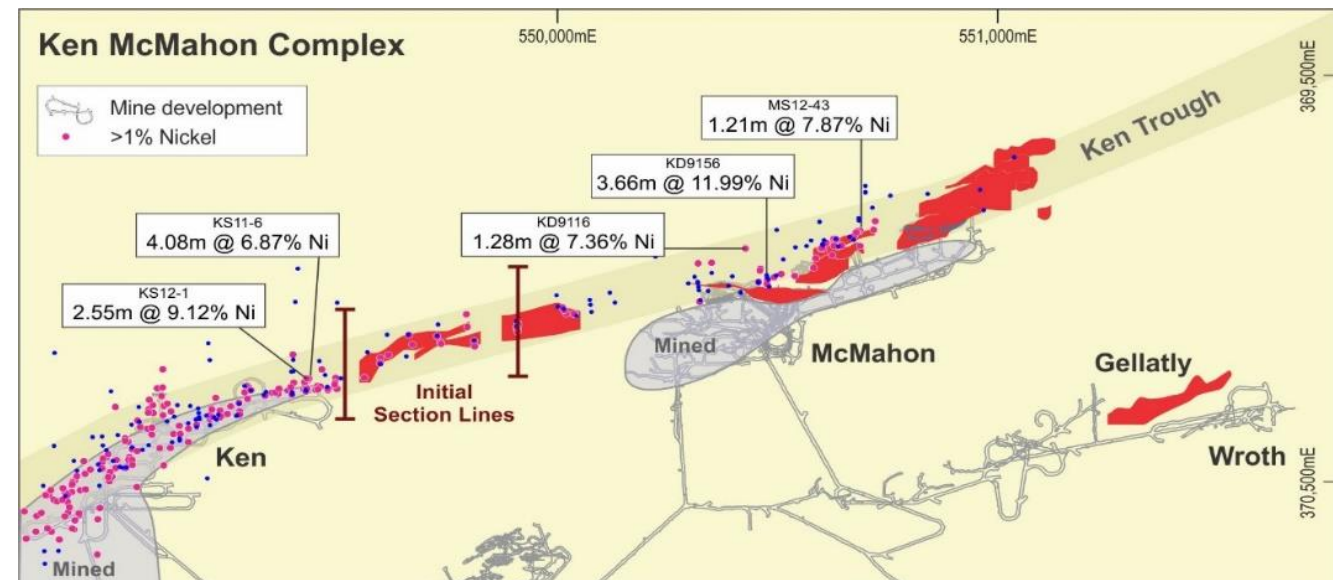
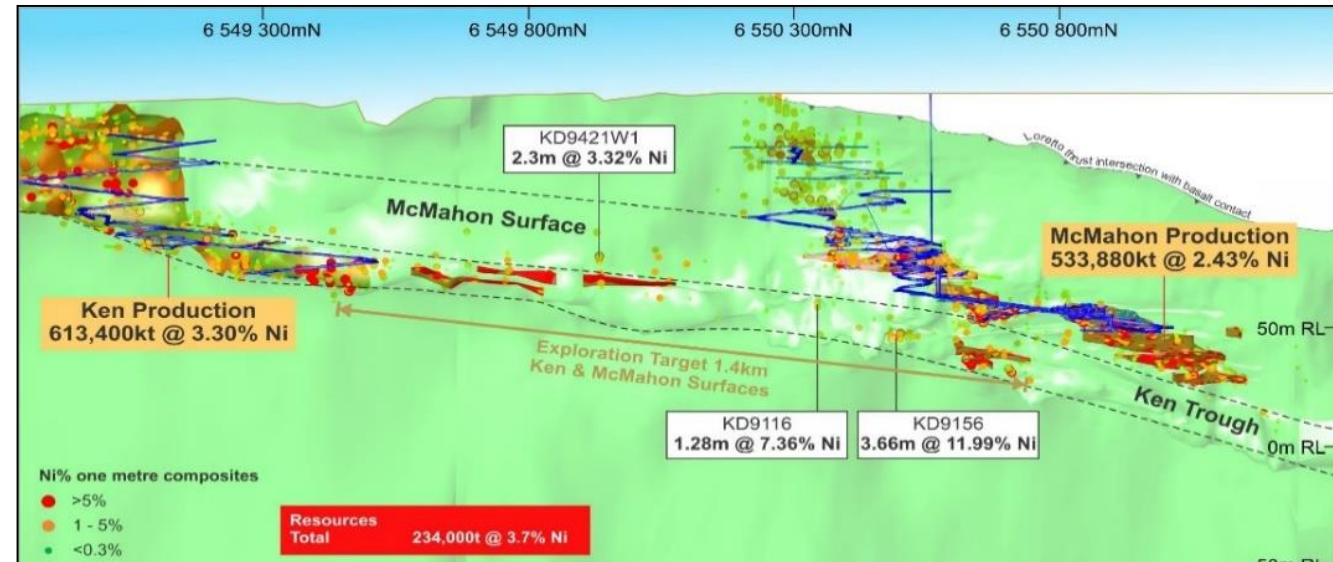


*\*For further details on Feasibility Study results please refer to ASX Release dated 10 March 2016 and for USNOB results, please refer to ASX release dated 27 October 2009*

# Kambalda Dome – Ken/McMahon Mine

- Ken/McMahon Resource:  
234kt @ 3.7% Ni for 8.7kt nickel and potential for high grade Reserves
- Exploration Target:  
500kt - 600kt at a grade between 3-4% Ni\*
- Potential for a fast production ramp-up, located close to two declines
- Drilling underway and future program under consideration

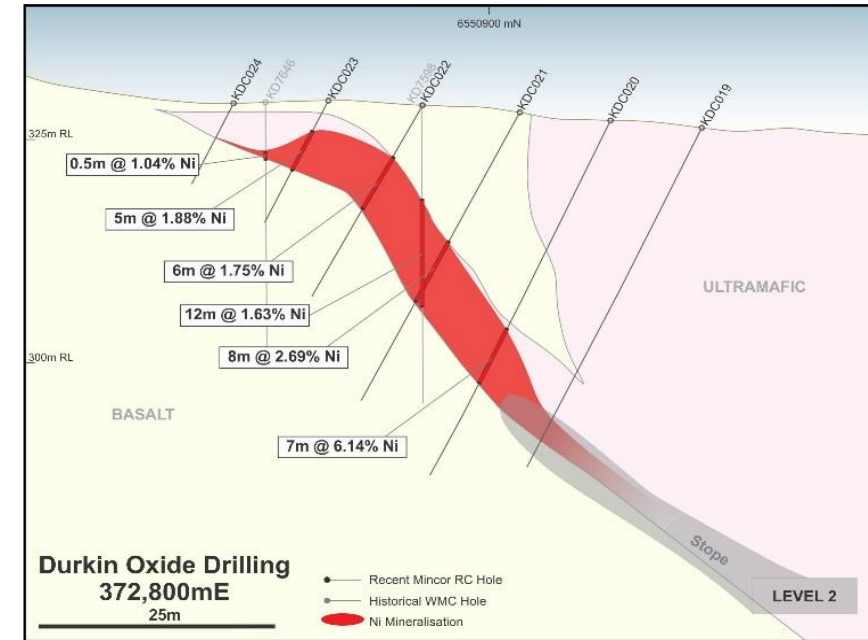
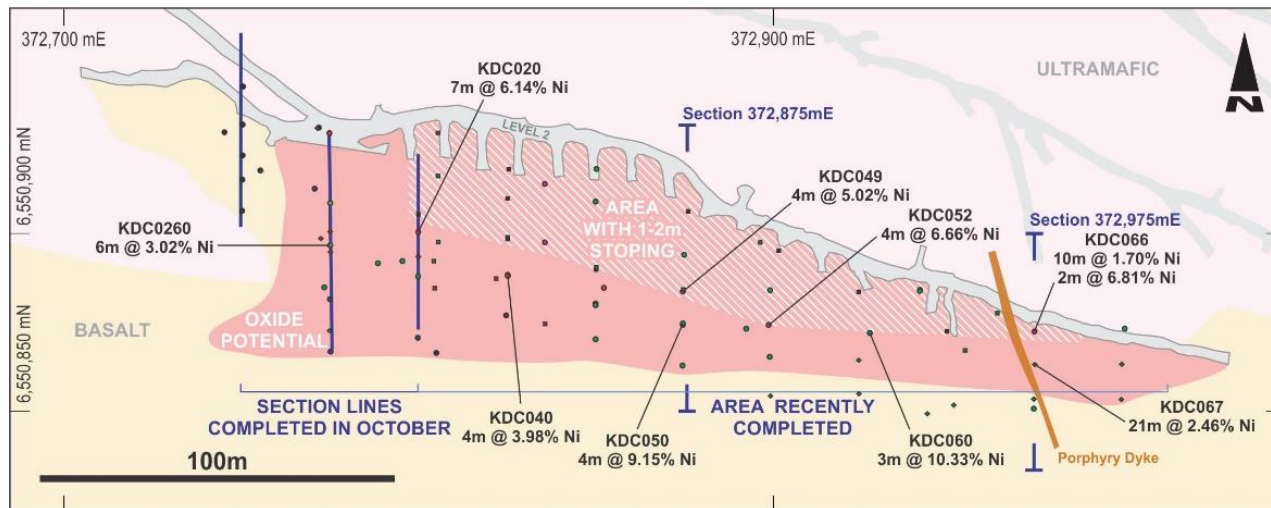
*\*Please note that the potential quantity and grade of the initial Exploration Target is conceptual in nature and there is insufficient information to estimate a Mineral Resource. It is uncertain that further exploration will result in the estimation of a Mineral Resource. For further details on Exploration Target and exploration results, please refer to ASX Release dated 6 November 2018*





# Durkin Nickel Oxide – Potential Near-Term Value Creation

- Shallow high-grade nickel oxide mineralisation confirmed in initial drill program with follow-up program completed
- Potential oxide purchasers undertaking metallurgical testwork
- Exploration Target: 100-200kt at a grade of between 3-4% Ni identified\*
- Targeting the establishment of a maiden Mineral Resource by Q2, 2019
- More oxide material prospects in the pipeline



\*The potential quantity and grade of the initial Exploration Target is conceptual in nature and based on initial drilling and mapping. There has been insufficient drilling information to estimate a Mineral Resource. It is uncertain that further exploration will result in the estimation of a Mineral Resource.

For further information, please refer to ASX release dated 15 October 2018 and 10 December 2018.





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Widgiemooltha Gold Project – Delivering Cash-flow & a Natural Hedge



# Widgiemooltha Gold Project

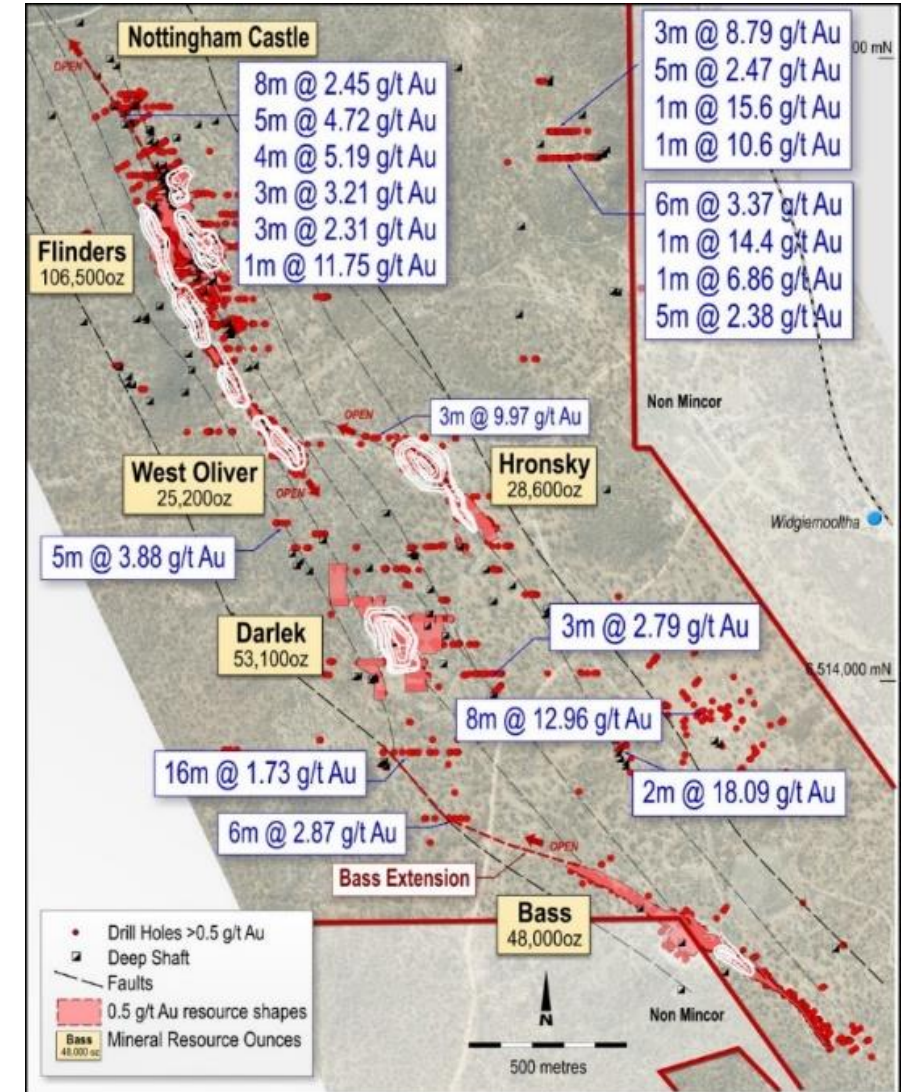
- Gold Resources: 5.3Mt @ 1.9g/t for 323koz of Au\*
- Ore Reserves: 870kt @ 2.6g/t for 72koz of Au\*
- Mining a series of shallow open pits
- 12-month toll-milling agreement with Westgold
- Excellent opportunity to grow and extend Resources
- Strategic options to be investigated
- 2HFY19 sales likely to be between 15koz & 19koz



West Oliver Pit at Widgiemooltha



Paul Darcey – GM Operations with a Widgiemooltha gold pour



\* For Mineral Resource and Ore Reserves tabulations, please refer to 27 July 2018 ASX release.



- Exploration results – Cassini and other targets
- Updated Mineral Resources and Ore Reserves:
  - *Nickel – Cassini, Ken/McMahon & Durkin Oxide*
  - *Gold – Widgiemooltha Gold Project*
- Nickel processing route finalised
- Significant progress of nickel start-up studies
- Gold and other metals strategic review
- Cash generation from gold







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## Appendices

## Nickel Mineral Resources as at 30 June 2018

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni tonnes
Cassini	-	-	499,000	3.5	51,000	2.6	550,000	3.4	18,700
Redross	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
Burnett	-	-	241,000	4.0	-	-	241,000	4.0	9,700
Miitel	156,000	3.5	408,000	2.8	27,000	4.1	591,000	3.1	18,100
Wannaway	-	-	110,000	2.6	16,000	6.6	126,000	3.1	3,900
Carnilya Hill*	33,000	3.6	40,000	2.2	-	-	73,000	2.8	2,100
Otter Juan	2,000	6.9	51,000	4.1	-	-	53,000	4.3	2,300
McMahon/Ken	25,000	2.7	103,000	3.1	105,000	4.6	234,000	3.7	8,700
Durkin North	-	-	417,000	5.3	10,000	3.8	427,000	5.2	22,400
Gellatly	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Voyce	-	-	50,000	5.3	14,000	5.0	64,000	5.2	3,400
Cameron	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	-	-	554,000	3.0	-	-	554,000	3.0	16,700
<b>TOTAL</b>	<b>256,000</b>	<b>3.7</b>	<b>2,736,000</b>	<b>3.6</b>	<b>290,000</b>	<b>3.9</b>	<b>3,282,000</b>	<b>3.6</b>	<b>117,900</b>

The information in this presentation that relates to nickel Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Hartley, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hartley is a full-time employee of Mincor Resources NL. Mr Hartley 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 Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hartley consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

### Notes:

Figures have been rounded and hence may not add up exactly to the given totals.

Nickel Mineral Resources are inclusive of nickel Ore Reserves reported at 0.5g/t cut-off.

\* Nickel Mineral Resource shown for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill nickel Mineral Resource.



## Gold Mineral Resources as at 30 June 2018

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Ounces
West Oliver	-	-	167,000	2.2	150,000	2.8	317,000	2.5	25,200
Jeffreys Find	-	-	833,000	1.7	322,000	1.5	1,155,000	1.7	61,600
Bass	14,000	3.6	333,000	2.0	387,000	2.0	733,000	2.0	48,000
Hronsky	-	-	250,000	2.5	144,000	1.8	394,000	2.3	28,600
Darlek	-	-	549,000	2.0	342,000	1.6	891,000	1.9	53,100
Flinders	31,000	1.6	1,166,000	2.1	575,000	1.5	1,772,000	1.9	106,500
<b>TOTAL</b>	<b>45,000</b>	<b>2.2</b>	<b>3,298,000</b>	<b>2.0</b>	<b>1,920,000</b>	<b>1.8</b>	<b>5,263,000</b>	<b>1.9</b>	<b>322,900</b>

### Notes:

Figures have been rounded to the nearest 1,000 tonnes, 1.0g/t Au and 100 ounces; therefore, may not add up exactly to the given totals.

Gold Mineral Resources are inclusive of gold Ore Reserves reported at 0.5g/t Au cut-off.

It should be noted that a large body of grade control drilling has been completed subsequent to the Resource/Reserve Statements; once fully processed, the statements will be updated with the next major update post 30 June 2019.

The information in this Public Report that relates to gold Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Mr Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a full-time employee of Mincor Resources NL. Mr Hartley 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 Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hartley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Competent Person Statements (continued..)

## Nickel Ore Reserves as at 30 June 2018

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni tonnes
Burnett	-	-	271,000	2.6	271,000	2.6	6,900
Miitel	28,000	2.6	129,000	2.2	157,000	2.3	3,600
Durkin North	-	-	708,000	2.5	708,00	2.5	17,700
Total	28,000	2.6	1,108,000	2.5	1,136,000	2.5	28,200

Figures have been rounded and hence may not add up exactly to the given totals. Resources are inclusive of Reserves.

The information in this presentation that relates to nickel Ore Reserves is based on information compiled by Mr Paul Darcey, who is a full-time employee of Mincor Resources NL and is a member of the AusIMM. Mr Darcey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which 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" Mr Darcey consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

## Gold Ore Reserves as at 30 June 2018

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Ounces
Flinders	35,000	1.5	405,000	2.8	440,000	2.7	38,700
West Oliver	-	-	103,000	2.4	103,000	2.4	8,100
Hronsky	-	-	126,000	2.7	126,000	2.7	11,100
Darlek	-	-	185,000	2.2	185,000	2.2	13,100
Bass	15,000	3.4	2,000	2.6	17,000	3.3	1,900
TOTAL	50,000	2.0	821,000	2.6	870,000	2.6	72,900

Figures have been rounded to the nearest 1,000 tonnes, 0.1g/t Au grade and 100 ounces; differences may occur due to rounding.

The information in this presentation that relates to gold Ore Reserves is based on information compiled by Mr Gary McCrae, who is a full-time employee of Minecomp Pty Ltd and is a member of the AusIMM. Mr McCrae has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which 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" Mr McCrae consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

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