FINANCIAL RESULTS FOR YEAR ENDING 30 JUNE 2015

Mincor restructures for growth as exploration success delivers new opportunities amid a challenging nickel price environment

- Strong production performance outweighed by second-half headwinds, leading to full-year after tax operating loss of **$10.65M**, in line with recent guidance (before impairment and de-recognition of tax assets).
- The total net loss after tax was **$34.26M** (FY14: $1.85M profit), as previously foreshadowed, including write-offs of $7.76M in exploration expenditure (as per the Company's normal practice) and non-cash impairment charges and tax loss reversals of $18.15M.
- Despite the tough conditions, Mincor beat its production target to generate **8,623 tonnes of nickel-in-ore**, however cash costs were higher than targeted, at **$5.93/lb payable nickel** (FY14: 10,219t @ A$4.96/lb) due to lower mine grades in the second half.
- Major expenditures during the year included **$7.5M in dividend payments** to shareholders, **$25.68M** in investments in future production and **$12.64M** in exploration expenditure.
- Mincor ended the 2015 financial year with **$32.96M** in cash and **$33.12M** in working capital, putting it in a strong position to execute its new strategy, which has two key aims:
  - **Managing current mine output** with a view to either suspending or increasing production, depending on the nickel price (optimising cash-flow by protecting margins not volumes); and
  - **Advancing Mincor's growth opportunities** to enable the Company to lift production as nickel prices recover.
- The Company's high level of exploration expenditure has generated **outstanding new growth options**, with studies and work currently underway on:
  - Developing an **integrated mining operation at South Miitel/Burnett**;
  - Developing a **new mine at Durkin North** (Feasibility Study due by Christmas);
  - Completing the drill-out of the **exciting new discovery at Cassini** (Feasibility Study targeted before the end of FY16); and
  - Developing the **high-grade Voyce mineral resource** (Feasibility Study planned).
- Given Mincor's strong capital investment program and the low nickel price, Mincor's Directors consider it prudent to not pay a final dividend for the FY15 financial year.

Australian nickel miner Mincor Resources NL (**ASX: MCR**) has reaffirmed its focus on developing its longer term growth assets while maintaining a flexible short-term production strategy, after reporting a net loss for the 2015 financial year in line with recent guidance.

The new strategy is designed to preserve the Company's operating assets in Kambalda during the current period of historically low nickel prices while preparing up to four new mines for development – and includes an ambitious target to raise annual production in each of the next five years.

Mincor posted a bottom line net loss after tax of **$34.26M** for the 12 months to 30 June 2015, in line with recent guidance (FY14: profit of $1.85M). Over half this figure ($18.15M) is a non-cash impairment charge and the reversal of a deferred tax asset. The actual after tax operating loss was $10.65M, before the write-off of $5.35M (after tax) in exploration expenditures.

The Company achieved its annual production target, producing **8,623 tonnes** of nickel-in-ore, and selling **7,513 tonnes** of nickel in concentrate, for gross revenues of **$85.68M** (FY14: $109.67M). Ore production from Mincor's two mines totalled 308,964 tonnes at an average grade of 2.79% nickel (FY14: 319,766 tonnes at an average grade of 3.2% nickel).

As a result of sharp declines in the nickel price throughout the year and higher cash costs in the second half (due to lower mine grades), earnings before interest, tax, depreciation and amortisation (EBITDA) were well down on the previous year, at **$7.3M** (FY14: $31.52M).

During the year, Mincor spent $7.76M on regional exploration, which has been written off against profits. The Company also spent $4.88M on near-mine extensional exploration. This total of $12.64M in exploration expenditure has generated the suite of growth options now available to drive Mincor's production over the next five years.

Mincor paid out $7.53M in fully-franked dividends to shareholders during the year. Other major cash outflows included $25.68M in capital expenditures on its mines. The Company's year-end cash balance was $32.96M (FY14: $50.65M).

Given the Company's strong investment profile over the next 12 months, Mincor's Board has elected not to pay a final dividend to shareholders for the 2015 financial year.

Outlook – Restructuring for Growth

As previously advised, Mincor has implemented a new strategy designed to preserve its operating assets through the current period of low nickel prices while preparing its growth assets for development. This will enable it to increase production rapidly into a rising nickel price environment in due course.

The first part of this strategy is a flexible production plan that has seen the existing operating mines slimmed down and unified under a single work crew and management team. This will enable Mincor to effectively manage its existing assets through the current period of historically low nickel prices.

Total production of between 2,000 and 3,000 tonnes of nickel-in-ore is forecast to December 2015, subject to the nickel price. Production will remain under review and the Company may choose to raise or lower production, or to suspend it entirely.

In the second half of the year, again subject to nickel prices, Mincor may choose to keep its mines offline while it finalises feasibility studies on its new growth projects. These have the capacity, in the appropriate nickel price environment and subject to positive feasibility studies, to allow Mincor to rapidly raise production towards an annualised level of 10-15,000 tonnes nickel-in-ore.

The growth projects and timelines are as follows:

- **Integrated South Miitel and Burnett production** – initial studies have demonstrated that compelling production schedules are achievable from the integration of the Ore Reserves in the N30C and N30D ore bodies in South Miitel with the newly expanded resources in the B01 and B02 bodies at Burnett (North Miitel). Together, these areas have the capacity to provide over two years of strong production from Miitel, subject to the nickel price and to the completion of Feasibility Studies which are currently underway;
- **Durkin North Project** – Mincor's successful drilling during 2015 demonstrated a substantial increase in the upper mineral resources at Durkin North. A new mine at Durkin North would utilise the existing surface infrastructure at Otter Juan, and also make use of some 300m of vertical access in the Otter Juan decline. A full scale Feasibility Study on the development of a new mine at Durkin North is scheduled for completion before Christmas;

- **Voyce Project** – Voyce is a small but high-grade resource that sits atop a well-defined channel structure. Its proximity to the Mariners Mine and relatively shallow depth suggest that a small underground operation could be viable at the right nickel price. The Company is planning to undertake Scoping Studies and, if warranted, full scale Feasibility Studies;

- **Cassini Project** – Mincor's exciting new nickel discovery lies only 2km from the Company's old Redross Mine. In-fill drilling is required to bring the project to resource status, followed by feasibility work if warranted. This is planned for completion by the end of the 2015/16 financial year. In addition there is extremely high prospectivity in the immediate vicinity of the project, and intensive exploration drilling is planned.

Mincor's Managing Director, David Moore, said the Company's strong commitment to exploration had paid off during the 2015 financial year, with exploration success delivering a number of compelling growth options against a backdrop of one of the toughest periods experienced by the nickel industry in recent history.

"While the sharp fall in nickel prices this year has taken its toll, our decision to step-up our exploration commitment during the year has delivered a range of tremendous growth options," he said. "This, combined with the operational restructure implemented at our existing operations, has ensured that Mincor is in the best possible position to weather the current situation and reposition for the future.

"We see the coming year as a transitional period for Mincor, during which we move from our long-standing operations at Miitel and Mariners towards a new phase of growth, underpinned once again by Miitel, now augmented with Burnett, and lifting production through the development of new mines at Durkin North and Cassini.

"Much does depend on the nickel price, but I am confident that, as it returns to fair value, we will be lifting our production into a tail wind of rising prices, from an expanded reserve base and a re-set cost level," Mr Moore said. "Of course we will continue to exploit our dominant land position in the Kambalda Nickel District, and already have fresh targets lined up for drill testing. We think there are plenty more orebodies to be found in Kambalda."

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

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MINCOR RESOURCES NL

2015 Full Year
Financial Results

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2015 Highlights

- Net Loss after Tax of **$34.26M** (FY2014 profit of $1.85M), after writing off $7.8M in regional exploration costs, as per Mincor's normal practice.
- Net loss includes $18.15M in (non-cash) after tax impairment charges and the reversal of deferred tax asset.
- Cash margin **down 46% to $1.65** per pound
- Earnings from operations (revenue less cash costs) **down 56% to $17.7M**
- Earnings before Interest, Tax, Depreciation and Amortisation **down 77% to $7.3M**
- Strong operational performance, beating production targets to generate 8,623 tonnes Nickel-in-Ore (2014: 10,219t). Cash costs above target at **$5.93/lb** (2014: $4.96/lb).
- Major expenditures included a 4cps fully franked dividend ($7.5M) and investments in future production ($25.68M capex) and future growth ($12.64M exploration).
- High levels of exploration expenditure generated outstanding results, with **four significant new growth assets** identified.
- Year-end balance sheet strong with **$32.96M** cash (2014: $50.65M).
- Given the weak nickel price and Mincor's strong investment profile over the next 12 months, Directors have elected to not pay a final dividend for the current year.

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Outlook for 2016

- Implementation of new strategy – **Restructuring for Growth**
- Strategy has two key goals:
  1. Use Mincor's production flexibility to manage through current downturn:
     - This may entail raising, lowering or suspending production during FY2016
  2. Focus on preparing Mincor's growth projects for development:
     - Feasibility studies on an integrated South Miitel and Burnett mining operation
     - Feasibility study on the development of a new mine at Durkin North
     - Feasibility study on the development of a new mine at Voyce
     - Drill-out and feasibility study on the development of a new mine at Cassini
- Under this strategy FY2016 will be a transitional year during which Mincor pivots from its long-standing reliance on Miitel and Mariners to a growth schedule underpinned by South Miitel/Burnett and rapidly augmented by production from Durkin North, Voyce and Cassini.

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Key Operational Results

	2015	2014	2013	2012	2011
Ore Delivered (tonnes)	308,964	319,766	312,075	332,877	395,979
Nickel Grade	2.79%	3.20%	3.10%	3.09%	2.61%
Nickel-in-Concentrate (tonnes)	7,513	9,067	8,637	9,179	9,056
Pounds payable Nickel	10,766,162	12,993,110	12,376,435	13,138,073	12,796,138
Average Nickel Price (A$/lb)	7.58*	8.02	7.59	8.89	10.95
Average Cash Cost (A$/lb)	5.93	4.96	5.34	5.78	7.95
Average Cash Margin (A$/lb)	1.65	3.06	2.25	3.11	3.00

*Excludes the impact of negative sales adjustments on the establishment of final nickel prices for April, May and June 2014 ($0.70 million). Based on price estimates pending the fixing of the nickel price for the months of April, May and June 2015, see explanation on following pages.

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Headline Earnings

	2015	2014	2013	2012	2011
Revenues ($M)	85.68*	109.67	98.58	121.55	152.11
EBITDA ($M)	7.31	31.32	8.78	32.43	16.30
Net Profit/(Loss) After Tax ($M)	(34.26)	1.85	(22.45)	0.24	(23.39)
Earnings/(Loss) per Share (CPS)	(18.20)	1.0	(11.9)	0.0	(11.7)
Dividends per Share (CPS)	2.0	4.0	4.0	4.0	4.0

*The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. Therefore the nickel price in the June 2015 full year accounts for the production months of April, May and June 2015 must be estimated. The Company's policy is to base this estimate upon the most current published forward nickel price of the third month after delivery. Revenue for April, May and June 2015 in this report has been estimated in this way, and is subject to an adjustment (up or down) when the final nickel price is known. Similarly, revenues for the current year have been adjusted to take account of the final nickel prices established for April, May and June 2014. As a result Mincor has recognised a negative sales revenue adjustment of $0.70M attributable to those production months. This adjustment is incorporated in the above figures.

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Analysis of Earnings

	2015	2014	2013	2012	2011
Earnings from Operations (Revenue less Cash Costs) ($M)*	**17.68**	**40.14**	27.88	42.31	40.83
Less: Exploration Costs Expensed ($M)	(7.76)	(3.44)	(15.51)	(4.01)	(9.92)
Less: Corporate Overheads ($M)	(4.40)	(4.67)	(5.20)	(5.65)	(5.80)
Less: Foreign Exchange Gain/(Loss) ($M)	3.82	(0.75)	2.43	2.68	(8.37)
Add: Net Other Income/(Costs) ($M)	(1.31)	0.77	(0.09)	(1.10)	1.02
EBITDA before recognition of provisional pricing adjustments ($M)	**8.03**	**32.05**	9.51	34.23	17.76
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May & June 2015 ($M)	(0.72)	(0.53)	(0.73)	(1.80)	(1.47)
EBITDA ($M)	**7.31**	**31.52**	**8.78**	**32.43**	**16.29**
Depreciation and Amortisation ($M)	(29.39)	(29.61)	(34.25)	(33.62)	(28.13)
Impairment Loss ($M)	(13.89)	-	(2.82)	-	(24.99)
EBIT ($M)	**(35.97)**	**1.91**	**(28.29)**	**(1.19)**	**(36.83)**
Net Interest Income ($M)	0.47	1.28	1.57	2.30	3.42
Income Tax Benefit/(Expense) ($M)	1.24**	(1.34)	4.27	(0.87)	10.02
Net Profit/(Loss) after Tax ($M)	**(34.26)**	**1.85**	**(22.45)**	**0.24**	**(23.39)**

*Excludes the impact of provisional pricing adjustments. ** Includes de-recognition of deferred tax assets of $8.43M

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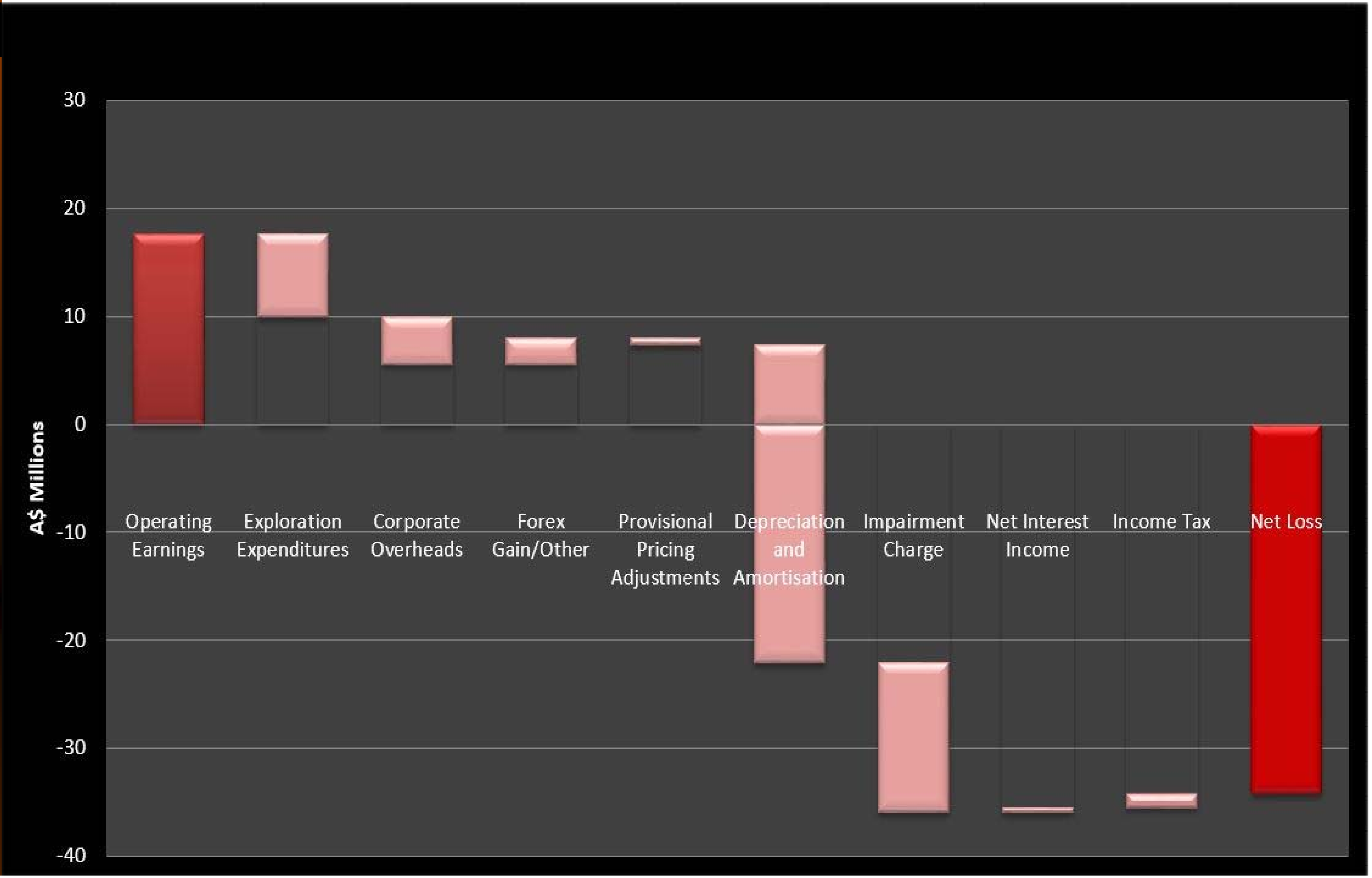
Analysis of Earnings



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Balance Sheet

	2015	2014	2013	2012	2011
Assets ($M)	93.15	137.47	134.72	179.66	210.89
Liabilities ($M)	26.88	29.71	19.08	29.95	40.04
Shareholder’s Equity ($M)	66.27	107.76	115.65	146.13	164.79
Return on Equity	-31.8%	1.7%	-19.4%	0.2%	-14.2%

NOTE: Shareholder’s Equity has been adjusted to remove the impact of cash flow hedges. The adjustment for 30 June 2015 was nil. Under Australian Accounting Standards (AAS), derivatives must be fair valued. Where cash flow hedge accounting is adopted, mark to market adjustments are recognised as part of equity, until the underlying transaction occurs when they are recycled and recognised as part of that transaction. Because this fair value fluctuates with changing nickel and currency price forward estimates, the adjustments have been removed in the above table to allow comparisons with previous years.

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Analysis of Cash Flows

	2015 $000	2014 $000	2013 $'000	2012 $'000	2011 $'000
Net Operating Cash Flow before recognition of provisional pricing adjustments	25,967	32,256	25,496	41,055	37,908
Provisional pricing and royalty adjustments following finalisation of the nickel prices for April, May and June 2014	(717)	(529)	(735)	(1,803)	(1,469)
Net Operating Cash Inflow	**25,250**	**31,727**	**24,761**	**39,252**	**36,439**
Income Tax (Paid)/Received	-	-	-	1,357	(10,238)
Payment for Acquisition of GMM	-	-	-	-	-
Payment for On-market Share Buy-Back	-	-	-	(9,090)	-
Capital Expenditure (including near-mine exploration)	(24,123)	(29,319)	(22,870)	(21,209)	(39,163)
Exploration and Development Expenditure	(7,653)	(3,595)	(10,192)	(9,110)	(9,873)
Dividends Paid	(7,528)	(7,528)	(7,528)	(7,854)	(16,049)
Proceeds from Issue of Shares	-	-	-	-	359
Payment for Investment	-	-	(504)	(5,000)	-
Lease payments	(3,051)	(313)			
Other	(581)	14	96	210	(930)
Net Cash Inflow/(Outflow)	**(17,686)**	**(9,014)**	**(16,237)**	**(11,444)**	**(39,455)**
Cash at 30 June 2015	32,961	50,647	59,661	75,898	87,342

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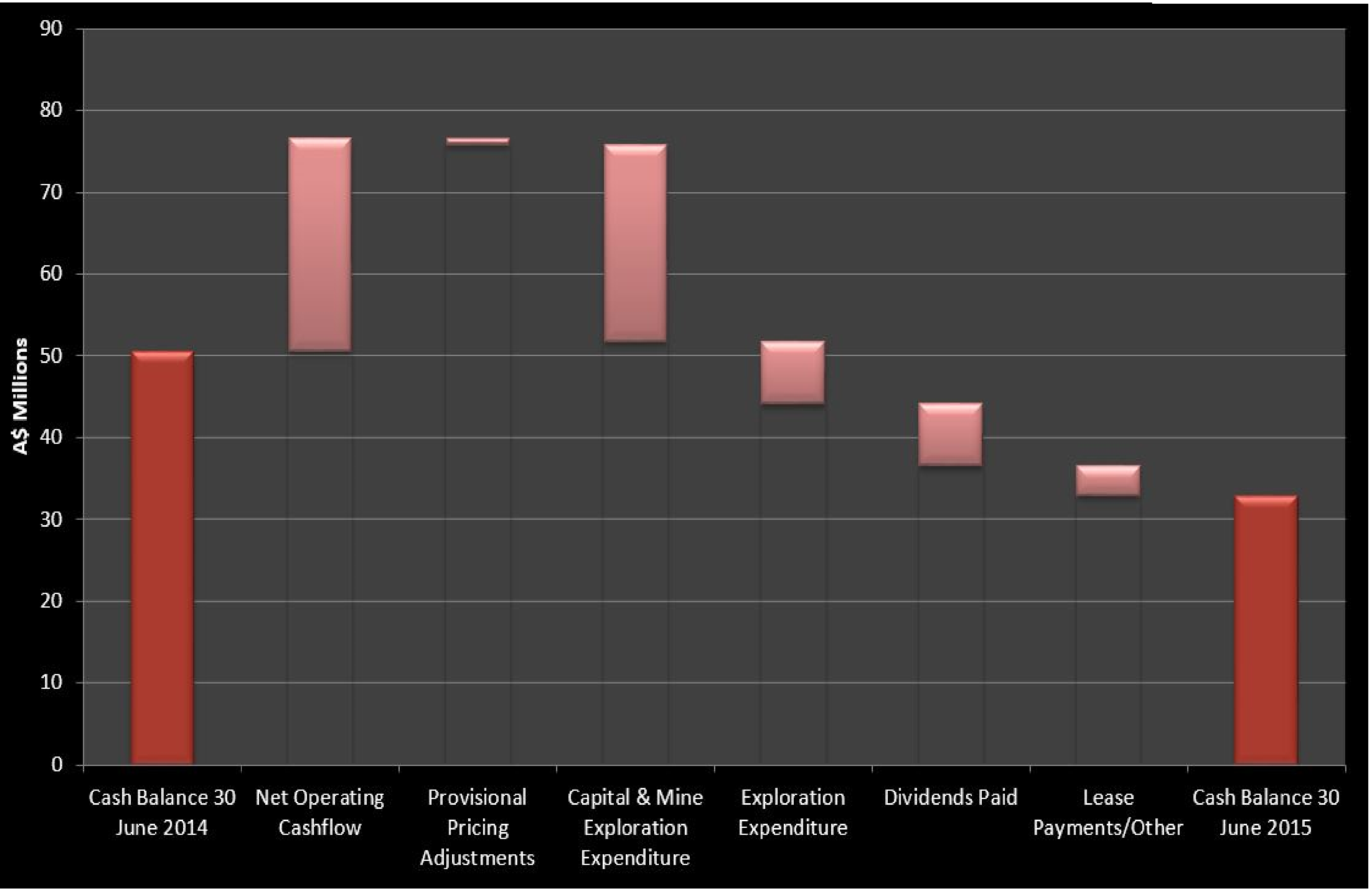
Analysis of Cash Flows



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