MINCOR
RESOURCES NL

ANNUAL REPORT 2016

HIGHLIGHTS OF THE YEAR

- **Mincor launches an aggressive gold strategy** aimed at building a long-term gold business based on the outstanding potential of its core Kambalda landholdings.
- **Within six months of launch, Mincor's gold Mineral Resources rose from zero to 238,640 ounces** in six prospects, with three quarters of this in the five prospects near Widgiemooltha.
- **Open pit optimisation studies establish the economic potential** of each of the six gold resources, subject to successful infill drilling.
- **Major infill drilling program** on the Widgiemooltha gold resources commenced early in the new financial year, with results expected to underpin a full feasibility study on the development of a series of open pit mining operations.
- **Extremely significant addition to Mincor's exploration portfolio** with the gold rights for North Kambalda – an area with "Tier One" prospectivity and containing the highly-endowed Boulder-Lefroy Fault Complex – reverting to Mincor.

- **Definitive Feasibility Studies completed on two nickel projects:** Durkin North and Miitel/Burnett. The results cement the core of Mincor's future nickel option, demonstrating a clear path back to production once the nickel price recovers.
  - **Durkin North** – Maiden Ore Reserve of 17,700 tonnes of nickel-in-ore; pre-production capex of A$20.0 million to generate a Net Present Value (10%) of A$24.0 million and Internal Rate of Return of 53% over a four-year project life, at a flat nickel price of A$20,000/tonne (DFS results +/- 15%);
  - **Miitel/Burnett** – Updated Ore Reserve of 10,500 tonnes of nickel-in-ore; pre-production capex variable but likely case estimated at $12.4 million, to generate a Net Present Value (10%) of $15.0 million and Internal Rate of Return of 57% over a three-year mine life, at a flat nickel price of A$22,000/tonne (DFS results +/- 15%).
- **Mincor's Nickel Ore Reserves increase by 89%** over June 2015 to 28,200 tonnes of contained nickel, the highest level in nearly five years.
- **Successful and orderly cessation of nickel production** following the collapse in the nickel price to 14-year lows; all mines have been closed or placed on care and maintenance.
- **Mincor produced 87,228 tonnes @ 2.91% nickel** for 2,542 of nickel-in-ore and selling 2,218 tonnes of nickel-in-concentrate for a gross operating revenue of $18.0 million. Production was from the Mariners and Miitel mines.
- **Strong cash balance of $18.0 million** and available cash of $12.6 million underpin the Company's aggressive evaluation of its gold resources, with drilling underway in July 2016.
- **Full-year loss of $42.0 million** which figure includes $25.6 million in non-cash depreciation, amortisation and impairment costs, $3.2 million in redundancy costs, $3.5 million in exploration costs written off and $4.3 million in one off mine closure costs, reflects a period of transition as Mincor closed its loss-making nickel mines and pivoted to the exciting gold potential of its Kambalda tenements.

MINCOR RESOURCES NL

ANNUAL REPORT 2016

FOCUS FOR THE YEAR AHEAD

MINCOR'S FOCUS IS TO DELIVER ITS CORE STRATEGY FOR GOLD AND NICKEL.

The essence of the strategy is to build a long-term gold business through the early development of gold cash flows, while simultaneously maintaining and enhancing the Company's strong option on a recovery in the nickel price.

The strategy is made possible by the outstanding quality of Mincor's Kambalda landholdings. These landholdings are located in the heart of the Eastern Goldfields of Western Australia, a major gold and nickel producing district with a fully-developed mining infrastructure and a remarkable mineral endowment.

Following Mincor's highly successful delineation of some 238,640 ounces of gold in six prospects during the second half of FY2016, the Company will move quickly during the coming financial year to establish the economic viability of these prospects and (if successful) will proceed rapidly to commence mining operations.

To this end, Mincor committed to a major drilling program on the five gold prospects near Widgiemooltha. The drilling program was completed in July/August 2016. Its purpose was to infill and confirm the resource models and also provide samples for metallurgical testwork. The results will inform the next stage of feasibility studies leading to, if warranted, a mine development decision.

Throughout the year Mincor will continue to monitor the nickel price so that, as the price begins to return to sustainable levels, the Company can commence the optimisation work identified in its detailed feasibility studies with a view to returning to profitable nickel production.

Other tasks will include the rationalisation of Mincor's regional exploration tenement packages around Australia and the possible divestment of non-core projects such as the Tottenham Copper Gold Project in New South Wales.

Mincor will ensure to judiciously manage its cash reserves and continue to look for ways to reduce the cost base of the Company where possible.

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CHAIRMAN'S REPORT

To Our Shareholders

PROGRESS AND HIGHLIGHTS OF THE 2016 FINANCIAL YEAR

Our new initiative for future growth and a new profit centre is our announced gold development strategy. This is a "golden opportunity" for Mincor.

Not only is gold at a high price today, the somewhat uncertain global economic outlook and security factors indicate that gold will be valued above long term historic values for some time to come.

Our gold development will be focused on six potential open pit mines. Optimisation studies and major additional drilling programs commenced in July 2016 and the program has the objective of authoritatively determining the economic potential of our gold resources and reserves.

The infill drilling program is designed to convert that portion of the in-pit resource that is currently classified as 'Inferred' to the upgraded 'Indicated' status. The drilling will also seek to increase the total resource by testing nearby extensional targets. The work will support the completion of a prompt, full and expert feasibility study which will hopefully lead to the commencement of mining and processing.

As these studies and programs of work are physically connected to our own mining leases at Widgiemooltha and freehold land at North Kambalda, the costs of drilling and the feasibility studies will be very low at $0.70 million.

Shareholders will receive regular reports on the progress of the development program and the resulting changes to our gold resource and potential reserve inventories.

We hope also that as a result of this work we will be able to target extensions to the current resources boundaries.

We have not lost focus on the potential of our extensive Kambalda and Widgiemooltha nickel resources and mines.

Recent significant increases in the LME prices of nickel are encouraging, however they are still below our economic level price targets of circa A$20,000 to A$22,000/tonne of nickel.

World mineral and energy prices should firm and steady at economically attractive levels once the effects of Brexit and the USA presidential polls are known.

In preparation for a renewal of a reasonable and stable nickel market, we have completed independent and expert feasibility studies on the Durkin North and Miitel/Burnett reserves. Capex at Durkin North is estimated at $20.0 million and Miitel/Burnett at $12.4 million. This low cost profile should assist in an efficient re-entry to nickel production.

Mincor's financial position remains satisfactory in the current circumstances with $12.6 million in free cash as well as $5.4 million in restricted cash, a total of $18.0 million in comparison with interest bearing debt of just $4.8 million. This debt, secured against restricted cash, relates to leasing on our mobile equipment.

The loss attributable to the members of the Company for the financial year ended 30 June 2016 was $42.0 million (2015: $34.3 million). This result includes non-cash provisions for impairment in the recorded value of property, plant and equipment of $16.5 million (2015: $13.9 million). Other non-cash expenses included depreciation and amortisation at $9.2 million (2015: $29.4 million).

Company sustaining investments and exploration spending on high priority projects amounted to $2.5 million (2015: $8.4 million).

This provisioning and sustaining expenditure result in a conservatively stated balance sheet which, together with our technical expertise and our gold and nickel projects give us confidence in our path forward.

No dividend could be paid to shareholders in the year under review. We believe the new initiatives Mincor has undertaken will ultimately lead to an ability to return to our longstanding policy of paying regular dividends.

Shareholders are referred to this Annual Report and to Mincor's website (www.mincor.com.au) which contain full details of our operations and financial position and results.

I must give full recognition to the outstanding efforts and loyalty of our current and former mines staff who were under great pressure, particularly in the period leading up to the closure of our nickel mines. Thank you.

The Company is fortunate to have the services of Mr Peter Muccilli, our recently appointed Chief Executive Officer, and Mr Graham Fariss, our Chief Financial Officer and Company Secretary.

Further, thanks to Mr David Moore, Deputy Chairman and founding Managing Director, for his legacy of success, integrity and continuing expert counsel.

Moreover, last but not least we thank recently retired independent director, Ian Burston, who contributed his vast knowledge of the mining industry and its people over many years.

DAVID HUMANN
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

To Our Shareholders

IT HAS BEEN A SIGNIFICANT YEAR OF TRANSITION FOR OUR COMPANY.

Following the hard but necessary decision to terminate nickel production after the collapse in nickel prices, we quickly advanced our new platform for growth in gold and our success in this has been extremely pleasing. Our aim is to establish viable gold production in the near term, while maintaining a valuable option on the nickel price.

The pivot away from nickel to gold is possible due to the Company's strategic land position in the Kambalda district which contain both nickel and gold assets. The Kambalda area is a world-class nickel and gold producing region that has rewarded handsomely many nickel and gold mining companies over more than a century of mining.

The relative price movement of these two commodities is the driving force behind the Company's current strategy to focus on gold. The resurgence in the A$ gold price and strong outlook has presented Mincor with a "golden counter-cyclical opportunity" to build a long-term gold business.

Mincor's gold strategy is now well underway with the establishment of gold resources on six prospects, and scoping pit studies completed on each confirming their economic potential. Mincor launched a major drilling program in July 2016 to upgrade these resources prior to undertaking a full feasibility study.

All the resources remain open, and the exploration upside for gold at Widgiemooltha is considered significant. We also have bolstered our gold portfolio, where the recent reversion of the gold rights to Mincor at North Kambalda has created a unique and exciting opportunity for significant discoveries in a tier one setting along the Boulder Lefroy Fault Zone.

Mincor has a proven track record of converting resources into operating mines. If we are successful in our aim to develop viable gold mines, the achievement would be a significant string to our operational bow and would increase our ability to manage future commodity cycles.

The last 18 months has been a tumultuous period for nickel producers worldwide. Since January 2015, the US$ nickel price has fallen 45% and A$ nickel price 38%. The FY2016 nickel price reached a 14-year low in the March 2016 quarter. The Company will continue to monitor the nickel price and be ready to react quickly to a sustained upturn.

Mincor has a healthy balance sheet to fund its planned activities and to deliver the Company's strategy for growth in gold.

Whilst employed as Chief Operating Officer at the start of the FY2016, I was incredibly moved by the professionalism and efforts of the Kambalda operational team. They delivered extraordinary results for our shareholders under the difficult backdrop of operations being staged down and people being made redundant. Mincor pays sincere tribute to all the men and women who provided such outstanding service to the Company over the years, and looks forward to being in a position to again offer them employment.

I would also like to thank Mr David Moore, who has taken up the Deputy Chairman position on the Board, stepping down as Chief Executive Officer and Managing Director. His considerable accomplishments over the years are well recognised by the mining industry and are truly something to be proud of. We look forward to his continued mentorship as the Deputy Chair of the Board.

PETER MUCCILLI
Chief Executive Officer

"MINCOR HAS A PROVEN TRACK RECORD OF CONVERTING RESOURCES INTO OPERATING MINES"

MINCOR'S GROUND HOLDINGS AND OWNERSHIP

Over the years, Mincor has accumulated a dominant landholding position in the world-class nickel and gold producing district around Kambalda. The Company's ground position is surrounded by multimillion ounce gold camps and lies at the heart of a world class nickel sulphide district from where 1.6 million tonnes of nickel has been produced.

All of Mincor's mines and tenements in the District are owned 100% by Mincor, with the sole exception of the Carnilya Hill tenements, which are held in a 70:30 joint venture with Celsius Coal Limited. Tenement holdings are shown in Figure 1 and at the rear of this Annual Report.

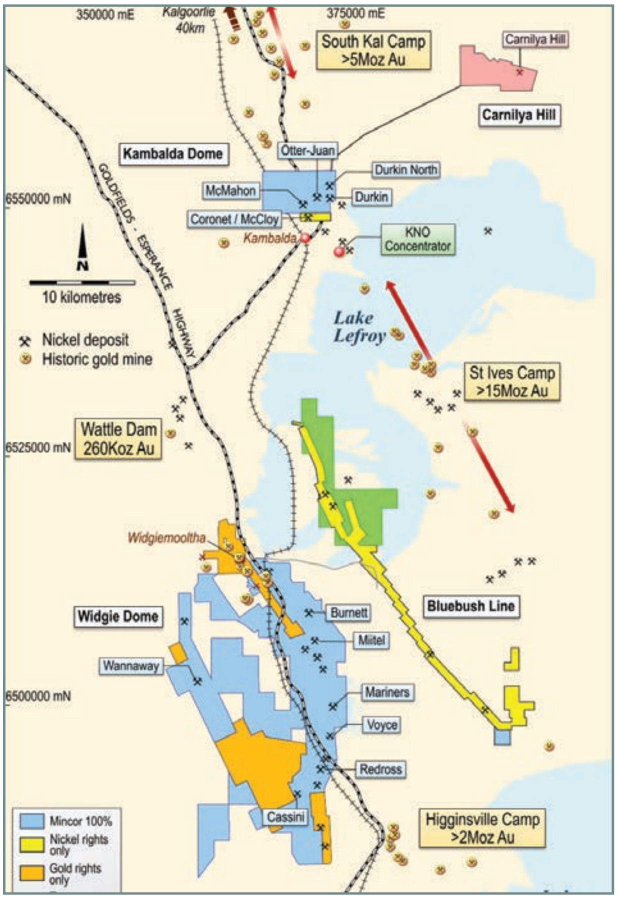


Figure 1: Mincor mines and tenement holdings in the Kambalda District

MINCOR'S GOLD ASSETS

OVERVIEW AND OUTLOOK

The Company has quickly and cost-effectively established Mineral Resources of 238,640 ounces of contained gold across six prospects – up from zero at the start of the calendar year. These prospects include Jeffreys Find, located northeast of Norseman, and five prospects at Widgiemooltha (Table 1).

The opportunity is to mine a number of shallow gold pits in series, with ore processing via toll treatment. An initial low-capital small-scale start-up of production is envisaged; however, given the very high prospectivity of the area this would have the potential to evolve into a substantial new mining business for Mincor.

The Company has successfully completed open pit optimisation studies on all six gold resources, paving the way for a landmark drilling program that commenced in July 2016. The five prospects located in the Widgiemooltha area contain an estimated total of 177,080 ounces of gold.

The open pit optimisation studies concluded that each resource, if confirmed by infill drilling, has the potential to host an economically viable gold mining operation at a gold price of just A$1,200/ounce. The studies, which were carried out by an independent mining consultant, further validate the quality of Mincor's gold assets.

However, with 50% of the Mineral Resource in the pit shells classified at the lowest confidence level (Inferred), further drilling is required before final feasibility work; this is the rationale for the infill drilling program that commenced in July 2016.

The drilling program aims to confirm the resource models that lie within the conceptual pit shells using a reverse circulation (RC) drill. A small number of diamond drill holes will be completed for geotechnical and metallurgical purposes.

The results of the drilling program will be incorporated into updated resource models and underpin a full Feasibility Study to determine economic viability.

In addition, with all the gold resources at least partly open, drilling will also target extensions to mineralisation beyond the current resource boundaries.

GOLD MINERAL RESOURCES

TABLE 1: GOLD MINERAL RESOURCES AS AT 30 JUNE 2016

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Ounces
West Oliver	-	-	193,750	2.0	41,450	1.7	235,200	1.9	14,440
Jeffreys Find	-	-	833,400	1.7	321,700	1.5	1,155,100	1.7	61,560
Bass	-	-	223,900	2.4	174,250	2.3	398,150	2.4	30,340
Hronsky	-	-	80,900	2.5	55,400	2.4	136,300	2.5	10,770
Darlek	-	-	733,111	1.7	164,650	1.4	897,750	1.7	47,620
Flinders	-	-	-	-	1,328,900	1.7	1,328,900	1.7	73,910
Total			**2,065,050**	**1.8**	**2,086,350**	**1.7**	**4,151,400**	**1.8**	**238,640**

Notes: Figures have been rounded and hence may not add up exactly to the given totals. Resources are inclusive of Reserves reported at 0.5 g/t cut-off.

The information in this report that relates to Mineral Resources is based on information compiled by Rob Hartley who is a full-time employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are 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 Hartley consents to the inclusion in this report of the matters based on their information in the form and context in which it appears and is a Member of the AusIMM.

NORTH WIDGIEMOOLTHA GOLD RESOURCES

Mincor has five resource-level gold prospects near the Widgiemooltha town-site. These are the West Oliver, Darlek, Bass South, Flinders and Hronsky prospects. These prospects are located approximately 12 kilometres from our Miitel mine and 35 kilometres from the town of Kambalda.

West Oliver, Darlek, Bass and Flinders are situated within contiguous granted mining leases M15/48, M15/103 and M15/478, and the Hronsky prospect is within Prospecting Licence P15/5262 (MLA15/1830), a small licence located entirely within M15/48 (Figure 2). Darlek, Bass and Hronsky have been mined historically by means of small pits, and Mincor sees potential for an integrated mine plan with a number of shallow gold pits mined in series.

Significant progress on the North Widgiemooltha gold resources was achieved with the completion of the Flinders, Darlek, Bass and Hronsky maiden Mineral Resources, bringing the total gold resource in the Widgiemooltha area to 177,080 ounces in five prospects. Pit optimisation studies subsequently demonstrated the likely economic viability of these prospects, leading to the decision to commence a major round of infill drilling, which was completed in August 2016.

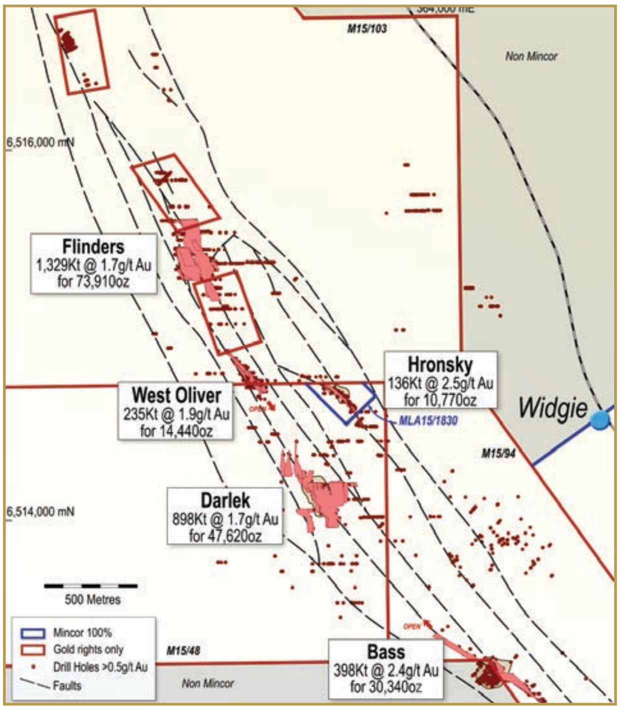


Figure 2: Widgiemooltha resource-level projects

WEST OLIVER

The West Oliver prospect is located 1.5 kilometres west of Widgiemooltha. Historic RC drilling at West Oliver by Resolute Mining Limited (Resolute) and WMC Resources Ltd (WMC) confirmed a mineralised gold trend with mineralisation in steeply dipping and north-easterly trending, quartz bearing shear zones within a basalt host. These ore bodies sub-crop at surface and were exploited by a number of artisanal shafts.

An initial Inferred Mineral Resource for West Oliver, containing an estimated 11,360 ounces of gold over a relatively short strike length was reported on 10 March 2016. Subsequent work has now incorporated five RC holes drilled by Mincor that were not included in the maiden resource statement. The updated resource has increased by 27% to 14,440 ounces. Importantly, some 86% of this expanded resource is now classified as Indicated, a substantially higher level of confidence than the original Inferred category. Further technical details are provided in Mincor's ASX release dated 5 May 2016.

DARLEK PROSPECT

The Darlek pit is located 1.5 kilometres west of the Widgiemooltha town-site and is believed to be on the same mineralised trend that hosts the Bass and West Oliver resources.

The Darlek pit was mined by Resolute from September 1999 to January 2000, with the ore processed at the Chalice Mill. Total gold production was 96,303 tonnes @ 2.5 g/t for 7,738 ounces, using a 1.3 g/t cut-off. Due to poor grade reconciliation and the low gold price at the time (A$475-500/ounce), mining was suspended and as a consequence the pit floor remains approximately 32 metres above its designed depth. The Darlek pit is currently dry and in good condition with minimal remediation required for the re-establishment of mining operations.

Historical RC drilling conducted by Resolute and WMC at Darlek, both around and beneath the pit, confirmed the presence of gold-bearing north-westerly trending sheeted quartz-veins in shear zones in basalt. Based on this historical drilling, Mincor has estimated a maiden Indicated and Inferred Resource of 897,750 tonnes @ 1.7 g/t for 47,620 ounces of gold, using a 0.5 g/t cut-off.

Mineralisation is hosted within flat-lying quartz veins in basalt and interflow sediments. The Darlek resource occurs as 27 discrete sub-parallel shear zones and one flat-lying zone.

For full details on the Darlek resource, see Mincor's ASX release dated 2 June 2016.

FLINDERS PROSPECT

The Flinders prospect is located 2 kilometres northwest of the Widgiemooltha town-site. Historical RC drilling by Resolute and WMC confirmed the presence of gold-bearing sheeted quartz-vein shear zones in basalt.

Based on this historical drilling, Mincor has estimated a maiden Inferred Resource of 1,328,900 tonnes @ 1.7 g/t for 73,910 ounces of gold, using a 0.5 g/t cut-off. Mineralisation is hosted within shallow dipping sheeted quartz-veins in basalt and interflow sediments. The Flinders resource occurs as 27 discrete sub-parallel shear zones and two sub-vertical zones.

While the drill density is similar to that at Darlek over its central portion, the geological interpretation is less robust, and for this reason the entire resource has been classified as Inferred.

Flinders is open to the north towards the Nottingham Castle historical workings and to the south towards West Oliver. Further details on the resource estimation process are in Mincor's ASX release dated 2 June 2016.

BASS PROJECT

The Bass project is located 1.5 kilometres south of Widgiemooltha. The prospect is an extension of the mineralised trend from the Bass pit, which was previously mined by Resolute, produced 7,150 ounces of gold. RC drilling outside the pit by Resolute and WMC confirmed the presence of near-surface gold within north-westerly trending quartz-bearing shear zones in basalt.

Based on this historical drilling, Mincor has estimated a maiden Inferred and Indicated Resource of 398,150 tonnes @ 2.4 g/t for 30,340 ounces of gold, using a 0.5 g/t cut-off.

Mineralisation is hosted within flat-lying quartz veins in basalt and interflow sediments within the pit and plunged 40 degrees to the northwest. Away from the pit, the sub-vertical Bass Shear is the main control. The resource as reported lies wholly within Mincor's tenement but continues to the lease boundary, which may affect the recovery of a portion of the mineralisation.

The resource is currently classified as Inferred and Indicated on the basis of drill-hole spacing and reconciliation to the mined out pit. Further technical details are provided in Mincor's ASX release dated 5 May 2016.

HRONSKY PROJECT

The Hronsky project is located 1 kilometre west of Widgiemooltha on P15/5262. The deposit was mined by Amalg in 1995 in a small confined tenement holding, producing 1,450 ounces of gold. Mincor purchased the tenement in 2014.

RC drilling at the Hronsky project has confirmed the presence of a near-surface mineralised gold trend within north-westerly trending quartz-bearing shear zones within a basalt host. Based on historical drilling, Mincor has estimated a maiden Indicated and Inferred Resource of 136,300 tonnes @ 2.5 g/t for 10,770 ounces of gold using a 0.5 g/t cut-off.

The ore bodies sub-crop at surface and the trend is outlined by a number of historical artisanal pits and within the pit mined by Amalg. They occur in a zone 10 metres wide, but individual lens are 1 to 5 metres wide. The maximum length is 900 metres and they have been drill tested to 150 metres depth but are still open in several directions. The Hronsky resource occurs in four discrete sub-parallel shear zones. The resource is defined by 35 RC drill holes drilled mainly by Black Mountain Gold NL from 1998-99. Further technical details are provided in Mincor's ASX release dated 10 March 2016.

A Mining Lease Application MLA15/1830 to convert the Prospecting Licence to a Mining Licence has been submitted to the Department of Mines and Petroleum (DMP).

WIDGIEMOOLTHA DOME GOLD EXPLORATION

Mincor's tenements at the Widgiemooltha Dome are surrounded by the Higginsville gold camp (>2 million ounces) and the now-completed but highly profitable Chalice (600,000 ounces) and Wattle Dam (260,000 ounces) gold mines. The structures that control these major gold camps extend onto Mincor's tenements confirming their prospectivity (Figure 3). A number of high quality extensional and greenfields gold targets have been identified on Mincor's holdings in the Widgiemooltha region.

NORTH WIDGIEMOOLTHA GOLD EXPLORATION

The North Widgiemooltha area holds considerable exploration upside as a large cumulative strike length of the prospective shear zone between West Oliver, the Hronsky Pit, Flinders and the Darlek pit is untested by drilling. Numerous historical artisanal workings occur along these trends with highly anomalous grab samples containing over 1 g/t gold. A GSWA survey of Abandoned Mines in 2003 had confirmed the presence of 811 artisanal shafts on Mincor's ground holdings at Widgiemooltha. Exploration of these trends commenced in the July 2016 drilling campaign, and success could significantly broaden the resource base of the area. The area has not been subject to sustained gold exploration for nearly 20 years.

Compilation of previous drill hole intersections outside of existing resources has commenced and has already identified a number of opportunities. Some of these are shown in Figure 4 with intersections of 6 metres @ 3.37 g/t Au and 3 metres @ 8.79 g/t Au around the Rio Grande prospect, and 8 metres @ 2.45 g/t Au, etc., from the Nottingham Castle prospect area. Other isolated intersections are coincident with subsidiary structures linking the known Resource areas such as 6 metres @ 2.87 g/t Au and 5 metres @ 3.88 g/t Au. Details of these holes were reported in Mincor's June 2016 quarterly report.

Significantly, all five resource-level projects at North Widgiemooltha remain open both along strike and dip.

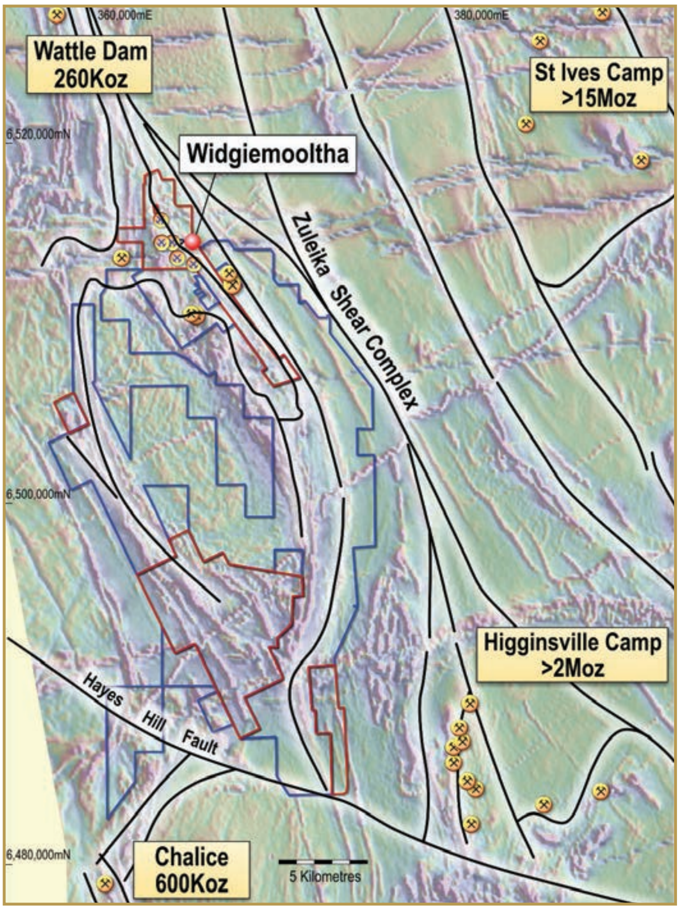


Figure 3: Widgiemooltha Dome regional gold setting

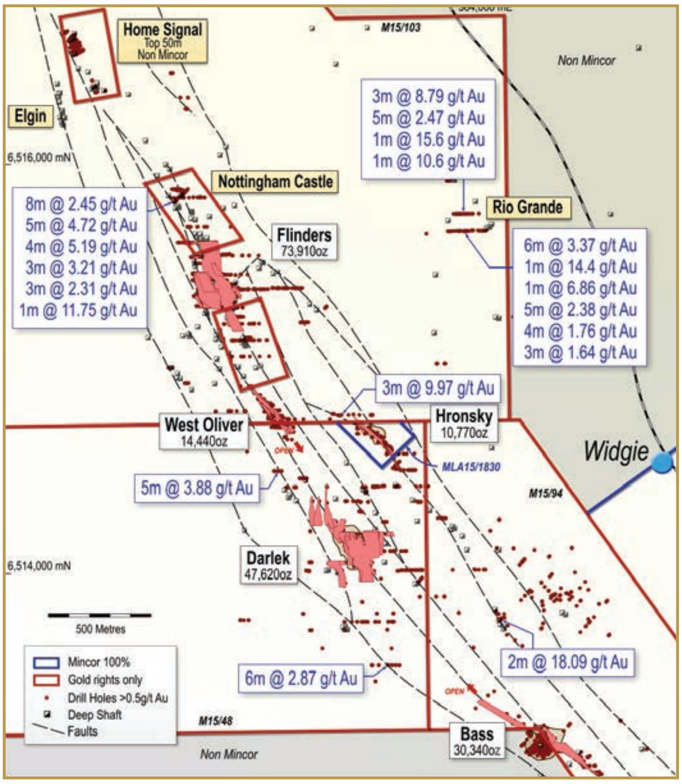


Figure 4: North Widgiemooltha exploration potential

NORTH KAMBALDA GOLD EXPLORATION

BACKGROUND

A "Deed of Acknowledgement and Transfer of Information" was executed on 20 June 2016 between St Ives Gold Mining Company Pty Limited (SIG) and Goldfields Mine Management Pty Ltd (GMM). GMM is a 100% subsidiary of Mincor Resources NL. The Deed addresses contractual rights to explore and mine gold on Location 48, Lots 11 and 12. This land is owned outright by GMM and hosts the Otter Juan, Durkin and McMahon nickel mines, all of which comprise Mincor's North Kambalda Nickel Operations (currently dormant).

Under historic contractual arrangements, SIG held certain conditional contractual rights to gold over this area, rights which it acquired from WMC. Under the Deed the parties acknowledge that SIG's conditional rights to gold on Location 48 have lapsed. The Deed also provides for the transfer of any of SIG's information on gold mineralisation in respect of Lots 11 and 12 to GMM. In return, GMM has granted to SIG a first right of refusal to treat, process and/or refine any gold-bearing ore extracted by GMM from Location 48 (Figure 5).

REGIONAL GOLD SETTING

Mincor's North Kambalda land is located in a tier one regional gold setting, surrounded by multimillion ounce gold camps and containing the highly endowed Boulder Lefroy Fault Complex. As such, it holds tremendous exploration potential and there is a direct comparison to the structural patterns and gold deposits of the adjacent multimillion ounce South Kambalda gold camps. The long-lived Alpha Island Fault plays an important role in focusing gold at South Kambalda and it is possible that the lookalike Woolibar Fault on Mincor's ground played a similar role (Figures 5 and 6).

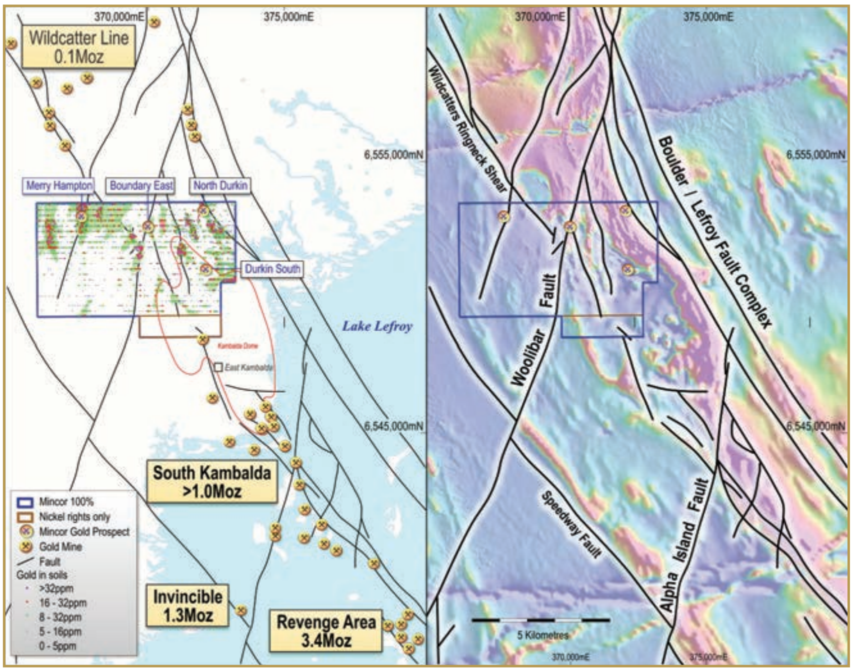


Figure 5: Kambalda regional gold setting – left: gold in soil map; right: major controlling gold structures

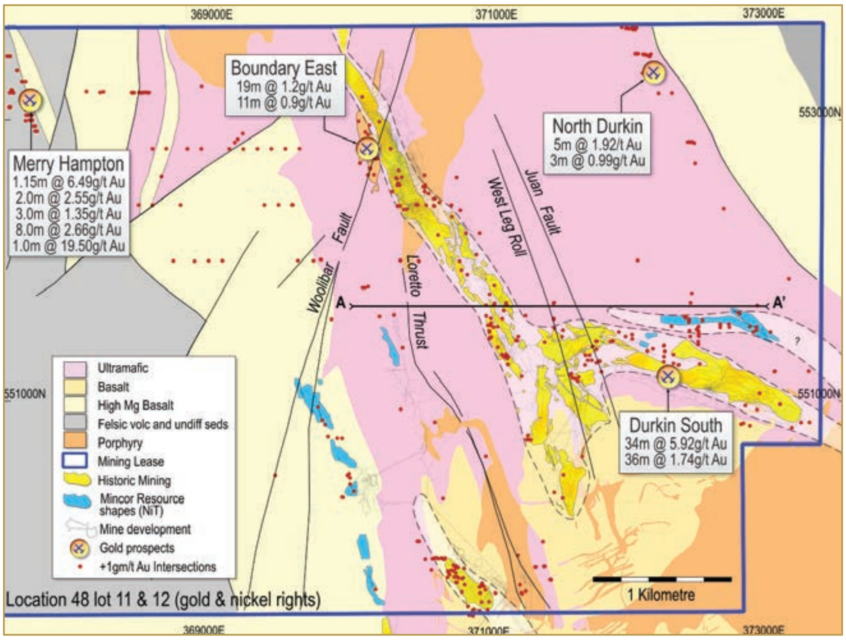


Figure 6: North Kambalda geology plan

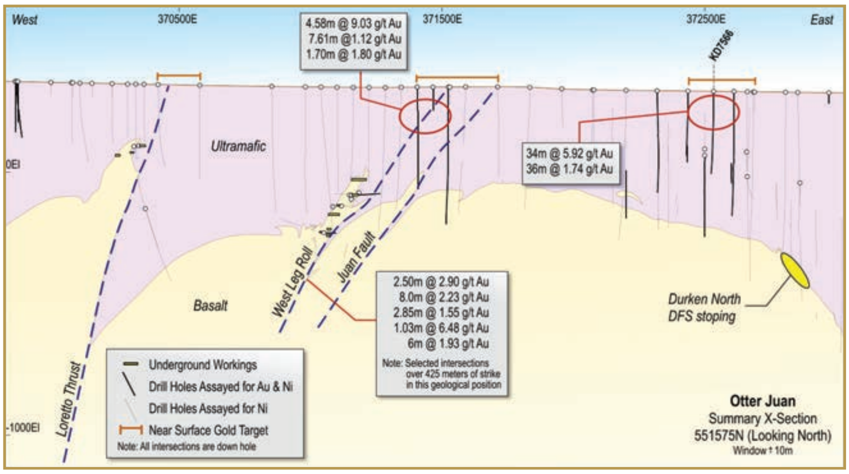


Figure 7: North Kambalda cross section 551575N

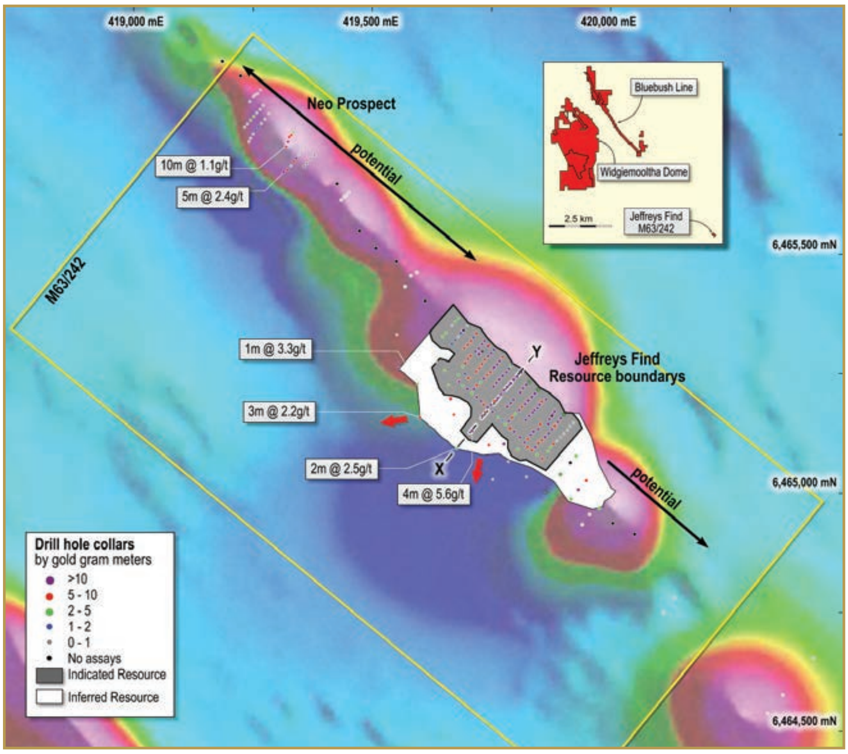


Figure 8: Jeffreys Find resource over magnetics

NORTH KAMBALDA GOLD TARGETS

SIG drilled 58 RC holes and three diamond drill holes for 7,482 samples and in addition re-sampled 19,177 WMC pulps or drill holes for gold. From this data, SIG identified four gold prospects based on soil geochemistry and/or previous WMC gold analysis of drill holes; these are shown on (Figure 5).

Since acquiring the additional gold data, Mincor has identified structures that are mineralised both at depth and near surface (see Figures 6 and 7). Other major structures such as the Loreto Thrust have sporadic gold mineralisation but very few of the drill holes that intersect it have been assayed for gold, leaving its full gold potential untested.

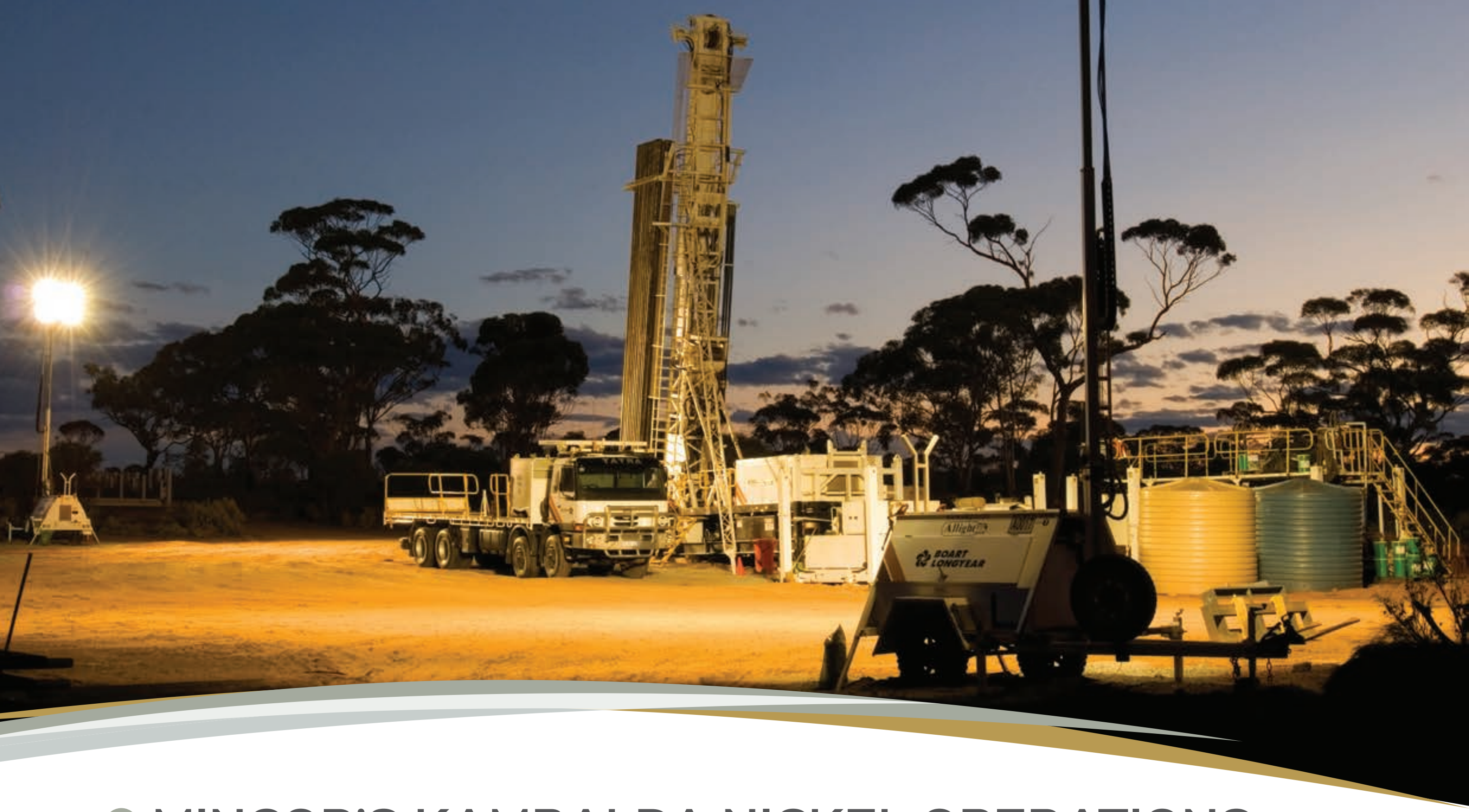
Given Mincor's belief in the high gold potential of this area, a sustained exploration program has commenced, initially targeting accessible, near-surface gold mineralisation.

JEFFREYS FIND GOLD PROSPECT

The Jeffreys Find prospect lies within mining lease M63/242 and is located 40 kilometres northeast of Norseman. The deposit displays a number of positive attributes, including being confined to a discrete, shallowly southwest dipping grunerite-magnetite BIF unit with mineralisation thickest and best developed near surface, and open at depth (Figure 8 shows the ore body in plan view).

Mincor initially estimated a maiden Inferred Resource of 1,108,700 tonnes @ 1.7 g/t for 59,730 ounces of gold; this was subsequently updated once quality assurance/quality control information was compiled, to combined Indicated and Inferred Resource of 1,155,100 tonnes @ 1.7 g/t gold for 61,560 ounces of gold. The ore body outcrops at surface and has a mineralised strike length of 450 metres and is currently drill tested to 115 metres below surface.

Whittle pit optimisations based on toll treating were completed at a range of gold prices. The A$1,450/ounce shell was selected for pit and waste dump design purposes. No Reserve is quoted as yet, pending validation of some of the scoping level inputs.



MINCOR'S KAMBALDA NICKEL OPERATIONS

OVERVIEW AND OUTLOOK

Nickel prices continued to decline through FY2016, reaching a 14-year low in the March 2016 quarter. In response, the Company executed a staged and controlled wind-down of its operations and ceased production in February 2016. The nickel mines are now on care and maintenance at a cost that is sustainable over the long term.

Bankable-level feasibility studies were subsequently completed at Durkin North and Miitel/Burnett. The results cement the core of Mincor's future nickel option, and provide a clear path back to production once nickel prices recover.

The two studies outline a base production potential from reserves of some 28,200 tonnes of nickel metal (refer to ASX Announcement dated 10 March 2016). Mincor's Nickel Ore Reserves increased by 89% over the June 2015 position, to 28,200 tonnes of contained nickel, their highest level in nearly five years.

The Company has allowed the controlled partial flooding of the Miitel mine until the water level approaches the main pumping station. Mincor has the option to commence dewatering, based on engineering calculations, in early FY2017 before the main infrastructure in the mine is flooded. Underground inspection thus far has confirmed the water level rises are broadly in line with expectations.

The Care and Maintenance Plan for Miitel and Mariners nickel mines was submitted to the DMP. Surface works completed in line with the plan include the securing of site infrastructure from unauthorised entry and clean-up and general environmental management as per the Prescribed Premise Licence. A substantial amount of surplus equipment was successfully auctioned, realising \$2.8 million in FY2016 and \$4.4 million in the September 2016 quarter.

SAFETY

Mincor maintains a relentless focus on safety of its employees. We strive to improve the safety of our operations and activities.

There was one lost-time incident recorded for FY2016.

Mincor will continue to drive the focus on safety, and continue to seek new ways to motivate and promote the safety of its employees and contractors.

METAL PRICES AND HEDGING

During the FY2016, Mincor had no hedging in place and was directly exposed to the steady decline in the world nickel price. The average price received by Mincor for FY2016 was A\$5.78/lb (A\$12,743/tonne).

SALES

All of Mincor's nickel is marketed through long-standing offtake agreements with BHP Billiton (Nickel West). Mincor's ore is processed via a tolling arrangement with BHP Billiton (Nickel West) at the central Kambalda Mill, and the resulting concentrate sold to that company. These offtake agreements have been in place since 2001 and expire in February 2019.

OPERATIONAL RESULTS

As can be seen from Table 2, the majority of Mincor's nickel in FY2016 came from the Mariners mine. The mine continued to produce higher grade ore at depth. Miitel's ore production in FY2016, although lower in grade, was important both in blending out deleterious elements and optimising the use of mining equipment.

TABLE 2: MINE PRODUCTION TO YEAR TO DATE (30 JUNE 2016)

Mine	Tonnes	Grade %	Nickel-in-ore	Nickel-in-concentrate
Miitel	36,061	2.35	848	735
Mariners	51,167	3.31	1,693	1,483
Total	**87,228**	**2.91**	**2,542**	**2,218**

NICKEL ORE RESERVES AND MINERAL RESOURCES

NICKEL MINERAL RESOURCES

Through FY2016, the Mineral Resources were depleted by mining/sterilisation due to mine closure at the Mariners and Miitel mines. There were no significant additions or changes to the other projects, due to limited drilling.

TABLE 3: NICKEL MINERAL RESOURCES AS AT 30 JUNE 2016

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL		
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	**2016**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2015	182,000	3.7	324,000	3.2	-	-	506,000	3.4	17,200
Redross	**2016**	**39,000**	**4.9**	**138,000**	**2.9**	**67,000**	**2.9**	**244,000**	**3.2**	**7,900**
	2015	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
Burnett	**2016**	**-**	**-**	**241,000**	**4.0**	**-**	**-**	**241,000**	**4.0**	**9,700**
	2015	-	-	241,000	4.0	-	-	241,000	4.0	9,700
Miitel	**2016**	**156,000**	**3.5**	**408,000**	**2.8**	**27,000**	**4.1**	**591,000**	**3.1**	**18,100**
	2015	184,000	3.6	418,000	2.8	27,000	4.1	629,000	3.1	19,500
Wannaway	**2016**	**-**	**-**	**110,000**	**2.6**	**16,000**	**6.6**	**126,000**	**3.1**	**3,900**
	2015	-	-	110,000	2.6	16,000	6.6	126,000	3.1	3,900
Carnilya*	**2016**	**33,000**	**3.6**	**40,000**	**2.2**	**-**	**-**	**73,000**	**2.8**	**2,100**
	2015	33,000	3.6	40,000	2.2	-	-	73,000	2.8	2,100
Otter Juan	**2016**	**2,000**	**6.9**	**51,000**	**4.1**	**-**	**-**	**53,000**	**4.3**	**2,300**
	2015	2,000	6.9	51,000	4.1	-	-	53,000	4.3	2,300
McMahon/Ken**	**2016**	**25,000**	**2.7**	**103,000**	**3.1**	**105,000**	**4.6**	**234,000**	**3.7**	**8,700**
	2015	25,000	2.7	103,000	3.1	105,000	4.6	234,000	3.7	8,700
Durkin North	**2016**	**-**	**-**	**417,000**	**5.3**	**10,000**	**3.8**	**427,000**	**5.2**	**22,400**
	2015	-	-	417,000	5.3	10,000	3.8	427,000	5.2	22,400
Gellatly	**2016**	**-**	**-**	**29,000**	**3.4**	**-**	**-**	**29,000**	**3.4**	**1,000**
	2015	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Voyce	**2016**	**-**	**-**	**50,000**	**5.3**	**14,000**	**5.0**	**64,000**	**5.2**	**3,400**
	2015	-	-	50,000	5.3	14,000	5.0	64,000	5.2	3,400
Cameron	**2016**	**-**	**-**	**96,000**	**3.3**	**-**	**-**	**96,000**	**3.3**	**3,200**
	2015	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	**2016**	**-**	**-**	**554,000**	**3.0**	**-**	**-**	**554,000**	**3.0**	**16,700**
	2015	-	-	554,000	3.0	-	-	554,000	3.0	16,700
TOTAL	**2016**	**256,000**	**3.7**	**2,237,000**	**3.6**	**239,000**	**4.2**	**2,732,000**	**3.6**	**99,200**
	2015	466,000	3.7	2,570,000	3.5	239,000	4.2	3,276,000	3.6	117,700

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

*Resources shown for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Resource

**McMahon/Ken also includes Coronet (in the 2010/11 Annual Report it was included in Otter Juan)

The information in this report that relates to Mineral Resources is based on information compiled by Rob Hartley who is a full-time employee of the Company and 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 Hartley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Member of the AusIMM.

NICKEL ORE RESERVES

Bankable-level feasibility studies outline a base production potential from reserves of some 28,200 tonnes of nickel. Mincor's Nickel Ore Reserves increased by 89% over June 2015 and stands at the highest level in nearly five years. Reserves were depleted at Mariners and the remainder written off due to mine closure and flooding of the mine.

TABLE 4: NICKEL ORE RESERVES AS AT 30 JUNE 2016

RESERVE		PROVED		PROBABLE		TOTAL		
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	2016	-	-	-	-	-	-	-
	2015	56,000	3.1	2,000	2.0	58,000	3.1	1,800
Redross	2016	-	-	-	-	-	-	-
	2015	49,000	3.3	-	-	49,000	3.3	1,600
Burnett	2016	-	-	271,000	2.6	271,000	2.6	6,900
	2015	-	-	246,000	2.6	246,000	2.6	6,300
Miitel	2016	28,000	2.6	129,000	2.2	157,000	2.3	3,600
	2015	70,000	2.8	128,000	2.4	198,000	2.5	5,000
Durkin North	2016	-	-	708,000	2.5	708,000	2.5	17,700
	2015	-	-	-	-	-	-	-
Otter Juan	2016	-	-	-	-	-	-	-
	2015	2,000	6.9	-	-	2,000	6.9	100
McMahon/Ken*	2016	-	-	-	-	-	-	-
	2015	-	-	3,000	2.4	3,000	2.4	100
TOTAL	2016	28,000	2.6	1,108,000	2.5	1,136,000	2.5	28,200
	2015	176,000	3.1	379,000	2.5	555,000	2.7	14,900

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

*McMahon/Ken also includes Coronet (in the 2010/11 Annual Report it was included in Otter Juan)

The information in this report that relates to Ore Reserves is based on information compiled by Paul Darcey, who is a full-time employee of the Company and 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 "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Darcey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Member of the AusIMM.

RESTART OF NICKEL PROJECTS

DURKIN NORTH

Durkin North is currently Mincor's largest and highest grade undeveloped Mineral Resource (427,000 tonnes @ 5.2% nickel for 22,400 tonnes of contained nickel). The resource (located at North Kambalda) remains open at depth and along plunge, and the near-mine exploration potential is one of the most attractive features of this project.

The key results from the Definitive Feasibility Study include the maiden Ore Reserve for Durkin North of **708,000 tonnes @ 2.50% nickel for 17,700 tonnes of contained nickel.**

Pre-production capex is estimated at $20.2 million and this investment is expected to generate a Net Present Value (NPV) of $24.2 million at a 10% discount rate and internal rate of return of 53%, using a flat nickel price of A$20,000/tonne. The NPV more than doubles at a nickel price of A$24,000/tonne.

The study envisages making use of the existing decline at the Otter Juan mine, to a depth of approximately 300 metres, and from there diverging to the east to encounter the ore body after approximately 800 metres of further development. Mining would be undertaken using standard techniques which Mincor is well familiar.

Key risks and opportunities at Durkin North include the following:

- The tail-off in the production schedule towards the end of the mine life has a sharply negative impact on the financial metrics, eroding the cash-flows and reducing the NPV. While it cannot be demonstrated without further drilling, Mincor believes that this tail will be eliminated through either operational rescheduling as mining proceeds or through exploration success, especially given the exceptionally strong potential of the immediate environment.

- With Durkin North as an anchor producer, up to 12,000 tonnes of identified nickel resources elsewhere on Mincor's North Kambalda tenements could be accessed and mined, adding substantially to the cash flow generating capacity of the overall project. Resource areas include Ken, McMahon, Otter and Gellatly. This represents a very significant potential upside that has not been included in the current Feasibility Study.
- The wider exploration potential of Durkin North is considered very high. Historically the eastern corridor of the Kambalda Dome has been host to some of Kambalda's biggest ore bodies, including Otter Juan, Long and the original Durkin Mine. The underground development of Durkin North will provide a superb exploration platform from which to drill test very strong targets that have already been identified, with potential for the discovery of ultra-large high-grade ore bodies of the Otter Juan, Long and Durkin class.
- A number of ore drives that are not time-dependent have been identified in the mining schedule. These could be amenable to 'resue mining', potentially resulting in substantially higher mined head grades.
- Mincor's offtake agreement with BHP Billiton Nickel West, the Ore Tolling and Concentrate Purchase Agreement, expires in February 2019. As such, an extension to that agreement will need to be negotiated prior to project commencement, with all the risks and opportunities implied by that.
- Mining gold and nickel simultaneously at North Kambalda could substantially improve the cost base used in the Feasibility Study.

MIITEL/BURNETT

The Feasibility Study at Miitel/Burnett (located near Widgiemooltha) covers the remaining Ore Reserves at South Miitel and the new, undeveloped Mineral Resources at North Miitel – the area known as Burnett. Due to the generally lower grade of the resulting Ore Reserves, the greater distance from the Kambalda Mill, and the generally less favourable offtake terms, the study shows that Miitel's trigger price to resume operation is higher than that estimated for Durkin North.

The key results from the Definitive Feasibility Study is Ore Reserves of **428,000 tonnes @ 2.5% nickel for 10,500 tonnes of contained nickel.** Pre-production capex is dependent on factors further explained below, but a mid-point estimate is $12.4 million, from which, at a nickel price of A$22,000/tonne, an NPV of $15.0 million (10% discount rate) and internal rate of return of 57% is achievable.

The variability in the pre-start capex relates to the costs of care and maintenance. Unlike Durkin North, there is a cost to maintain Miitel and this needs to be factored into the Feasibility Study as pre-production capex. However, there is a range of maintenance levels that can be applied, each with its own cost. Generally, the higher the cost of maintenance the lower the restart cost, and vice versa. Either way, the cost, whether maintenance or restart, has been factored in as pre-production capex.

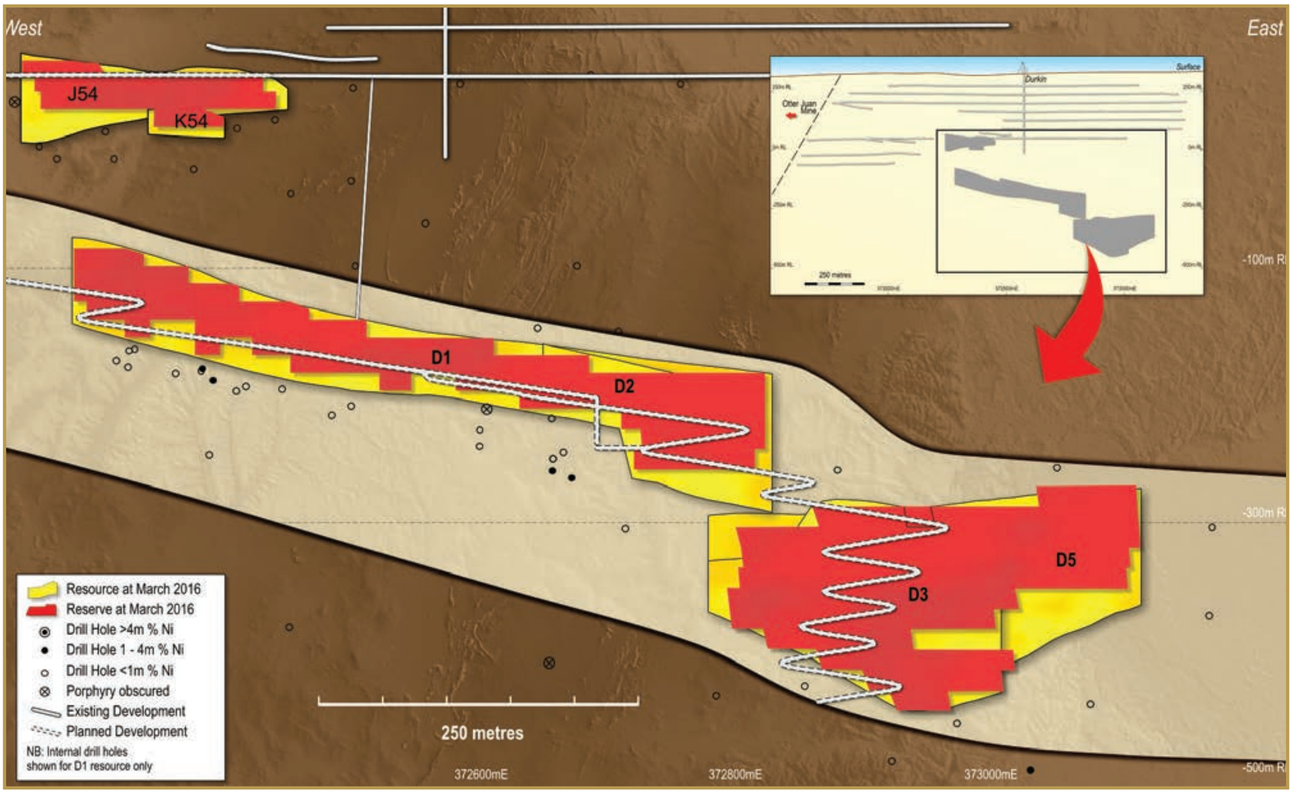


Figure 9: Durkin North long section

Given the poor short-term outlook for the nickel price, Mincor put considerable effort into finding the optimal balance of holding cost versus re-establishment cost. This work identified an opportunity to allow a controlled and partial flooding of the lower levels of the north and south declines, with an option in early FY2018 to recommence pumping before significant mine infrastructure is flooded. The re-establishment cost at that point is estimated to be $6.1 million, which was weighed against the cost of full maintenance to that point of an estimated $6.0 million.

The total pre-production capex is $12.4 million comprising $6.1 million in this re-establishment cost and a further $6.3 million of other pre-production costs. Should Mincor choose, in early FY2018, to remove the remaining infrastructure and allow the mine to flood completely, the estimated re-establishment cost will increase by $2.5 million to $8.6 million.

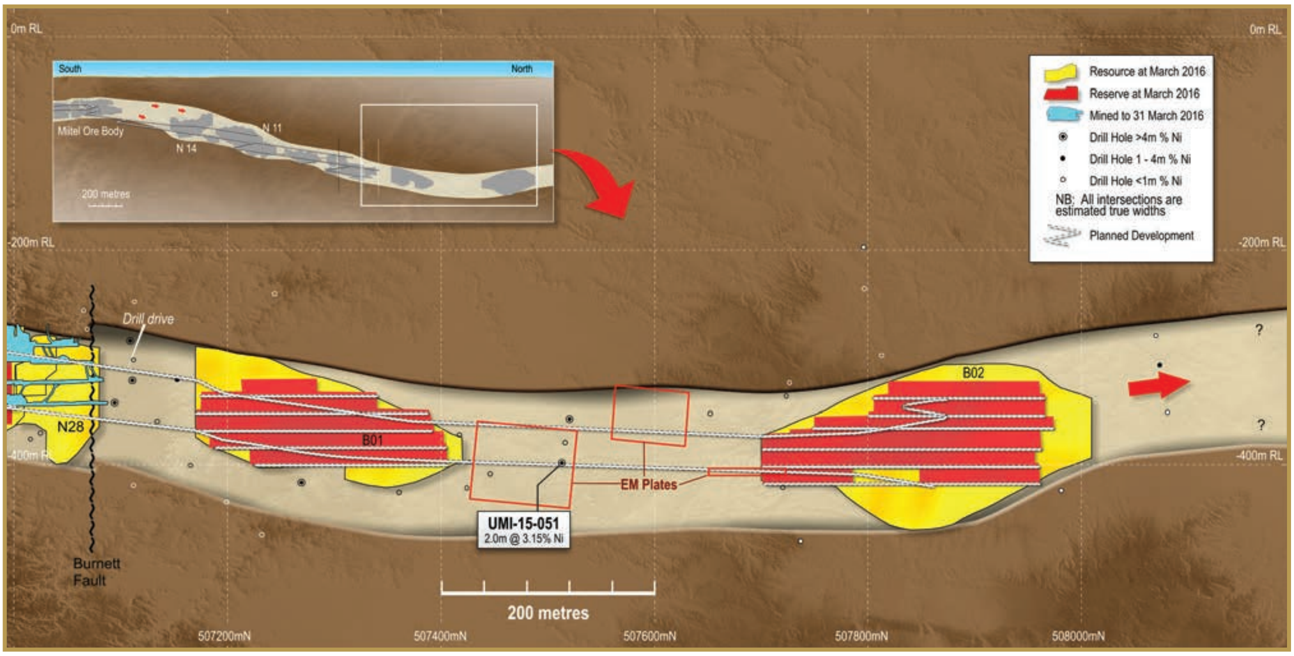


Figure 10: Burnett long section

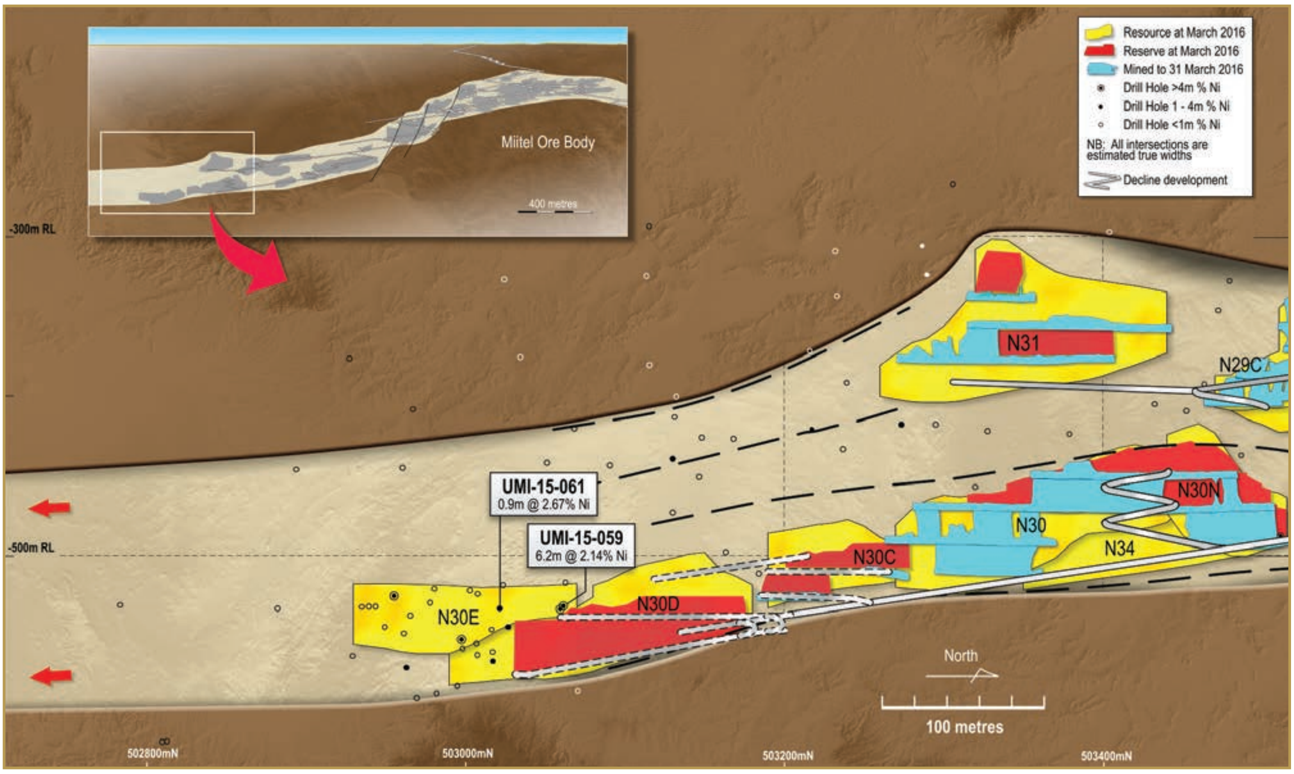


Figure 11: Miitel South long section

Key risks and opportunities at Miitel/Burnett are summarised below:

- The financial metrics at Miitel are impacted by the lower grade of these ore bodies, as mentioned above, but also by the substantial amount of development required to access the Burnett ore body. However, it is considered likely that additional reserves may be identified between the B01 and B02 surfaces, and that the ore system may continue beyond current resource limits to both the north and south. If true, any extensions to mine production would bring about substantially improved economics.
- Miitel has been modelled in the Definitive Feasibility Study as a stand-alone unit of production. However, there is potential for it to be developed and operated together with new mines at Cassini and Voyce and this would have a positive impact on the financial metrics.
- Mincor's offtake agreement with BHP Billiton Nickel West, the Ore Tolling and Concentrate Purchase Agreement, expires in February 2019. As such, an extension to that agreement will need to be negotiated prior to project commencement with all the risks and opportunities implied by that.

ADVANCED NICKEL PROJECTS

Mincor holds an outstanding suite of tenements in the world-class Kambalda Nickel District comprising approximately half of all land that is prospective for nickel sulphide mineralisation. Large sections of this tenement holding are also prospective for (as described in the previous section) and very significantly, the majority of the tenements are granted mining leases.

Low nickel prices and strong gold prices have persisted throughout the year; as a result, virtually all exploration expenditure has been directed towards Mincor's gold projects. Awaiting a recovery in the nickel price however is a portfolio of 100% owned nickel projects that are second to none.

Brownfields and greenfields exploration has led to four new projects, with feasibility studies having been completed on two of them (Durkin North and Burnett), a high grade resource estimated on a third (Voyce) and an exciting new discovery made at the fourth (Cassini), which awaits infill and extensional drilling. In addition, highly prospective greenfields targets have been identified at Republican Hill and elsewhere along the extensive strike length of Mincor's prospective ground (Figure 18).

CASSINI – A NEW GREENFIELDS DISCOVERY WITH SIGNIFICANT UPSIDE POTENTIAL

The first high-grade "discovery hole" at Cassini was drilled in December 2014 with subsequent drilling defining mineralisation within a structurally complex channel system across a 430-metre strike length as shown in long section in Figure 12 and cross section in Figure 13.

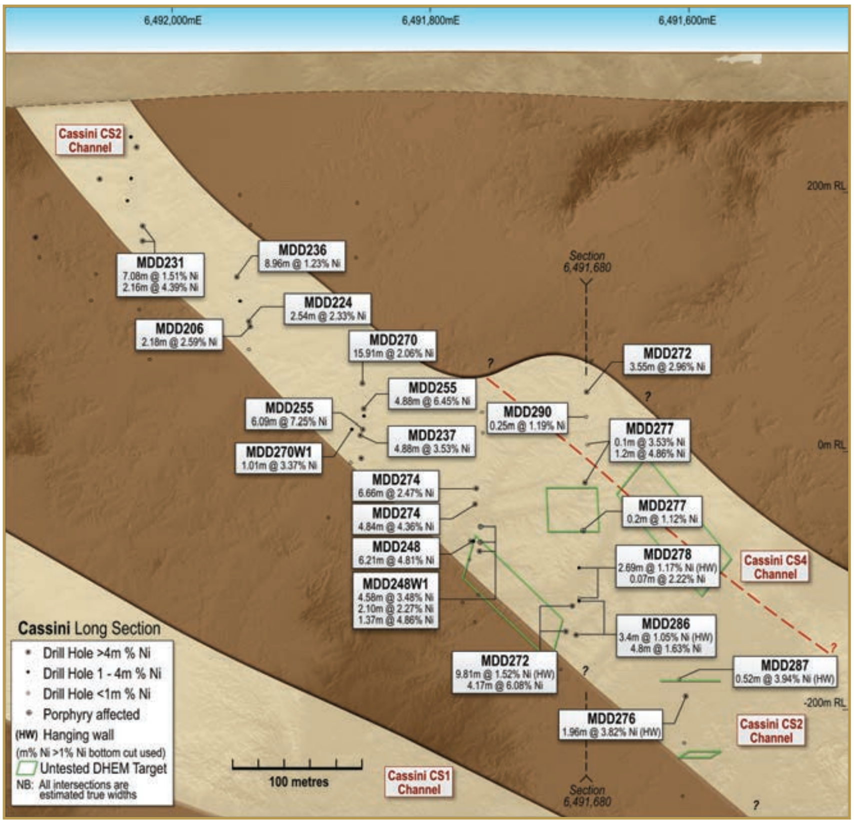


Figure 12: Cassini long section, looking east

Infill drilling is required to allow for the estimation of a Mineral Resource, however Mincor has identified an Exploration Target within the area of drilling of between 400,000 and 500,000 tonnes at grades of between 3% and 4% nickel. Please note that this target is conceptual in nature and there is no certainty that further exploration will result in the estimation of a Mineral Resource. Please refer to Mincor's ASX announcements dated 16 and 28 January 2015, 5 March 2015, 9 and 28 April 2015, 24 June 2015 and Mincor's 2015 Annual Report, as well as the long section (Figure 12).

The above Exploration Target does not include significant additional potential lying outside the area that has been drilled, including both down-plunge and in additional channel structures associated with the magnetic high (Figure 14).

Based on this target, Mincor's initial conceptual scoping study on Cassini suggests that the next stage of infill drilling is strongly warranted. There is also a number of highly prospective targets close by and these require further exploration drilling; focusing initially on extending the plunge of the known mineralisation, drill testing the second known channel structure (named CS1), and exploring the basal contact where it extends northwards around a large magnetic anomaly – considered a prime area to host further mineralised channel structures.

The upside case at Cassini is that the magnetic anomaly, which is thought to be the expression of a vastly thickened flow of fertile ultramafic rock, could host numerous mineralised channel structures – representing an exploration opportunity on a district scale.

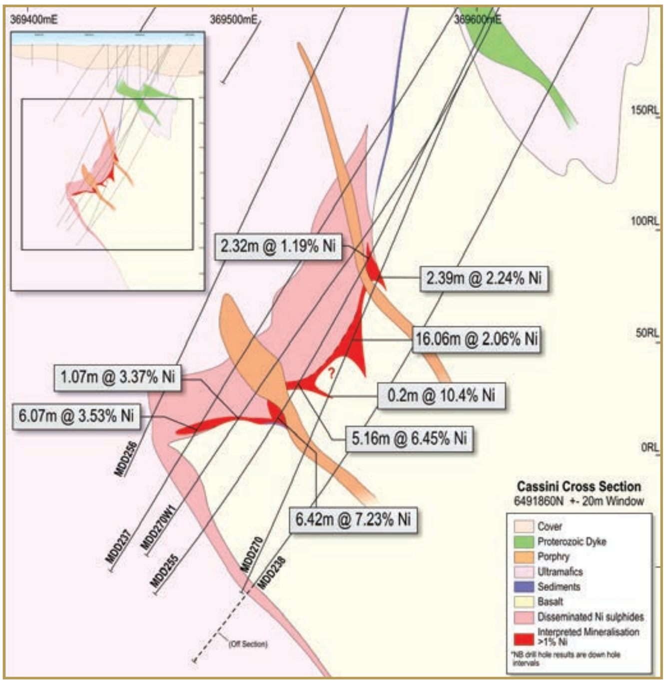


Figure 13: Cross section 6491860N showing multiple ore positions within the CS2 channel

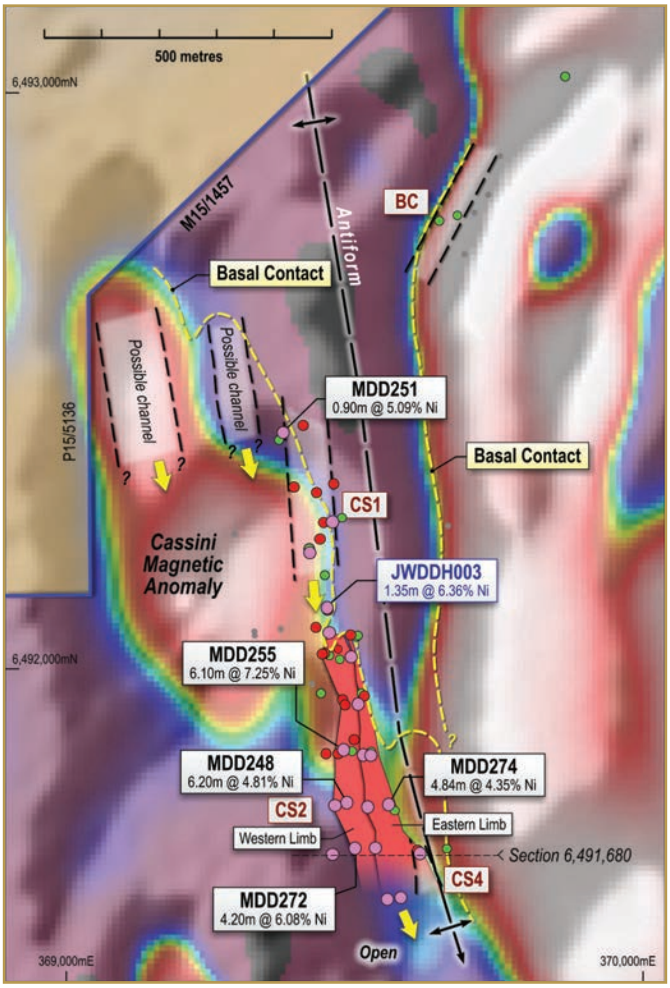


Figure 14: CS2/4 mineralised channels and regional targets associated with the Cassini magnetic anomaly

VOYCE NICKEL PROJECT

Mincor's discovery at Voyce contains a Resource estimated at 64,000 tonnes @ 5.2% nickel for 3,400 tonnes of contained nickel, 78% of which is classified as Indicated (please refer to Mincor's ASX announcement dated 28 April 2015 and 2015 Annual Report). This small but high grade Resource has potential to be part of a larger mineralised system that occupies both a down-plunge continuation of the Voyce channel as well as the adjacent Turner channel (Figures 15 and 16) and these will be priority targets when drilling resumes.

Voyce itself comprises four separate pods that lie less than 150 metres below surface in the upper part of the Voyce channel. This is significant as additional pods may have been missed by the limited number of wide spaced exploration holes drilled previously. Voyce is located just 4 kilometres south of the Mariners mine.

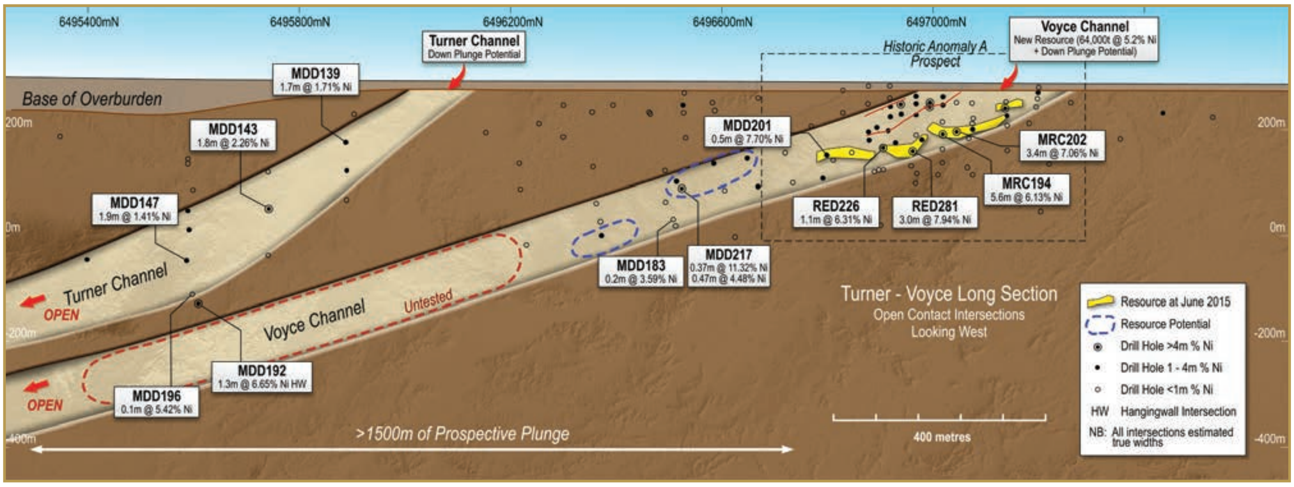


Figure 15: Long section showing the Voyce Resource area and the Voyce-Turner channel system

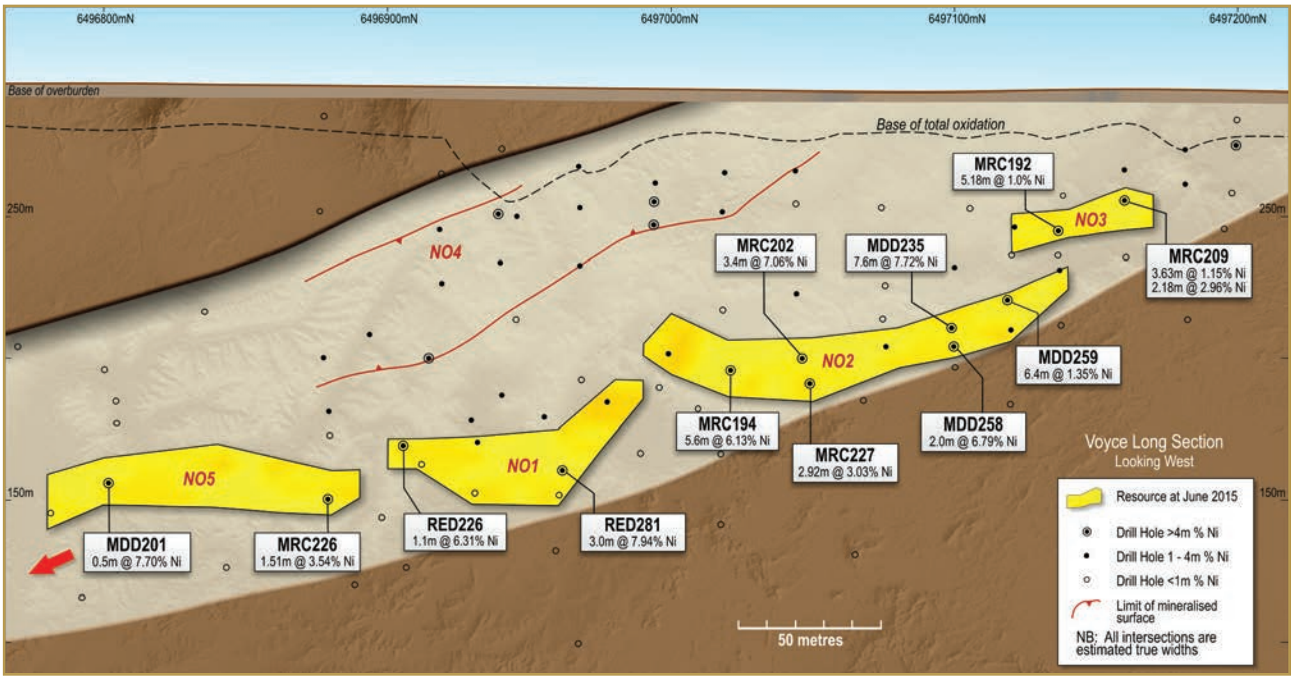


Figure 16: Long section of the Voyce Nickel Project showing Mineral Resource

REGIONAL NICKEL EXPLORATION

Despite low prices and consequently little nickel exploration having been undertaken during FY2016, both greenfields and brownfields exploration potential within Mincor's extensive tenement holdings remain second to none, as recently confirmed by the Cassini and Voyce discoveries, and the successes at Durkin and Burnett.

Numerous nickel prospects and occurrences are present across Mincor's entire Kambalda landholding, including the rest of the Bluebush Line beyond Republican Hill, the northern third of the Kambalda Dome and the Widgiemooltha Dome, collectively encompassing over 130 kilometres of prospective basal contact. Valuable new information gained from Cassini, Burnett, Voyce and Durkin can now be applied to target evaluation studies on a district-wide scale, a process that is ongoing (Figures 17 and 18).

NORTH KAMBALDA NICKEL EXPLORATION

Much of the nickel produced from the Kambalda Nickel District comes from just a few very large (>100,000 tonnes) nickel ore bodies, all of which are located around the Kambalda Dome. Mincor's North Kambalda tenements cover the northern third of this Dome and have produced nickel from seven known ore systems, including Otter Juan, the single biggest producer in the District.

Around two-thirds of the prospective basal contact (the stratigraphic location of all Kambalda's nickel ore bodies) on Mincor's North Kambalda tenements have not been drill-tested.

Among the many known targets on these tenements, the area east of Otter Juan and down-dip of Durkin North stands out as possibly one of the most exciting nickel exploration plays in Australia. It was identified through previous conceptual work by Mincor which was followed up by drilling. This work demonstrated the likely presence of a third channel structure, down-dip of the Otter Juan and Long-Durkin channel structures, each of which has produced more than 100,000 tonnes of nickel. Expectations are therefore high that this third structure could be another one of these giant, high-grade ore bodies. However, the depth of drilling required to fully test this thesis has been a significant hurdle over the past few years, in the face of declining nickel price. The potential future development of the Durkin North ore body, however, could provide good platforms from which to test this outstanding target.

The North Kambalda nickel prospectivity confirms Mincor has an invaluable option to restart exploration in this area at the appropriate time.

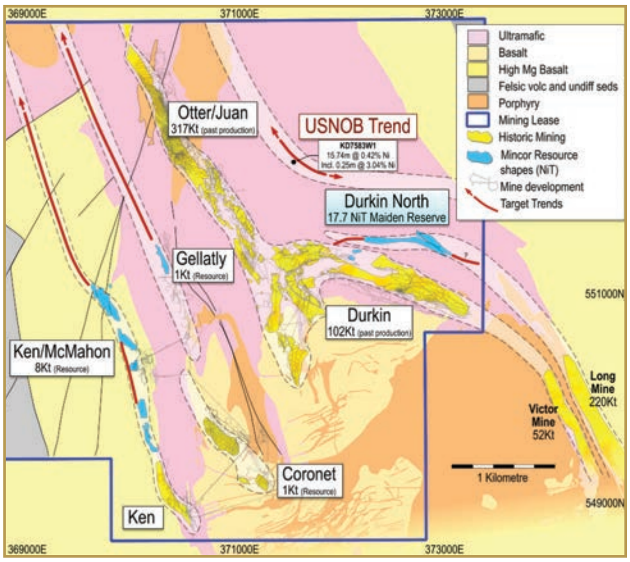


Figure 17: North Kambalda geology

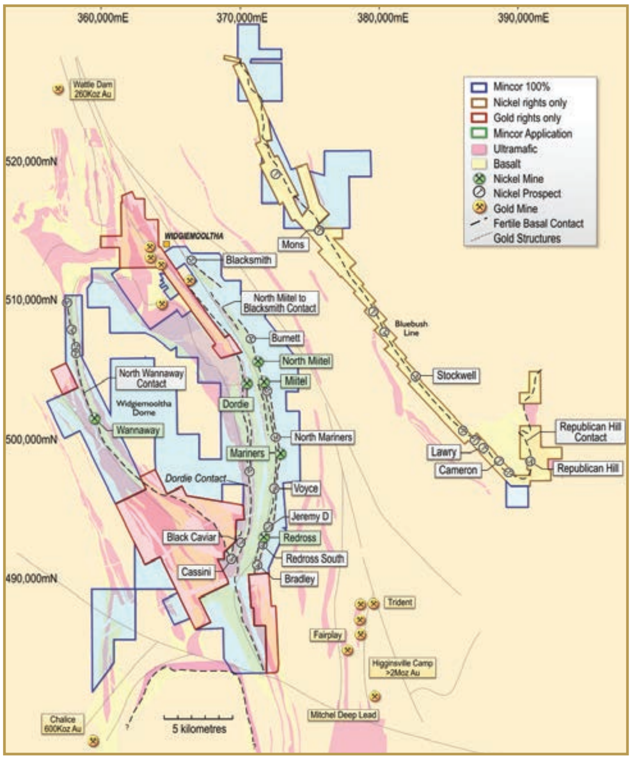


Figure 18: Regional Widgiemooltha and Bluebush geology map

REPUBLICAN HILL NICKEL PROSPECT

Republican Hill is located at the southern end of Mincor's Bluebush tenement package, a 40-kilometre long zone of prospective basal ultramafic contact. The prospect originated as outcropping gossan on the western slopes of the Republican Hill on mining lease M15/502, and is shown by historic drill testing to be hangingwall nickel sulphides. The all-important basal contact is located to the west of (and just below) the gossan and is obscured at surface by scree deposits.

Subsequent work has extended the area of interest to a roughly 5-kilometre strike length of prospective contact along the south-eastern part of the Republican Hill Anticline, adjacent to a significant magnetic anomaly (Figures 19 and 20). Geological mapping has identified localised faulting and folding, much of which is likely to be parasitic to the main anticline, unravelling of which is revealing potential for preservation of mineralised channels within sediment free windows, similar to the location of the Cassini channel.

In the light of this and applying lessons learned at Cassini, a reinterpretation of all available data has been undertaken. Old soil geochemistry has identified coincident geological and geochemical targets as well as anomalous drill hole results within areas that have been (lightly) drill tested in the past. In addition, there are known gossans that crop out at surface positions that match the likely position of the basal contact when extrapolated to surface. Very significantly, there is also a large magnetic anomaly.

The combination of these characteristics makes for a compelling nickel exploration target. Further geological mapping and sampling together with a detailed ground magnetic survey is planned to more accurately estimate the position of the basal contact in untested areas, to further refine conceptual geological models and to develop and rank targets for drill testing. Location and potential targets are shown in Figures 19 and 20.

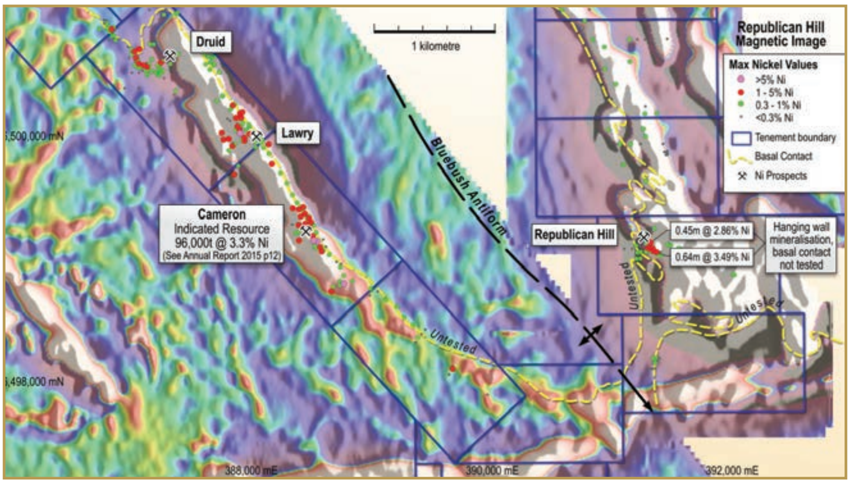


Figure 19: Southern Bluebush tenements and location of Republican Hill on TMI1VD magnetic image

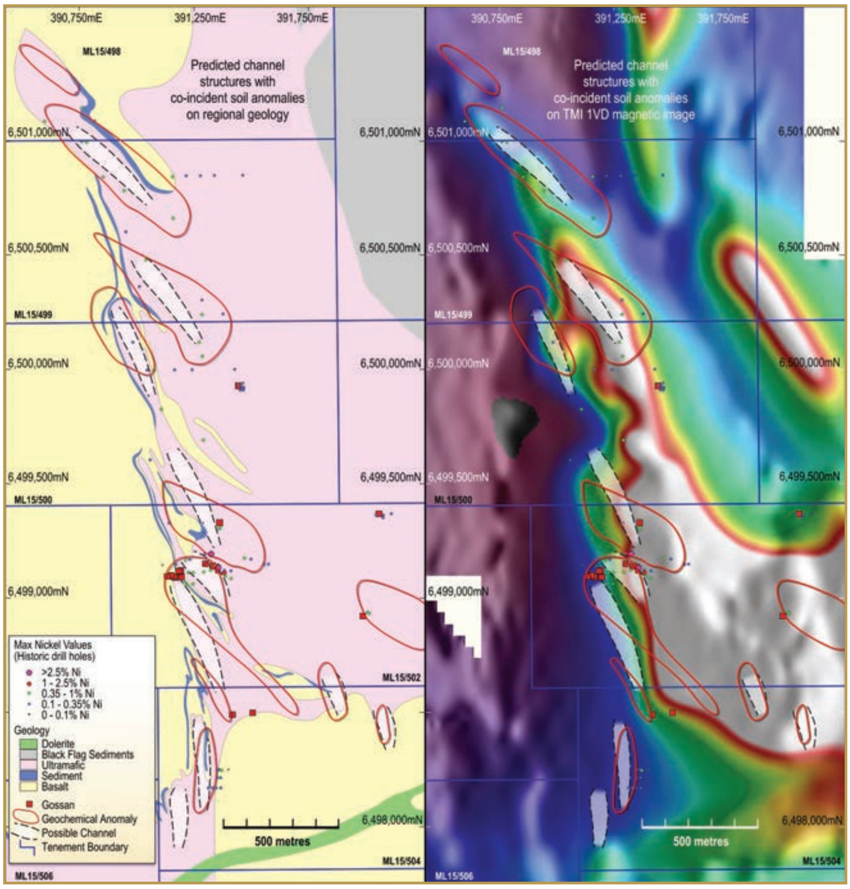


Figure 20: Republican Hill area showing coincident geological and geochemical targets (image on right is TMI1VD magnetics)

EXPANDING IN METALS

TOTTENHAM COPPER/GOLD PROJECT (MINCOR 100%)

The Tottenham Copper/Gold Project is located in the Lachlan Fold Belt of New South Wales where the geological setting is similar to that of the Girilambone group of mines, including the Murrawombie (formerly Girilambone) and Tritton copper mines operated by Straits Resources and located approximately 120 kilometres to the north-northwest (Figure 21).

Tottenham is an historic copper mining district with small-scale production dating back to the 1880s. Mineralisation occurs in volcano-sedimentary rocks of the Girilambone Group, which in the Tottenham area are folded into a broad antiform. Mineralisation located at or near a prominent quartz-magnetite marker horizon generally occurs at the interface between overlying sedimentary rocks and underlying mafic volcanic rocks.

The geological setting is similar to copper deposits at Tritton and Murrawombie. The Tritton copper mine and its satellite deposits are typical of volcanogenic massive sulphide deposits worldwide. Cumulatively, the camp contains approximately 50 million tonnes @ 2% Cu, 0.25 g/t Au in resources to date.

In addition, EL8384 was granted along strike of Helix Resources' Collerina prospect located approximately 35 kilometres northwest of Tottenham (Figure 21). The Collerina prospect has returned several high quality Cu-Au-Zn intersections.

Mincor's initial work in the area focused on the near-surface potential and during FY2007 the Company carried out exploration and drilling programs that led to the delineation of a maiden JORC-compliant Inferred Resource in February 2008.

Mincor's second drilling campaign was carried out between January and July 2011, totalling 28 diamond holes over five target areas, including Mount Royal-Orange Plains, Carolina, Jimmy Woodser, Underlay and Effies Ace. The results are highly encouraging with district-scale copper sulphide mineralisation intersected at intervals along approximately 15 kilometres of the strike of the prospective horizons. All but two of Mincor's 28 holes intersected some level of copper and gold mineralisation.

Using the 2011 drilling information, a new Mineral Resource estimate was completed.

TABLE 5: TOTTENHAM MINERAL RESOURCE (AT A 0.4% COPPER CUT-OFF)

Location	Inferred		Indicated		Total		Contained metal (tonnes)
	Tonnes	Grade (Cu)	Tonnes	Grade (Cu)	Tonnes	Grade (Cu)	
Mt Royal	418,600	0.9	3,183,700	0.9	3,602,300	0.9	33,860
Carolina	2,174,100	1.4	1,214,600	1.7	3,388,700	1.5	51,850
Total	**2,592,700**	**1.3**	**4,398,300**	**1.2**	**6,991,000**	**1.2**	**85,700**

Notes: Ore tonnage figures have been rounded to the nearest 100 tonnes. Grades have been rounded to the first decimal point. Estimation of contained copper may not equal ore tonnes x grade due to rounding.

The information in this report that relates to Mineral Resources is based on information compiled by Rob Hartley, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hartley is a full-time employee of the Company and 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". 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.

Fieldwork during the year comprised a program of geological mapping and detailed soil sampling over the south-western part of the area, interpreted as a zone of faulting and refolding of the southernmost part of the Orange Plains Anticline. This area contains historical copper workings at the Ace, Nelson's and Underlay prospects; unravelling of the structural complexity of the area may reveal as yet undiscovered repetitions and upgrades of the known copper zones.

Further regional and infill soil sampling as well as testing of the relatively unexplored Burdenda zone in the northwest (where 10 metres @ 3,706 ppm copper, 666 ppm zinc, 0.2 ppm silver and 5 ppb gold was intersected in the southernmost of 55 air-core holes drilled there in 2012) is warranted, as is drilling of the highest ranked targets, including the Carolina area.

Given Mincor's current gold focus at Widgiemooltha and the current base metal price environment, alternative options aimed at progressing exploration at Tottenham are being investigated.

CANNING ZINC PROJECT, LENNARD SHELF (MINCOR 100%)

No fieldwork was carried out during FY2016.

SOUTH AUSTRALIAN TENEMENTS

EL4931 (WOOMERA) (100% MINCOR)

This tenement expired on 21 June 2016 and was not renewed.

EL4932 (EAGLEHAWK JOINT VENTURE) (APOLLO MINERALS LIMITED EARNING 75%)

This tenement is the subject of an earn-in joint venture with Apollo Minerals Limited and is managed by Apollo during the earn-in period. Apollo is targeting large iron oxide copper gold style deposits similar to the nearby Olympic Dam and Prominent Hill deposits.

Apollo has withdrawn from the joint venture, subject to finalisation of all statutory obligations.

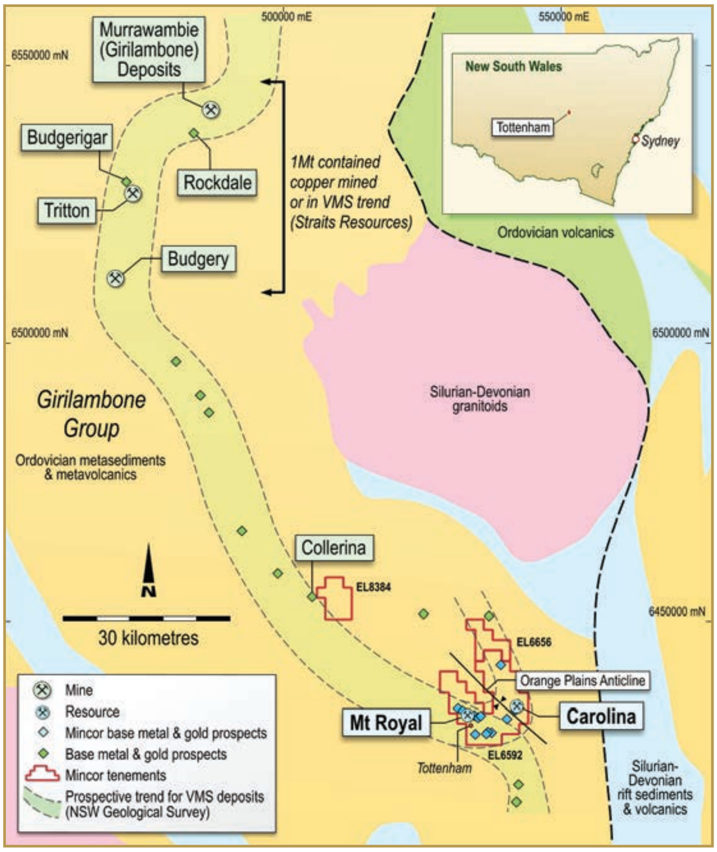


Figure 21: Regional location of the Tottenham Copper-Gold Project and Mincor's tenement holdings

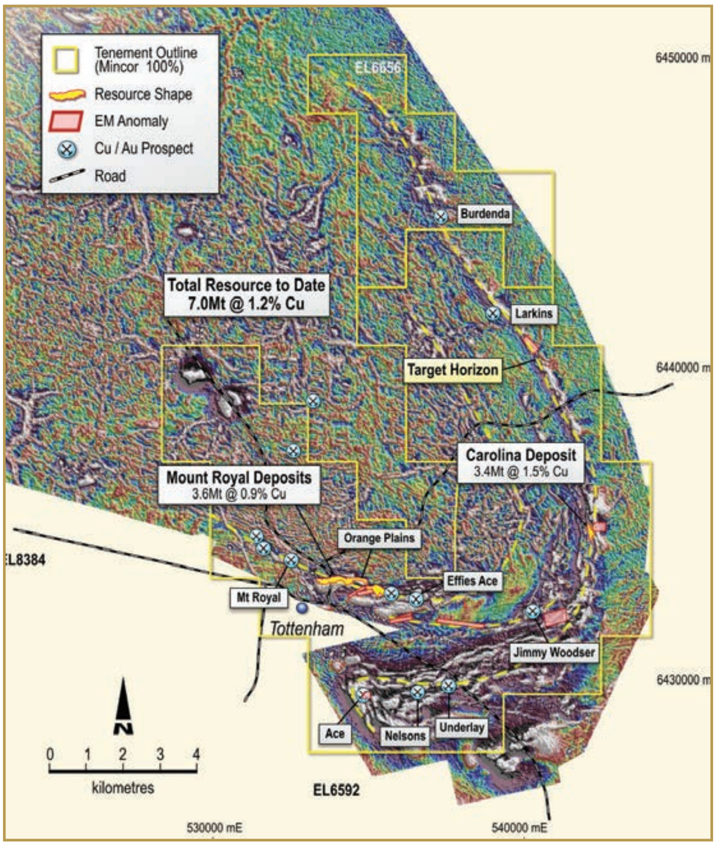


Figure 22: Magnetic intensity image showing priority prospect areas

COMMUNITY ENGAGEMENT

Mincor is a long-term and consistent supporter of local communities in the Goldfields. During FY2016, Mincor contributed to the following charities and rural organisations:

- Kalgoorlie Miner Bushfire Appeal
- Kambalda Christmas Tree
- Kambalda Football Club
- Kambalda West High School
- Police and Community Youth Centre, Kambalda
- Rett's Syndrome Research – Telethon Kids Institute
- Saint Barbara's Festival
- Shire of Coolgardie

ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS

A$	Australian dollars
ASX	Australian Securities Exchange
Au	gold
AusIMM	Australasian Institute of Mining and Metallurgy
capex	capital expenditure
CEO	Chief Executive Officer
Cu	copper
DFS	Definitive Feasibility Study
DMP	Department of Mines and Petroleum
FY2007	financial year 2007
FY2015	financial year 2015
FY2016	financial year 2016
FY2017	financial year 2017
FY2018	financial year 2018
GMM	Goldfields Mine Management Pty Ltd
g/t	grams per tonne
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition)
lb	pound (weight)
LME	London Metal Exchange
mgal	milligal
Mincor	Mincor Resources NL
Ni	nickel
NPV	Net Present Value
oz	ounce(s)
ppb	parts per billion
ppm	parts per million
RC	reverse circulation (percussion drilling with improved recovery and lower contamination due to the configuration of the drill stem; generates chips of rock, not core)
Resolute	Resolute Mining Limited
SIG	St Ives Gold Mining Company Pty Limited
t	tonne(s)
US$	US dollars
WMC	WMC Resources Ltd

DEFINITIONS

basal contact In the Kambalda District, this term refers to the contact between two rock types – the overlying ultramafic rocks (representing ancient lava flows) and the underlying basalt (being the surface upon which the lava flowed). Every significant Kambalda nickel ore body discovered to date occurs at or close to this contact.

contained nickel metal Nickel contained in the ore, before any metallurgical recoveries are applied.

footwall basalt The basalt rock that occurs in the footwall of nickel ore bodies – the same rock unit whose contact with the ultramafic rock forms the basal contact.

Girilambone Group The formal name of a sequence of rock formations in New South Wales, dated to Ordovician times.

gold camp A series of gold mines and prospects that are proximal to each other and when collectively the metal inventory or production is considered regionally significant.

gossans Oxidised (weathered) forms of naturally occurring sulphides, often forming the weathered (outcropping) portion of a sulphide ore body.

hangingwall A mining term that refers to the rock unit lying stratigraphically and/or physically directly above an ore body. In most Kambalda mines the hangingwall is the ultramafic lava that lies directly above the nickel ore body on the basal contact.

massive sulphides A rock type comprised wholly of sulphide minerals.

Mineral Resources A concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such a form, quantity and quality that there are reasonable prospects for eventual economic extraction. The location, quality, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

nickel-in-concentrate Nickel contained in a concentrate of sulphide minerals formed after processing the ore through a concentrator plant. Typically, a Kambalda nickel concentrate will contain about 12-13% nickel (upgraded from ore containing about 3% nickel). Some nickel is lost in this process, and so nickel-in-concentrate will typically be approximately 88-93% of the nickel-in-ore. Nickel-in-concentrate is the material that Mincor actually sells.

nickel-in-ore This refers to nickel contained in the ore that Mincor mines, before metallurgical recoveries are applied. Nickel-in-ore is the nickel Mincor refers to when quoting Mineral Resources and Ore Reserves. After taking into account metallurgical recoveries of 88-93%, nickel-in-ore converts to nickel-in-concentrate, which is the material Mincor actually sells.

Ore Reserves The economically mineable part of a Measured and/or Indicated Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out that demonstrate at the time of reporting that extraction could be reasonably justified.

tier one setting A location that contains the structures and/or host rocks that are known to host significant world class metal accumulation.

ultramafic rocks Igneous rocks consisting mostly of ferromagnesium minerals to the virtual exclusion of quartz and feldspar. They are comparatively rare in the earth's crust. Ultramafic lavas, such as occur at Kambalda, are particularly rare and are hardly known to have formed at all since the end of Archean times.

STATEMENT OF HEALTH, SAFETY AND ENVIRONMENTAL POLICIES

VISION AND MISSION

VISION

Mincor's stakeholders include its shareholders, employees, local residents and the wider community. Mincor recognises its responsibilities to all its stakeholders and will ensure that its Health, Safety and Environmental standards are second to none.

MISSION

- Mincor will carry out its business in a responsible manner, and will protect and cherish the natural environment.
- Mincor will strive to ensure that its employees are protected from all occupational injuries and diseases.
- Mincor will strive to provide a safe working environment for its employees, will ensure that Health and Safety are management's top priority and that its workforce is fully trained in Health and Safety matters.

POLICY STATEMENT

Mincor attaches the greatest value to the health and safety of its employees; it is every manager's and supervisor's duty to do everything in his or her power to avert damage, occupational injuries and occupational diseases, and it is also everyone's personal duty to avert damage and occupational injuries and occupational diseases, both in respect of himself or herself and of his or her fellow-workers.

PRINCIPLES AND VALUES

Mincor subscribes to the following self-explanatory principles and values:

- All injuries, occupational diseases and damage can be prevented.
- Preventing injuries, occupational diseases and damage makes good business sense.
- Everybody occupying a managerial or supervisory position is personally responsible for the safety and health of those working under him.
- Everybody in Mincor's employment carries personal responsibility for his or her own and his or her fellow workers' health and safety.
- Training is an essential element in ensuring the safety and health of employees.
- Safety and health audits are carried out regularly, participatively and meaningfully, with the emphasis on the modification of attitudes.
- Every shortcoming in the field of occupational health and safety is rectified immediately and permanently.
- All injuries, occupational diseases and damage are investigated thoroughly and participatively, not only to determine the direct causes but also to uncover underlying causes.
- People are the most important element of Mincor's occupational health and safety program.
- Contractors' personnel are viewed as Mincor employees for health and safety purposes. Mincor's safety principles and values apply equally to contractors' personnel.

Deviations from these principles and values and from required conduct are unacceptable.

OBJECTIVES

- Elimination of unsafe environments and unsafe working conditions.
- Elimination of unsafe acts.
- Maintenance of high safety awareness among all employees.
- Continual safety training at all levels.
- Comprehensive induction of part-time and casual employees.
- Insistence on similar safety standards from contractors.

FINANCIAL REPORT 2016

These financial statements are the consolidated financial statements of the consolidated entity consisting of Mincor Resources NL and its subsidiaries. The financial statements are presented in the Australian currency.

Mincor Resources NL is a company incorporated and domiciled in Australia.

Its registered office is:

Level 1, 56 Ord Street
West Perth, Western Australia, 6005
AUSTRALIA

The financial statements were authorised for issue by the Directors on 10 August 2016. The Directors have the power to amend and reissue the financial statements.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mincor Resources NL ("**the Company**") is responsible for corporate governance of the Company. The Company has established a corporate governance framework which follows the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition ("**Principles and Recommendations**").

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The key features of the Company's corporate governance framework are set out in the Corporate Governance Statement which can be viewed on Mincor's website **www.mincor.com.au/corporate_profile/corporate_governance.phtml** together with the following charters, policies and procedures.

CHARTERS

Board

Audit Committee

Nomination Committee

Remuneration Committee

Risk Committee

POLICIES AND PROCEDURES

Process for Performance Evaluations

Policy and Procedure for the Selection and (Re)-Appointment of Directors

Induction Program

Procedure for the Selection, Appointment and Rotation of External Auditor

Diversity Policy (summary)

Code of Conduct (summary)

Policy on Continuous Disclosure (summary)

Compliance Procedures (summary)

Shareholder Communication and Investor Relations Policy

Securities Trading Policy

DIRECTORS

The names and particulars of the Directors of Mincor Resources NL who held office during the financial year ended 30 June 2016 are:

Name	Particulars	Shareholding Interest
DJ Humann Appointed 30 July 1999	**Chairman (Non-Executive/Independent)** Mr Humann joined Mincor Resources NL on 30 July 1999 as a Non-executive Director and Chairman of the Company. Mr Humann is a fellow of the Institute of Chartered Accountants, a fellow of the Institute of Certified Practising Accountants and also a fellow of the Australian Institute of Company Directors. He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China firm) from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the global firm's World Executive Management Committee based in London and New York. He was formerly a member of the Australia and New Zealand firm's Executive Policy Committee. Mr Humann is a member of the boards of a number of public and private companies. **Other current directorships** Non-executive director of India Resources Ltd and Future Directions International Pty Ltd. Director of James Anne Holdings Pty Ltd and Exxaro Australia Sands Pty Ltd (Group). **Former directorships in last three years** Non-executive chairman of Atomaer Holdings Pty Ltd from 1996 to 2016. Non-executive chairman of Advanced Braking Technologies Pty Ltd from 2006 to 2013.	500,000 shares
DCA Moore Managing Director Appointed 16 August 1999 Resigned 29 February 2016 Deputy Chairman Appointed 1 March 2016	**Deputy Chairman (Non-Executive)** Mr Moore joined Mincor Resources NL on 16 August 1999 and is the Managing Director of the Company. Mr Moore retired from the position of Managing Director of Mincor Resources NL in February 2016 to become the Company's Non-executive Deputy Chairman. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration, business development, project management and strategic planning. In 1996 he left a position as Billiton's Chief Geologist in Peru to join Iscor Australia Pty Ltd as director of business development. In that role he established Iscor's gold and base metal exploration unit in Australasia. During 1999 he conducted the transactions that led to the creation of Mincor Resources NL and became Managing Director of that Company. In 2000 Mr Moore founded Tethyan Copper Company Ltd and as Managing Director drove that company's development, spin-off, listing and growth until its successful cash takeover by a joint venture between Antofagasta and Barrick in 2006. Mr Moore has worked extensively in South America, southern and eastern Africa and Australasia. He holds a B.Sc (Eng) (Mining Geology). **Other current directorships** None. **Former directorships in last three years** None.	4,245,000 shares
IF Burston Appointed 9 January 2003 Resigned 30 June 2016	**Non-executive Director (Independent)** Mr Burston is a Non-executive Director who joined the Company in January 2003. He holds a Bachelor of Engineering (Mech) degree from Melbourne University and a diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Program in Paris and the Harvard Advanced Management Program in Boston. Mr Burston has over 30 years' experience in the extractive and related industries. His prior positions included Managing Director and Chief Executive Officer of Aurora Gold Ltd, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines, Vice President – WA Business Development of CRA Ltd, and Managing Director of Hamersley Iron Pty Ltd.	50,000 shares

DIRECTORS (cont'd)

Name	Particulars	Shareholding Interest
JW Gardner Appointed 15 February 1996	**Non-executive Director (Independent)** Mr Gardner is a Non-executive Director who joined the Company on 15 February 1996. Mr Gardner graduated from the University of Melbourne in 1962 with a Bachelor of Engineering (Mechanical) degree and is a Fellow of the Institution of Engineers Australia. He has completed the Australian Administrative Staff College residential program. He also holds a Master of Business Administration degree from Curtin University, Western Australia. After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Ltd, Comsteel Vickers/ANI, Minproc Engineers Pty Ltd and Broken Hill Metals NL between 1970 and 1990, he formed his own engineering consultancy. He has consulted on many gold and base metal projects both in Australia and overseas. Mr Gardner was chairman of Ghana Manganese Company from 1995 until 2000. From 1993 until 2006 he was actively involved in Canadian listed company, Guinor Gold Corporation where he was Chief Engineer, Mining Projects. Since 1996 he has developed and managed the 100,000 ounce per annum Lero gold Heap Leach Project and completed the LEFA Corridor project study and supervised the EPCM contractor constructing its 350,000 ounce per annum multiple open pit and CIP Plant project in remote Guinea, West Africa. Currently he is pursuing bauxite, uranium, copper and gold exploration projects in West Africa and Australia. **Other current directorships** Non-executive director of Mineraus Resources Pty Ltd and Greenline Investments Pty Ltd. Chairman of Viking Mines Limited. **Former directorships in last three years** None.	1,218,176 shares

EXECUTIVE OFFICERS

The name of the Executive Officers of Mincor Resources NL who held office during the financial year ended 30 June 2016 are:

Name	Particulars
P Muccilli Appointed 1 February 2016	**Chief Executive Officer** Mr Muccilli is a geologist with 25 years' experience and has obtained a Geology Degree from Curtin University in Perth, Western Australia. Whilst working for Mincor, he has fulfilled various roles including Exploration Manager – Kambalda, Chief Operating Officer, and currently as the Chief Executive Officer. Mr Muccilli has extensive experience in mining, exploration and in commissioning mines. Previous roles included working at Resolute/Samantha at its Higginsville/Chalice gold operations and in base metals commissioning of the 2.5 million tonnes underground Pillara Zinc Mine in the Lennard Shelf.
G Fariss Appointed 16 January 2014	**Chief Financial Officer/Company Secretary** Mr Fariss graduated as a civil engineer from the University of Western Australia in 1979 and added a Masters of Business Administration in 1989. He joined Mincor in May 2006 as General Manager, Corporate Development after having served as General Manager, Corporate Finance with related company, Tethyan Copper Company Limited from December 2004. Mr Fariss previously held a number of senior finance and business development positions with Clough Limited over a 15-year period which commenced in 1990, and was a non-executive independent director of LinQ Capital Limited, the responsible entity for the LinQ Resources Fund, from 2005 to 2013. Mr Fariss has a diverse range of commercial experience across the resources, construction and engineering sectors gained over a 37-year period, including significant international exposure.

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS

Mining Operations

During the year ended 30 June 2016, the combined operation of the Company's Miitel and Mariners Mines produced 87,229 dry metric tonnes at an average grade of 2.91%, to produce 2,218 tonnes of nickel-in-concentrate (2015: 7,513 tonnes of nickel-in-concentrate).

During the March 2016 Quarter, the Company suspended its nickel mining operations pending a recovery in the nickel price. The mines have been placed on care and maintenance with all sites secured, underground equipment recovered, and surplus ancillary mining equipment sold.

During the year ended 30 June 2016, 101 positions were made redundant. Redundancy costs of $3,234,000 were recognised as an expense and included in 'Employee Benefits Expense' in the consolidated income statement.

Exploration and Development Projects

On 10 March 2016 the Company announced the results of two Definitive Feasibility Studies at Durkin North and Miitel/Burnett Nickel Projects which commenced in the financial year. The studies outlined the base production potential, updated reserves and the path back into production once nickel prices recover.

Contained in various company announcements on 10 March, 31 March, 5 May and 2 June 2016, the Company also established a gold mineral resource from six projects. Five gold projects are located near Widgiemooltha and at Jeffreys' Find located near Norseman. An independent mining consultancy firm, on behalf of the company, completed pit optimisation studies on all projects indicating the economic potential at each. In July 2016 the Company announced it will undertake a major drilling program at Widgiemooltha to upgrade the resources contained in the pit shells prior to carrying out a Definitive Feasibility Study for all projects to mine and toll treat the ore.

PRINCIPAL ACTIVITIES

The principal activities of the companies in the consolidated entity during the course of the year were the mining and exploration of mineral resources.

Other than the Company's decision to cease mining as noted elsewhere, there has been no other change to the principal activities of the Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In January 2016 the Company ceased mining operations and placed the mines on care and maintenance pending a return to higher nickel prices.

GROUP RESULTS

The loss of the consolidated entity for the year after income tax was $41,968,000 (2015 loss: $34,259,000).

DIVIDENDS

No final dividend was paid in respect of the year ended 30 June 2015.

No interim dividend was paid in respect of the year ended 30 June 2016.

On 10 August 2016 the Directors elected not to pay a fully franked final dividend in respect to the year ended 30 June 2016.

MEETINGS OF DIRECTORS'

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2016, and the number of meetings attended by each Director were:

	Directors Meetings		Committee Meetings					
			Audit		Remuneration		Nomination	
	Number Attended	Number Available	Number Attended	Number Available	Number Attended	Number Available	Number Attended	Number Available
DJ Humann	6	6	4	4	1	1	1	1
DCA Moore	6	6	-	-	-	-	1	1
JW Gardner	5	6	4	4	1	1	-	-
IF Burston	5	6	3	4	1	1	1	1

FUTURE DEVELOPMENTS

Details of important developments occurring in this 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 as and when they are to hand.

REMUNERATION REPORT

This Remuneration Report outlines the director and executive remuneration arrangements of the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (Cth) and its Regulations. For the purposes of this report, Key Management Personnel of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term 'Executive' encompasses senior executives of the consolidated entity.

The Key Management Personnel of Mincor Resources NL and the consolidated entity during the year included:

a) Directors

DJ Humann	Chairman (Non-executive)
DCA Moore	Deputy Chairman (Non-executive) (effective 1 March 2016)
IF Burston	Director (Non-executive) (resigned 30 June 2016)
JW Gardner	Director (Non-executive)

b) Named Executives

P Muccilli	Chief Executive Officer (appointed 1 February 2016, Chief Operating Officer from 22 June 2015 to 31 January 2016)
GL Fariss	Chief Financial Officer/Company Secretary
R Hatfield	Exploration Manager

All of the above persons were also key management personnel during the year ended 30 June 2015.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

Key Elements of Key Management Personnel/Executive Remuneration Strategy

Mincor Resources NL's remuneration strategy is designed to provide rewards that:

- attract, retain, motivate and reward executives;
- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- link rewards with the strategic goals and performance of the Company;
- provide remuneration arrangements that are competitive by market standards;
- align executive interests with those of the Company's shareholders;
- comply with applicable legal requirements and appropriate standards of governance;
- preserve the independence of non-executive directors by remunerating them with fixed fees only.

The key elements of Mincor Resources NL's remuneration strategy for executives are outlined in the table below:

Remuneration Component	Vehicle	Purpose	Link to Performance
Fixed Remuneration	Base salary. Superannuation contributions. Other benefits.	Provide competitive remuneration with reference to role and responsibilities, market and experience, to attract high calibre people.	Executive performance and remuneration packages are reviewed at least annually by the Board and the Remuneration Committee. The review process includes consideration of individual performance in addition to the overall performance of the consolidated entity.
Performance based; Short-term incentive ("**STI**")	Cash bonus.	Provide reward to executives outstanding performance linked to the Company's strategic objectives.	Potential discretionary bonus may be paid to executives for outstanding performance of up to 15% of annual base salary.
Performance based; Long-term incentive ("**LTI**")	Employee Share Option Plan and Performance Rights Plan	Provide reward to executives for their continued service and their contribution to achieving corporate objectives set by the Board to ensure the long-term growth of the Company.	Award of LTI linked directly to achievement of strategic Company objectives.

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

a) Decision-making Authority for Remuneration
b) Principles used to determine the Nature and Amount of Remuneration
c) Details of Remuneration
d) Service Agreements
e) Share-based Compensation
f) Additional Information

a) Decision-making Authority for Remuneration

The Company's remuneration policy and strategies are overseen by the Remuneration Committee on behalf of the Board. The Remuneration Committee is responsible for making recommendations to the Board on all aspects of remuneration arrangements for key management personnel including the:

- Company's remuneration policy and framework;
- remuneration arrangements for senior executives;
- terms and conditions of long-term incentives and short-term incentives for senior executives (including performance targets);
- terms and conditions of employee incentive schemes; and
- appropriate remuneration to be paid to Non-executive Directors.

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

Remuneration levels of the Directors and key management personnel are set by reference to other similar-sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the Company.

Remuneration levels for key management personnel are determined by the Board based upon recommendations from the Remuneration Committee. Remuneration of Non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to Non-executive Directors.

b) Principles used to determine the Nature and Amount of Remuneration

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.

The Company's key management personnel remuneration framework aligns their remuneration with the achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of rewards. The Remuneration Committee ensures that the remuneration of key management personnel is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance. The structure and level of remuneration for key management personnel is conducted annually by the Remuneration Committee relative to the Company's circumstances, size, nature of business and performance.

REMUNERATION REPORT (cont'd)

b) Principles used to determine the Nature and Amount of Remuneration (cont'd)

Remuneration of Non-executive Directors

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board periodically reviews whether to obtain advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. No advice was received during the year ended 30 June 2016. The Chairman's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

In order to maintain their independence and impartiality, the fees paid to Non-executive Directors are not linked to the performance of the Company.

i) Directors' fees

Fees for the Chairman and Non-executive Directors are determined within an aggregate directors fee pool limit of $350,000, which was last approved by shareholders on 8 November 2006. The Chairman's, Deputy Chairman's and Non-executive Directors' remuneration is inclusive of committee fees.

ii) Retirement allowances for Non-executive Directors

No retirement allowances exist for Non-executive Directors.

Remuneration of Key Management Personnel

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

- being market competitive to attract and retain high calibre individuals;
- rewarding high individual performance;
- recognising the contribution of each key management personnel to the continued growth and success of the Company; and
- ensuring that long-term incentives are linked to shareholder value.

To achieve these objectives, the remuneration of key management personnel comprises a fixed salary component and an 'at risk' variable component linked to the performance of the individual and the Company as a whole.

Fixed remuneration comprises base salary, superannuation contributions and other defined benefits. 'At risk' variable remuneration comprises both short-term and long-term incentives.

The pay and reward framework for key management personnel has four components:

- fixed remuneration – base salary;
- variable short-term performance incentives;
- variable long-term incentives through participation in employee share schemes, including the Employee Share Option Plan and Performance Rights Plan; and
- other remuneration.

The combination of these comprises the key management personnel's total remuneration.

i) Fixed remuneration – base salary

The fixed remuneration for each executive is influenced by the nature and responsibilities of each role and the knowledge, skills and experience required for each position.

Fixed remuneration comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Base salary for key management personnel is reviewed annually by the Remuneration Committee. The review process includes a review of company and individual performances, relevant comparative information (such as the Australasian Gold and General Mining Industry Remuneration Report by AON Hewitt), and internal and independent external information.

The Remuneration Committee consulted with external services during the period to obtain information in relation to review of executive remuneration. During the year ended 30 June 2016, no remuneration recommendations, as defined by the *Corporations Act* were provided by remuneration consultants.

There is no guaranteed base pay increase included in any key management personnel's contract.

ii) Variable remuneration – short-term incentives ("STIs")

The Board has determined for executives that it is neither possible nor appropriate to establish objective and measurable KPIs linked to the Company's strategic objectives and targets, due to the breadth of their role in an ever changing business environment and the fact that their strategic decision-making should not be influenced by short-term considerations. However, the Board retains the capacity to recognise outstanding performance by awarding an annual bonus of up to 15% of salary, provided the following process is followed:

- the Chief Executive Officer makes a recommendation to the Remuneration Committee at the end of each calendar year which includes a specific justification for the bonus, and the level of bonus proposed;
- the Remuneration Committee considers the recommendation and if it agrees, recommends it to the Board; and
- the Board approves the bonus provided they believe Company circumstances make it appropriate for any bonuses to be paid in that year. The Board has absolute discretion in this regard.

The maximum total gross benefit payable to any executive under the Mincor Short Term Incentive Scheme is limited to 15% of their fixed remuneration. The Board has discretion to reduce or suspend any bonus payments where Company circumstances render it inappropriate.

iii) Variable remuneration – long-term incentives ("LTIs")

Historically, LTIs have been provided to executives via the Executive Share Option Scheme and Performance Rights Plan. Information on the Executive Share Option Scheme and Performance Rights Plan is set out in Note 28 to the financial statements.

During April 2016, the Company replaced the Performance Rights Plan with the Employee Share Option Plan ("**ESOP**"). The ESOP has been designed to motivate and incentivise executives to increase shareholder value. The issue of share options as remuneration represents cost effective consideration to executives for their commitment and contribution to the Company and are used as a strategic tool to recruit and retain high calibre personnel. Information on the ESOP is set out in Note 28 to the financial statements.

c) Details of Remuneration

Details of the remuneration of the Directors and the key management personnel of the consolidated entity are set out in the following tables.

i) Key Management Personnel of Mincor Resources NL and its controlled entities

2016	Short-term Employee Benefits				Post-employment Benefits	Long-term Benefits	Share-based Payments		
Name	Directors fees $	Salary $	Bonus $	Other $	Super-annuation $	Long service leave $	Performance rights $	Options $	Total $
Non-executive Directors									
DJ Humann (Chairman)	110,000	-	-	-	-	-	-	-	110,000
DCA Moore (Deputy Chairman)^	18,333	427,805	-	392	35,000	-	-	-	481,530
JW Gardner	20,928	-	-	-	34,072	-	-	-	55,000
IF Burston^^	50,228	-	-	-	4,772	-	-	-	55,000
Sub-total	**199,489**	**427,805**	**-**	**392**	**73,844**	**-**	**-**	**-**	**701,530**
Other Key Management Personnel									
P Muccilli^^^	-	273,854	-	588	19,308	10,312	(495)	13,605	317,172
GL Fariss	-	298,110	-	588	32,083	5,437	(8,521)	9,070	336,767
R Hatfield	-	226,259	-	588	19,308	4,144	(8,521)	9,070	250,848
Total	**199,489**	**1,226,028**	**-**	**2,156**	**144,543**	**19,893**	**(17,537)**	**31,745**	**1,606,317**

REMUNERATION REPORT (cont'd)

c) Details of Remuneration

i) Key Management Personnel of Mincor Resources NL and its controlled entities (cont'd)

2015	Short-term Employee Benefits				Post-employment Benefits	Long-term Benefits	Share-based Payments		
Name	Directors fees $	Salary $	Bonus $	Other $	Super-annuation $	Long service leave $	Performance rights $	Options $	Total $
Non-executive Directors									
DJ Humann (Chairman)	110,000	-	-	-	-	-	-	-	110,000
JW Gardner	20,000	-	-	-	35,000	-	-	-	55,000
IF Burston	50,228	-	-	-	4,772	-	-	-	55,000
Sub-total	**180,228**	**-**	**-**	**-**	**39,772**	**-**	**-**	**-**	**220,000**
Executive Directors									
DCA Moore^	-	564,412	-	588	35,000	9,448	-	-	609,448
Other Key Management Personnel									
GL Fariss	-	356,897	-	588	35,000	7,401	68,700	-	468,586
P Muccilli^^^	-	258,462	-	588	30,000	5,444	68,700	-	363,194
B Fowler**	-	303,251	31,250	-	35,000	5,554	76,993	(50,673)	401,375
R Hatfield	-	6,672	-	14	463	122	1,695	-	8,966
Total	**180,228**	**1,489,694**	**31,250**	**1,778**	**175,235**	**27,969**	**216,088**	**(50,673)**	**2,071,569**

All executives accepted a 15% voluntary salary reduction as part of the Company's "Restructuring for Growth Strategy" for the year ended 30 June 2016.

^ Mr D Moore retired from the position of Managing Director on 29 February 2016 to become the Company's Non-executive Deputy Chairman. Amounts shown above include annual leave and long service leave entitlements paid on resignation as the Managing Director.

^^ Mr I Burston resigned effective 30 June 2016.

^^^ Mr P Muccilli was appointed as the Company's Chief Executive Officer effective 1 February 2016. Before this appointment he was the Company's Chief Operating Officer. Amounts shown above include all Mr Muccilli's remuneration during the reporting period.

** Mr B Fowler left the Company effective 19 June 2015. Amounts above include all annual leave entitlements paid on termination. Remuneration in the form of options includes negative amounts for options forfeited during the year.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration 2016	At Risk – LTI 2016	At Risk – STI 2016
Directors of Mincor Resources NL			
DJ Humann (Chairman)	100%	-	-
DCA Moore (Deputy Chairman)	100%	-	-
JW Gardner	100%	-	-
IF Burston	100%	-	-
Other Key Management Personnel			
P Muccilli	96%	4%	-
GL Fariss	100%	-	-
R Hatfield	100%	-	-

ii) Cash bonuses and share-based compensation benefits

For each cash bonus, grant of performance rights and options included in the above tables, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria or the options expired is set out below. No part of the bonuses are payable in future years.

Name	Cash Bonus		Share-based Compensation (options)			
	Paid %	Forfeited %	Year granted	Vested %	Forfeited %	Financial year in which options may vest
GL Fariss	-	-	2011	-	100	-
			2016	-	-	2017
P Muccilli	-	-	2011	-	100	-
			2016	-	-	2017
R Hatfield	-	-	2011	-	100	-
			2016	-	-	2017

Name	Share-based Compensation (performance rights)			
	Year granted	Vested %	Forfeited %	Financial year in which performance rights may vest
GL Fariss	2013	65	35	-
	2014	-	-	2017
	2015	-	-	2018
P Muccilli	2013	65	35	-
	2014	-	-	2017
	2015	-	-	2018
R Hatfield	2013	65	35	-
	2014	-	-	2017
	2015	-	-	2018

d) Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts. Other major provisions of the agreements relating to remuneration are set out below.

All contracts with executives may be terminated early by either party providing between one to three months' notice, subject to termination payments as detailed below.

P Muccilli, Chief Executive Officer (appointed 1 February 2016)

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2016 of $305,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to three months of the base salary.

GL Fariss, Chief Financial Officer/Company Secretary

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2016 of $349,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

R Hatfield, Exploration Manager

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2016 of $264,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

REMUNERATION REPORT (cont'd)

e) Share-based Compensation

i) Options

Mincor Resources Employee Share Option Plan ("ESOP")

The Mincor Resources ESOP was introduced following approval by the Board of Directors on 14 April 2016 which replaced the Mincor Resources Performance Rights Plan. Persons eligible to participate in the ESOP include Directors and all employees of the Company.

Options are granted under the ESOP for no consideration for a maximum period of five years and can be exercised at any time between the date the option vests and the expiry, subject to the imposition of any specified vesting date determined at the discretion of the Directors.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

The exercise price of options is determined at the discretion of the Board and is set to incentivise the executives to increase shareholder value. All options granted carry no divided or voting rights.

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
18 May 2016	100% after 18 May 2017	18 May 2021	$0.50	$0.1254

Options provided as remuneration

Details of options over ordinary shares in the Company provided as remuneration to each Director of Mincor Resources NL and each of the key management personnel of the consolidated entity are set out below. Further information on the options is set out in Note 28 to the financial statements.

The terms and conditions of these options affecting remuneration in the current or a future reporting period are as follows:

Name	Number of Options Granted during the Year 2016	Number of Options Vested during the Year 2016
Directors of Mincor Resources NL		
DJ Humann (Chairman)	-	-
DCA Moore (Deputy Chairman)	-	-
JW Gardner	-	-
IF Burston	-	-
Other Key Management Personnel		
P Muccilli	1,200,000	-
GL Fariss	800,000	-
R Hatfield	800,000	-

Fair value of options granted

The assessed fair value at grant date of options granted on the 18 May 2016 under the ESOP was 12.54 cents per option.

The fair value at grant date is determined using the Binominal option valuation methodology that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options granted during the year ended 30 June 2016 include:

2016	Options are granted for no consideration and will vest over 11 months
a. Exercise price	$0.50
b. Grant date	18 May 2016
c. Expiry date	18 May 2021
d. Share price at grant date	$0.34
e. Expected price volatility of the Company's shares	75%
f. Expected dividend yield	0%
g. Risk-free interest rate	1.55%

ii) Performance rights

Mincor Resources Performance Rights Plan

The Mincor Resources Performance Rights Plan ("**Plan**") was introduced following approval by the Board of Directors on 15 August 2012. Persons eligible to participate in the Plan include executive directors and all employees of the Company or a Related Body Corporate of the Company.

Performance rights are granted under the Plan over ordinary shares for no consideration. Performance rights are granted subject to one or all of the following vesting conditions:

- **Service Condition**, usually a three-year period commencing from the time of grant;
- **Strategic Objectives Conditions** measured over the Service Condition period, including:
    - a **safety and sustainability component**;
    - an **operational performance component**, including production, cost control and growth in ore reserves; and
    - a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

Each component of the Strategic Objectives Conditions is earned on a sliding scale basis depending on the degree of success achieved in meeting performance metrics. Certain components of the performance rights may be earned annually but will only be paid when the Service Condition is achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will 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 current or future reporting periods are set out below:

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2015/4	2 Oct 2015	31 Dec 2018	2 Oct 2019	**Service Condition:** Holder must remain an employee for a continuous period from 1 July 2015 until 30 June 2018. **Performance Conditions** measured over the period 1 July 2015 to 30 June 2018 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance; The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.26
2015/1	19 Feb 2015	31 Dec 2017	19 Feb 2019	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2017. **Performance Conditions** measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.67

REMUNERATION REPORT (cont'd)

e) Share-based Compensation (cont'd)

i) Options (cont'd)

Mincor Resources Performance Rights Plan (cont'd)

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2015/2	19 Feb 2015	31 Dec 2017	19 Feb 2019	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2017. **Performance Conditions** measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.67
2015/3	19 Feb 2015	31 Dec 2017	19 Feb 2019	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2017. **Performance Conditions:** None.	$0.67
2014/1	20 Jan 2014	31 Dec 2016	20 Jan 2018	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2016. **Performance Conditions** measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.61
2014/2	20 Jan 2014	31 Dec 2016	20 Jan 2018	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2016. **Performance Conditions** measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.61
2014/3	20 Jan 2014	31 Dec 2016	20 Jan 2018	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2016. **Performance Conditions:** None.	$0.61

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2013/1	31 Jan 2013	31 Dec 2015	30 Jan 2017	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2015. **Performance Conditions** measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.94
2013/2	31 Jan 2013	31 Dec 2015	30 Jan 2017	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2015. **Performance Conditions** measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.94
2013/4	30 Jan 2013	31 Dec 2015	30 Jan 2017	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2015. **Performance Conditions:** None.	$0.87

The 2015/4 Performance Rights were issued to Mr P Muccilli pursuant to the Company's remuneration strategy.

Performance rights provided as remuneration

Details of performance rights over ordinary shares in the Company provided as remuneration to each Director of Mincor Resources NL and each of the key management personnel of the consolidated entity are set out below. Further information on the performance rights is set out in Note 28 to the financial statements.

Name	Number of Performance Rights Granted during the Year 2016	Number of Performance Rights Vested during the Year 2016	Number of Performance Rights Lapsed during the Year 2016
Directors of Mincor Resources NL			
DJ Humann (Chairman)	-	-	-
DCA Moore (Deputy Chairman)	-	-	-
JW Gardner	-	-	-
IF Burston	-	-	-
Other Key Management Personnel			
P Muccilli	200,000	86,430	47,570
GL Fariss	-	86,430	47,570
R Hatfield	-	86,430	47,570

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Mincor Resources Performance Rights Plan during the year ended 30 June 2016 is based on the market price of the Company's shares at grant date.

Further information on the performance rights is set out in Note 28 to the financial statements.

REMUNERATION REPORT (cont'd)

f) Additional Information

Relationship between compensation and Company performance

As part of the Company's "Restructure for Growth Strategy" all executives accepted a 15% voluntary salary reduction for the year ended 30 June 2016.

The overall level of key management personnel's compensation takes into account the performance of the consolidated entity over a number of years, with greater emphasis given to the current and prior year. Average key management personnel compensation has decreased by approximately 10% on average per annum over the last five years. The following table outlines the Company's performance over the same period.

In considering the consolidated entity's performance, due regard is given to shareholder wealth creation including dividends paid, movements in the market value of the Company's shares and any return of capital to shareholders. The following table summarises the performance of the Company over the last five financial years.

	2016	2015	2014	2013	2012
Net (loss)/profit attributable to shareholders of Mincor Resources NL ($'000)	(41,968)	(34,259)	1,848	(22,449)	242
(Loss)/earnings per share (cents)	(22.3)	(18.2)	1.0	(11.9)	0.0
Dividends paid ($'000)	-	7,528	7,528	7,528	7,854
Dividends paid per share (cents)	-	4.0	4.0	4.0	4.0
30 June share price ($)	0.30	0.57	0.83	0.48	0.65

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
18 May 2016	18 May 2021	$0.50	6,500,000

No option holder has any right under the option to participate in any share issue of the Company or any other entity.

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares in the Company pursuant to the performance rights plan at the date of this report are as follows:

Date Performance Rights Granted	Expiry Date	Number of Performance Rights
20 January 2014	20 January 2018	336,000
20 January 2014	20 January 2018	116,000
20 January 2014	20 January 2018	7,000
19 February 2015	19 February 2019	100,000
19 February 2015	19 February 2019	324,000
19 February 2015	19 February 2019	8,000
2 October 2015	2 October 2019	200,000
		1,091,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during and/or since the year ended 30 June 2016 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

The following ordinary shares of the Company were issued during and/or since the year ended 30 June 2016 and up to the date of this report on the vesting of performance rights granted under the Performance Rights Plan.

Date Performance Rights Granted	Issue Price of Shares	Number of Shares Issued
31 January 2013	-	377,970
31 January 2013	-	137,160
30 January 2013	-	77,000

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 10 August 2016 the Directors elected not to pay a fully franked dividend in respect of the year ended 30 June 2016.

CORPORATE GOVERNANCE

The Company's corporate governance policies and practices are set out separately in the Annual Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* 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.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

ENVIRONMENTAL MATTERS

The consolidated entity is subject to environmental regulation on its mineral properties. To this extent, the consolidated entity has raised rehabilitation provisions of $6,455,000 (2015: $6,975,000). During the period ending 30 June 2016 the consolidated entity incurred a penalty of $50,000 in relation to two saltwater pipe leaks that constituted offences under s.99B of the *Environmental Protection Act 1986.* The consolidated entity continues to monitor the disrupted area and has reviewed management reporting systems to minimise the risk of any future breach. Further details on environmental policy are set out in the Annual Report under the Corporate Governance section and the Health, Safety and Environmental Policy section.

Greenhouse Gas and Energy Data Reporting Requirements

The consolidated entity is subject to the reporting requirements of the *National Environmental Pollution Measurement Act 1994*. This requires the consolidated entity to measure and report its annual emissions of specified substances to air, land and water. The consolidated entity has implemented systems and processes for the collection and calculation of the data required and submitted its 2014/15 National Pollutant Inventory Report to the Department of Environmental Regulation by the legislated due date.

The *National Greenhouse and Energy Reporting Act 2007* requires the consolidated entity to report its annual greenhouse gas emissions and energy use. During the period ending 30 June 2016 the consolidated entity submitted the 2014/15 Energy and Emissions report, as a result of ceasing production the consolidated entity is no longer required to report under this Act.

INSURANCE OF OFFICERS

During the year the Company has 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 employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are provided in Note 22 to the financial statements.

The Board of Directors has considered the position and in accordance with the advice received from the Audit 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*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 22, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out separately in this report (page 43).

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 & 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 10th day of August 2016 in accordance with a resolution of the Directors.

Moore.

DCA Moore
Director

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mincor Resources NL and the entities it controlled during the period.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
10 August 2016

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Revenue	3	18,566	85,681
Mining contractor costs		(3,247)	(8,053)
Ore tolling costs		(3,862)	(13,472)
Utilities expense		(6,404)	(8,374)
Mining supplies and consumables		(3,884)	(9,300)
Royalty expense		(670)	(3,333)
Employee benefit expense		(11,756)	(22,093)
Finance costs	4	(412)	(538)
Foreign exchange gain		300	3,815
Profit from sale of property, plant and equipment		2,365	-
Exploration costs expensed		(3,494)	(7,755)
Depreciation and amortisation expense	4	(9,165)	(29,385)
Impairment of property, plant and equipment	4	(16,483)	(13,891)
Other expenses from ordinary activities		(3,822)	(8,799)
Loss before income tax		(41,968)	(35,497)
Income tax benefit	5	-	1,238
Loss attributable to the members of Mincor Resources NL		**(41,968)**	**(34,259)**
		Cents	Cents
Loss per share	27	(22.3)	(18.2)
Diluted loss per share	27	(22.3)	(18.2)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Loss for the year		(41,968)	(34,259)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Changes in the fair value of other financial assets at fair value through other comprehensive income	16	(47)	(143)
Other comprehensive loss for the year, net of tax		(47)	(143)
Total comprehensive loss for the period attributable to the members of Mincor Resources NL		**(42,015)**	**(34,402)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016 $'000	2015 $'000
Current Assets			
Cash and cash equivalents	6	12,635	32,961
Restricted cash	6	5,379	-
Trade and other receivables	7	941	12,551
Inventory	8	-	2,237
Total Current Assets		18,955	47,749
Non-Current Assets			
Other financial assets at fair value through other comprehensive income	9	401	503
Property, plant and equipment	10	4,622	31,136
Evaluation and acquired exploration expenditure	11	12,875	13,763
Total Non-Current Assets		17,898	45,402
TOTAL ASSETS		36,853	93,151
Current Liabilities			
Payables	12	871	7,566
Interest-bearing liabilities	13	3,954	4,059
Provisions	14	557	3,003
Total Current Liabilities		5,382	14,628
Non-Current Liabilities			
Interest-bearing liabilities	13	864	4,681
Provisions	14	6,462	7,574
Total Non-Current Liabilities		7,326	12,255
TOTAL LIABILITIES		12,708	26,883
NET ASSETS		**24,145**	**66,268**
Equity			
Contributed equity	15	23,663	23,663
Reserves	16	(1,218)	(1,063)
Retained earnings	17	1,700	43,668
TOTAL EQUITY		**24,145**	**66,268**

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 2016

	Note	Contributed Equity $'000	Retained Earnings $'000	Other Reserves $'000	Total $'000
Balance at 1 July 2014		**23,663**	**85,455**	**(1,359)**	**107,759**
Loss for the year		-	(34,259)	-	(34,259)
Other comprehensive loss for the year		-	-	(143)	(143)
Total comprehensive loss for the year		-	(34,259)	(143)	(34,402)
Transactions with owners in their capacity as owners:					
- Dividends provided for or paid	18	-	(7,528)	-	(7,528)
- Employee share options and performance rights	16	-	-	439	439
		-	(7,528)	439	(7,089)
Balance at 30 June 2015		**23,663**	**43,668**	**(1,063)**	**66,268**
Loss for the year		-	(41,968)	-	(41,968)
Other comprehensive loss for the year		-	-	(47)	(47)
Total comprehensive loss for the year		-	(41,968)	(47)	(42,015)
Transactions with owners in their capacity as owners:					
- Employee share options and performance rights	16	-	-	(108)	(108)
		-	-	(108)	(108)
Balance at 30 June 2016		**23,663**	**1,700**	**(1,218)**	**24,145**

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 2016

	Note	2016 $'000	2015 $'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		30,836	110,762
Payments to suppliers and employees (inclusive of GST)		(42,995)	(86,670)
		(12,159)	24,092
Interest received		298	1,164
Other revenue		1,584	280
Interest paid		(243)	(286)
Net Cash (Outflow)/Inflow from Operating Activities	6(b)	(10,520)	25,250
Cash Flows from Investing Activities			
Payments for acquisition of exploration properties		-	(721)
Payments for property, plant and equipment		(207)	(24,123)
Payments for exploration, evaluation and development expenditure		(2,484)	(7,653)
Proceeds from sale of property, plant and equipment		2,890	140
Proceeds from sale of other financial assets at fair value through other comprehensive income		54	-
Net Cash Inflow/(Outflow) from Investing Activities		253	(32,357)
Cash Flows from Financing Activities			
Lease payments		(2,191)	(3,051)
Transfers to restricted cash accounts		(7,868)	-
Dividends paid		-	(7,528)
Net Cash Outflow from Financing Activities		(10,059)	(10,579)
Net Decrease in Cash and Cash Equivalents		(20,326)	(17,686)
Cash and Cash Equivalents at the Beginning of the Financial Year		32,961	50,647
Cash and Cash Equivalents at the End of the Financial Year	6(a)	**12,635**	**32,961**

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

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Mincor Resources NL and its subsidiaries.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001*. Mincor Resources NL is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the consolidated entity comply with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of other financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss or equity.

b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mincor Resources NL ("**Company**") as at 30 June 2016 and the results of all subsidiaries for the year then ended. Mincor Resources NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(r)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity, and statement of financial position respectively.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

i) Joint operations

The consolidated entity recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in Note 25.

ii) Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Principles of Consolidation (cont'd)

Joint arrangements (cont'd)

ii) Joint ventures (cont'd)

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the consolidated entity.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

d) Revenue Recognition

Sales revenue comprises revenue earned from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when the product is delivered and:

- risk has been passed to the customer;
- the product is in a form suitable for delivery;
- the quantity of the product can be determined with reasonable accuracy;
- the product has been dispatched to the customer and is no longer under the physical control of the producer; and
- the selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer. Sales are initially recognised at the fair value of consideration received or receivable (estimated sales value when the product is delivered). Adjustments are subsequently made for variations in metal assay, weight, expected final price/final price and currency between the time of delivery and the time of final settlement of sales proceeds. These adjustments are recognised as part of sales revenue and trade receivables.

Interest income is recognised using the effective interest rate method.

e) Property, Plant and Equipment

Office property, plant and equipment is stated at historical cost less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, 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 are charged to the income statement during the financial period in which they are incurred.

Office property, plant and equipment are depreciated or amortised over their estimated useful economic lives using either the straight line or reducing balance method. The expected useful lives are as follows:

- Plant and Equipment - 2 to 5 years
- Furniture and Fittings - 3 to 10 years

Refer to Notes 1(i), 1(j), 1(k) and 1(l) for the accounting policy with respect to exploration and evaluation expenditure, development properties, mine properties and mine buildings, machinery and equipment.

An asset's carrying amount is written down immediately to its recoverable amount, in accordance with the accounting policy in 1(s), if the asset's carrying amount is greater than its estimated recoverable amount.

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

f) Income Tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income 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 income 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. Deferred income 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in 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.

Companies within the Group may be entitled to claim special tax deductions for the investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

g) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the entities comprising the consolidated entity are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). The consolidated financial statements are presented in Australian dollars, which is Mincor Resources NL's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose change in the fair value are presented in other comprehensive income are included in the related reserve in equity.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Foreign Currency Translation (cont'd)

iii) Group companies

The results and financial position of all the entities comprising the consolidated entity (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or borrowings repaid, the associated exchange differences are reclassified to profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

h) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of stock on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

i) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are initially capitalised when incurred and then written off except where they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

j) Development Expenditure

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, any deferred exploration and evaluation expenditure is transferred to "Development Expenditure".

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

No amortisation is provided in respect of development properties until they are reclassified as "Mine Properties" following a decision to commence mining.

k) Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the consolidated entity in relation to areas of interest in which mining of a mineral resource has commenced.

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

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mine. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

l) Mine Buildings, Machinery and Equipment

The cost of each item of buildings, machinery and equipment is written off over its expected useful life using either the unit-of-production or straight-line method. Cost includes expenditure that is directly attributable to the acquisition of the items. The unit-of-production basis results in an amortisation charge proportional to the depletion of the recoverable mineral reserves, or for leased assets the useful economic machine life measured in hours. Each item's economic life has due regard to both its own physical life limitations and to present assessments of recoverable mineral reserves of the mine property at which the item is located, and to possible future variations in those assessments.

Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments of major items.

The expected useful lives are as follows:

- Mine buildings – the shorter of applicable mine life and 5 years;
- Machinery and equipment – the shorter of applicable mine life and 2 to 10 years, depending on the nature of the asset; and
- Leased machinery – machine life measured in hours per manufacturer guidelines.

m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the cost of qualifying assets. Qualifying assets are assets that take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year. No interest was capitalised in 2016 (2015: Nil).

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

n) Leased Non-Current Assets

Leases of property, plant and equipment where the consolidated entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated in accordance with policy 1(e) above.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the consolidated entity is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Employee Benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

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 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 of expected future payments to be made in respect of services provided by employees up to the end of the Reporting Period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the Reporting Period of high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the consolidated entity 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.

iii) Share-based payments

Share-based compensation benefits are provided to employees via the and Mincor Resources NL Performance Rights Plan and the Mincor Resources NL Employee Share Option Plan.

The fair value of options granted under the Mincor Resources Employee Share Option Plan and performance rights granted under the Mincor Resources Performance Rights 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 options at grant date is determined using a Binomial option valuation model that takes into account the exercise price, the term of the option, the vesting period, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of performance rights at grant date is calculated based on the market price of the Company's share price on the date, and adjusted to take into account the likelihood that all vesting conditions will be met during the Performance Period.

The fair value of the options and performance rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to vest. At each statement of financial position date, the entity revises its 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 income statement with a corresponding adjustment to equity.

p) Cash and Cash Equivalents

For the purpose of presentation in the 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.

q) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

r) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with the changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

s) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that previously suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

t) Investments and Other Financial Assets

i) Classification

The consolidated entity classifies its financial assets into the following categories:

- Financial assets at fair value through profit or loss;
- Trade and other receivables; and
- Other financial assets at fair value through other comprehensive income.

The classification depends on the purpose for which the investments were acquired. The consolidated entity determines the classification of its financial assets at initial recognition.

A) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or equity investments for which the consolidated entity has not irrevocably elected to recognise any movements in their fair value through reserves. Financial assets held for trading are classified in this category if acquired principally for the purpose of selling in the short term. The policy of management is to designate a financial asset held for trading if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value.

Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current assets.

All equity investments are measured at fair value. Equity investments are measured at fair value through profit or loss unless the consolidated entity has made an irrevocable election at initial recognition of each investment to account for changes in fair value through other comprehensive income ("**OCI**") or profit or loss (refer (C) below).

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

t) Investments and Other Financial Assets (cont'd)

i) Classification (cont'd)

B) Trade and other receivables

Trade and other receivables arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Reporting Period, which are classified as non-current assets.

C) Other financial assets at fair value through other comprehensive income

Equity investments which are not held for trading and for which the consolidated entity has irrevocably elected to recognise any movements in their fair value through reserves are classified as other financial assets at fair value through other comprehensive income.

ii) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade and other receivables are subsequently carried at amortised cost using the effective interest method.

The consolidated entity subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the income statement as applicable. Interest income from these financial assets is included in the net gains/(losses). Dividend income is presented as other revenue.

Changes in the fair value of financial assets at fair value through other comprehensive income are recognised in reserves. There is no subsequent reclassification of fair value gains and losses to profit or loss for these financial assets. Dividends from such investments continue to be recognised in profit or loss as other revenue when the consolidated entity's right to receive payments is established and as long as they represent a return on investment.

Details on how the fair value of financial instruments is determined are disclosed in Note 2(d).

iv) Impairment

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. No impairment assessment is required for assets classified as financial assets at fair value through other comprehensive income.

Assets carried at amortised cost

For trade and other receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the consolidated entity may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

u) Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The method of recognising the resulting 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 consolidated entity 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 highly probable forecast transactions (cash flow hedges).

The consolidated entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated entity 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 values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or a liability when the remaining maturity of the hedged item is less than 12 months.

i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

v) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the consolidated entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

w) Contributed Equity

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where the consolidated entity purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the consolidated entity. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the consolidated entity.

x) 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.

y) Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

z) Rehabilitation and Mine Closure Costs

The consolidated entity has obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment.

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.

AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* requires a provision to be raised for the present value of the estimated cost of settling the rehabilitation and restoration obligations existing at balance date. The estimated costs are discounted using a pre-tax discount rate that reflects the time value of money. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. As the value of the provision represents the discounted value of the present obligation to restore, dismantle and rehabilitate, the increase in the provision due to the passage of time is recognised as a borrowing cost.

aa) Royalties

Royalties, to the extent that they represent period costs, are accrued and charged against earnings when the liability from production or sale of the mineral crystallises.

In the case of business combinations, future royalty payments may represent contingent purchase consideration. Where this is the case and an estimate of the probable payments can be reliably measured, such amounts are included in the cost of the business combination.

ab) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

ac) Critical Accounting Estimates and Judgements

Critical accounting estimates and judgements are continually evaluated and are based on management's historical experience and knowledge of relevant facts and circumstances at that time.

The consolidated entity makes estimates and judgements concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amounts of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. Information on such estimates and judgements are contained in the accounting policies and/or notes to the financial statements.

Key accounting estimates include:

- estimation of dismantling, restoration costs, environmental clean-up costs and the timing of this expenditure (Notes 1(z) and 14);
- asset carrying value and impairment charges (Note 10);
- determination of ore reserves; and
- capitalisation and impairment of exploration and evaluation expenditure.

Management has made an assessment of the probability that sufficient future taxable income will be generated to utilise carried forward tax losses and has concluded that recognition of deferred tax assets is not appropriate resulting in non-recognition of deferred tax assets of $20,607,000.

ad) Parent Entity Financial Information

The financial information for the parent entity, Mincor Resources NL disclosed in Note 29 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. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii) Tax consolidation legislation

Mincor Resources NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Mincor Resources NL, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Mincor Resources NL 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 Resources NL for any current tax payable assumed and are compensated by Mincor Resources NL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Mincor Resources NL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

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.

iii) 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 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ae) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below:

i) AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The consolidated entity early adopted **AASB 9 *Financial Instruments Phase 1*** from July 2011 and is yet to assess the full impact of implementing the remaining components of AASB 9, however it is not expected to have a significant impact on the treatment of the consolidated entity's financial instruments. The consolidated entity does not intend to adopt the new standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2019.

ii) AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The consolidated entity is yet to assess the full impact of AASB 15. It is not expected that the new standard will be adopted before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2019.

iii) AASB 16 Leases

AASB 16 was issued in February 2016 for the recognition of leases (except for short-term and low-value leases) on the balance sheet. Under this new standard, the distinction between operating and finance leases will be removed, an asset (the right to use the leased item) and a financial liability to pay rentals will be recognised.

The standard will affect the accounting for the consolidated entity's operating leases. As at the reporting date, the consolidated entity has operating lease commitments of $750,000.

The consolidated entity has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the consolidated entity's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases, and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

At this stage, the consolidated entity does not intend to adopt the standard before its operative date, which means it would be first applied in the annual reporting period ending 30 June 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

af) Rounding of Amounts

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

NOTE 2
FINANCIAL RISK MANAGEMENT

The consolidated entity'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 consolidated entity'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 consolidated entity.

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 $500,000.

The consolidated entity's exposure to market risk has changed during the period ending 30 June 2016 due to mining operations being placed on care and maintenance. As a result, the consolidated entity has reduced exposure to commodity price and customer credit risk.

a) Market Risk

i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The entity manages its foreign exchange risk exposure arising from future commercial transactions through sensitivity analysis, cash flow management and forecasting.

The consolidated entity is exposed to foreign exchange risk principally through the holding of US dollar denominated cash and cash equivalents and interest bearing liabilities.

The consolidated entity's exposure to foreign currency risk at the end of the Reporting Period was as follows:

	30 June 2016 USD $'000	30 June 2015 USD $'000
Cash, cash equivalents and restricted cash	3,958	12,495
Trade and other receivables	87	8,662
Interest-bearing liabilities	3,071	5,435

Group sensitivity

Based on the financial instruments held at 30 June 2016, had the Australian dollar strengthened/weakened by 10% against the US dollar, with all other variables held constant, the consolidated entity's post-tax loss for the year would have been $119,000 higher/$146,000 lower (2015: post-tax loss $1,303,000 higher/$1,592,000 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated cash and cash equivalents.

ii) Price risk

The consolidated entity is exposed to equity security price risk which arises from investments held by the consolidated entity and which are classified as assets held at fair value through other comprehensive income. Equity security price risk arises from market fluctuations in the price of listed equity instruments.

Group sensitivity

Based on the equity instruments held at 30 June 2016, had share prices strengthened/weakened by 10% against those recognised, with all other variables held constant, the consolidated entity's equity would have been $40,000 higher/$40,000 lower (2015: equity $50,000 higher/$50,000 lower).

iii) Cash flow interest rate risk

Interest rate risk arises from the consolidated entity's cash and cash equivalents earning interest at variable rates. The significance and management of the risks to the consolidated entity and the parent entity are dependent on a number of factors including:

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

At the end of the Reporting Period, the consolidated entity'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 2016		30 June 2015	
	Weighted Average Interest Rate	Balance $'000	Weighted Average Interest Rate	Balance $'000
Cash, cash equivalents and restricted cash	1.20%	18,014	0.98%	32,961

The risk is managed by the consolidated entity by maintaining an appropriate mix between short-term fixed and floating rate cash and cash equivalents.

Group sensitivity

Based on the financial instruments at 30 June 2016, if interest rates had changed by +/-50 basis points from the year-end rates, with all other variables held constant, post-tax loss and equity for the year would have been $90,000 lower/$63,000 higher (2015: post-tax loss and equity $115,000 lower/$58,000 higher).

b) Credit Risk

Credit risk arises from cash and cash equivalents and is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. The consolidated entity controls credit risk by setting minimum creditworthiness requirements of counterparties, which for banks and financial institutions is a Standard & Poor's rating of A or better.

The carrying amount of financial assets recorded in the statement of financial position represents the consolidated entity's exposure to credit risk.

NOTE 2
FINANCIAL RISK MANAGEMENT (cont'd)

c) Liquidity Risk

Liquidity risk is the risk that the consolidated entity will not be able to meet is 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 consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing 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.

The consolidated entity had access to a bond and credit card facility. Refer to Note 13 for details at the end of the Reporting Period.

Contractual maturities of financial liabilities

The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The amounts presented represent the future undiscounted principal and interest cash flows.

CONSOLIDATED	Less than 1 year $'000	Between 1 and 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
AT 30 JUNE 2016				
Financial Liabilities				
Trade payables	114	-	114	114
Finance lease liabilities	4,039	869	4,908	4,818
Non-interest bearing liabilities	757	-	757	757
Total Financial Liabilities	**4,910**	**869**	**5,779**	**5,689**
AT 30 JUNE 2015				
Financial Liabilities				
Trade payables	2,236	-	2,236	2,236
Finance lease liabilities	4,276	4,769	9,045	8,740
Non-interest bearing liabilities	5,330	-	5,330	5,330
Total Financial Liabilities	**11,842**	**4,769**	**16,611**	**16,306**

d) Fair Value Measurement

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

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the consolidated entity's financial assets and liabilities measured and recognised at fair value at 30 June 2016 and 30 June 2015.

GROUP	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
AT 30 JUNE 2016				
Assets				
Trade and other receivables	118	-	-	118
Other financial assets at fair value through other comprehensive income	401	-	-	401
Total Assets	**519**	**-**	**-**	**519**
AT 30 JUNE 2015				
Assets				
Trade and other receivables	2,275	9,413	-	11,688
Other financial assets at fair value through other comprehensive income	503	-	-	503
Total Assets	**2,778**	**9,413**	**-**	**12,191**

The fair value of level 1 trade and other receivables held by the Group is based on quoted market prices at the end of the Reporting Period. The fair value of level 2 trade and other receivables is calculated in-house based on forward prices for the settlement month.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the Group is the 30 June 2016 bid price. These instruments are included in level 1.

NOTE 3
REVENUE

	2016 $'000	2015 $'000
Revenue		
Sale of goods	18,003	84,395
Other Revenue		
Interest income	302	1,006
Sundry income	261	280
	18,566	**85,681**

NOTE 4
EXPENSES

	2016 $'000	2015 $'000
Loss before income tax includes the following specific expenses:		
Expenses		
Cost of sale of goods	16,437	56,715
Mine closure costs	4,328	-
Inventory write downs (store consumables) (refer Note 8)	1,610	-
Redundancy costs	3,234	-
Finance costs:		
- Interest paid or due and payable to other persons	270	341
- Unwinding of discount on rehabilitation	142	197
	412	538
Rental expenses relating to operating leases	497	499
Defined contribution superannuation expense	839	2,389
Impairment:		
- Property, plant and equipment (refer Note 10)	16,483	13,891
Depreciation and amortisation:		
- Mine property	8,066	26,314
- Plant and equipment	1,099	3,071
	9,165	29,385

NOTE 5
INCOME TAX

a) Income tax

	2016 $'000	2015 $'000
Deferred tax	-	(1,154)
Over provision in prior year	-	(84)
Aggregate income tax benefit	-	**(1,238)**

b) Numerical reconciliation of income tax expense to prima facie tax payable

	2016 $'000	2015 $'000
Loss before income tax expense	(41,968)	(35,497)
Tax at the Australian tax rate of 30% (2015: 30%)	(12,590)	(10,649)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Non-deductible amortisation of property, plant and equipment	85	57
- Over provision in prior year	-	(84)
- Share-based payment	(32)	132
- Sundry items	23	44
- Reassessment of asset tax bases	336	833
- Non-recognition of deferred tax assets	12,178	8,429
Income tax benefit	-	(1,238)

c) Franking credits

	2016 $'000	2015 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2015: 30%)	**64,604**	**64,604**

The amounts represent the balance of the franking account as at the reporting date, adjusted for:

i) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
ii) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
iii) Franking credits that may be prevented from being distributed in subsequent financial years.

d) Deferred tax assets and liabilities

	2016 $'000	2015 $'000
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax liabilities		
Trade receivables	-	(3,794)
Property, plant and equipment	-	(643)
Evaluation and acquired exploration	(3,787)	(4,096)
Other items	-	(10)
Total deferred tax liabilities	**(3,787)**	**(8,543)**
Deferred tax assets		
Tax losses	21,942	13,185
Inventory	-	337
Employee benefits	171	1,122
Rehabilitation	1,937	1,800
Property, plant and equipment	19	-
Other	325	528
Total deferred tax assets	**24,394**	**16,972**
Non-recognition of tax assets	(20,607)	(8,429)
Net deferred tax asset /(liability)	-	-

Management has made an assessment of the probability that sufficient future taxable income (including the reversal of taxable temporary differences) will be generated to utilise the carried forward tax losses. Management has concluded that recognition of deferred tax assets is not appropriate and has not recognised deferred tax assets of $20,607,000.

The consolidated entity has entered into a tax funding agreement. Refer to Note 1(ad)(ii).

NOTE 6
CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	2016 $'000	2015 $'000
Cash and cash equivalents	12,635	32,961
Restricted cash	5,379	-
	18,014	32,961

Cash and cash equivalents includes deposits at call with financial institutions, term deposits and cash at bank, 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 consolidated entity's debt facilities.

a) For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise Cash on Hand and at Bank and Deposits on Call

Cash and cash equivalents as shown in the Statement of Cash Flows is:

	2016 $'000	2015 $'000
Cash, cash equivalents and restricted cash	18,014	32,961
Less: Restricted cash not available for use	(5,379)	-
Cash and cash equivalents as per Statement of Cash Flows	12,635	32,961

b) Reconciliation of Net Cash (Outflow)/Inflow from Operating Activities to Operating Loss after Income Tax

Loss for the year	(41,968)	(34,259)
Add/(Less): Non-Cash Items		
Depreciation	2,273	3,071
Amortisation	6,892	26,314
Impairment	16,483	13,891
(Profit)/loss on sale of non-current assets	(2,365)	33
Exploration expenditure written off	3,494	7,755
Employee benefits expense – share-based payments	(108)	439
Rehabilitation provisions	142	197
Bad debt provisions	9	-
Interest received in restricted cash accounts	(4)	-
Foreign exchange loss on revaluation of lease liability and restricted cash accounts	762	1,187
Change in operating assets and liabilities		
Decrease in trade receivables	11,167	12,644
Decrease in inventories	1,978	980
Decrease in prepayments	456	152
(Decrease) in creditors and accruals	(6,694)	(5,453)
(Decrease) in net deferred tax	-	(1,238)
(Decrease) in employee benefit provisions	(3,037)	(463)
Net cash (outflow)/inflow from operating activities	**(10,520)**	**25,250**

The consolidated entity's exposure to interest rate risk is disclosed in Note 2. The maximum exposure to credit risk at the end of the Reporting Period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 7
TRADE AND OTHER RECEIVABLES

	2016 $'000	2015 $'000
Current		
Trade receivables	118	11,281
Other receivables	415	407
Prepayments	408	863
	941	**12,551**

The total revenue from operations and the related trade receivables' balances are due from BHP Billiton Limited pursuant to Ore Tolling and Concentrate Purchase Agreements.

a) Impaired Receivables

The consolidated entity has no impaired receivables (2015: Nil).

b) Past Due but not Impaired

All current and non-current trade and other receivables are fully performing and the trade receivables are due from companies with a good collection track record with the consolidated entity. This was the same as at 30 June 2015.

c) Effective Interest Rate and Credit Risk

All receivables in 2016 and 2015 are non-interest bearing and therefore have no exposure to interest rate risk. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The consolidated entity does not hold collateral as security. Refer to Note 2 for more information on the risk management policy of the consolidated entity.

d) Foreign Exchange Risk

Note 2(a)(i) details the trade and other receivables not denominated in Australian dollars and provides an analysis of the sensitivity of trade and other receivables to foreign exchange risk.

NOTE 8
INVENTORY

	2016 $'000	2015 $'000
Stores at cost	-	2,237
	-	**2,237**

During the year ended 30 June 2016, the consolidated entity wrote down its inventories (store consumables) by $1,610,000 (2015: Nil). This relates to obsolete items for decommissioned mobile equipment after the decision was made to cease mining by the end of January 2016. The inventory write downs were recognised as an expense during the year ended 30 June 2016 and were included in 'Mining Supplies and Consumables' in the consolidated income statement.

NOTE 9
OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) Other Financial Assets at Fair Value through Other Comprehensive Income

	2016 $'000	2015 $'000
At beginning of year	503	646
Revaluation in current year transferred to equity (Note 16)	(47)	(143)
Disposal in current year	(55)	-
At end of year	401	503
Represented by:		
Equity securities – listed	401	503
	401	503

b) Listed Investments

An analysis of the sensitivity of other financial assets at fair value through other comprehensive income is provided in Note 2.

NOTE 10
PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Mine Property & Development $'000	Property, Plant & Equipment $'000	Leased Plant & Equipment $'000	Total $'000
At 30 June 2014				
Cost	427,587	56,323	4,041	487,951
Accumulated depreciation	(391,257)	(52,089)	(229)	(443,575)
Net book amount	**36,330**	**4,234**	**3,812**	**44,376**
Year ended 30 June 2015				
Opening net book amount	36,330	4,234	3,812	44,376
Additions	22,267	938	7,004	30,209
Disposals	-	(173)	-	(173)
Depreciation/amortisation charge	(26,314)	(1,803)	(1,268)	(29,385)
Impairment loss	(12,497)	(1,394)	-	(13,891)
Closing net book amount	**19,786**	**1,802**	**9,548**	**31,136**
At 30 June 2015				
Cost	449,854	57,088	11,045	517,987
Accumulated depreciation	(430,068)	(55,286)	(1,497)	(486,851)
Net book amount	**19,786**	**1,802**	**9,548**	**31,136**
Year ended 30 June 2016				
Opening net book amount	19,786	1,802	9,548	31,136
Additions	172	29	6	207
Disposals	(805)	(268)	-	(1,073)
Depreciation/amortisation charge	(8,066)	(830)	(269)	(9,165)
Impairment loss	(11,087)	(124)	(5,272)	(16,483)
Closing net book amount	**-**	**609**	**4,013**	**4,622**
At 30 June 2016				
Cost	449,221	56,849	11,051	517,121
Accumulated depreciation	(449,221)	(56,240)	(7,038)	(512,499)
Net book amount	**-**	**609**	**4,013**	**4,622**

Refer to Note 13 for information on non-current assets pledged as security by the parent entity or its controlled entities.

NOTE 10
PROPERTY, PLANT AND EQUIPMENT (cont'd)

Impairment Charge

As a result of continuous adverse movement in the nickel price since July 2014, Mincor implemented a new mining strategy in late July 2015 with both Miitel and Mariners unified into a single operation with one management team and one work crew. This brought about significant productivity benefits as well as substantial reductions in both fixed and variable costs.

Historically, the consolidated entity has considered each mine to be a separate Cash Generating Unit ("**CGU**"). However, due to the changes mentioned above, the unified Miitel/Mariners operation was considered to be a single CGU. The consolidated entity undertook a review of the recoverable amount of its assets to determine if any asset was impaired.

The recoverable amount of the CGU assets (except mobile plant) was established by applying the fair value less costs of disposal, approach with reference to discounted cash flow forecasts which applied valuation assumptions that a knowledgeable and willing buyer would be expected to use. This included the use of external market forecasts of key inputs to the valuation models, such as forecast nickel prices and exchange rates.

The fair value estimates are considered to be a level 3 fair value measurements (as defined by Accounting Standards), as they are derived from valuation techniques that include inputs that are not based on observable market data. The consolidated entity considers the inputs and the valuation approach to be consistent with the approach expected to be taken by market participants.

The fair value of the mobile plant was based on the market value of the equipment at reporting date obtained from an independent source with a mid-range value adopted as the recoverable amount, being $4,013,000.

The market value of the mobile plant is considered to be a level 2 fair value measurement (as defined by Accounting Standards), as quoted prices for similar assets in active markets are available.

The consolidated entity recognised pre-tax impairment charges as shown below:

	Recoverable Amount $'000	Impairment Charge $'000
Cash Generating Unit		
Unified Operation	4,013	16,483
	4,013	16,483

The estimates of future cash flows for each CGU against which the impairment charge is calculated, are based on significant assumptions including:

- estimates of the quantities of mineral reserves and ore resources for which there is a high degree of confidence of economic extraction and the timing of access to these reserves and ore resources;
- future production levels;
- future selling prices based on the consolidated entity's assessment of commodity prices;
- future exchange rates for the Australian dollar compared to the US dollar;
- future cash costs of production, sustaining capital expenditure, rehabilitation and mine closure; and
- the asset specific discount rate applicable to the CGU.

The consolidated entity has used a post-tax real discount rate of 10% (2015: 8.9%) for each CGU.

Given the nature of the consolidated entity's mining activities, future changes in assumptions upon which these estimates are based, may lead to a reversal of part, or all, of the impairment charge recorded, or the recognition of additional impairment charges in the future.

Due to the nature of the assumptions and their significance to the assessment of the recoverable amount of each CGU, relatively modest changes in one or more assumptions could require a material adjustment (negative or positive) to the carrying value of the related non-current assets within the next reporting period.

The inter-relationships of the significant assumptions upon which estimated future cash flows are based, however, are such that it is considered impracticable to disclose the extent of the possible effects of a change in a key assumption in isolation.

NOTE 11
EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	2016 $'000	2015 $'000
Exploration and Evaluation Expenditure		
Opening balance	13,763	13,165
Current year expenditure	2,464	7,641
Cost of acquisition – new tenements	-	721
Revaluation of rehabilitation provision	142	(9)
Expenditure written off in current year	(3,494)	(7,755)
Total Exploration, Evaluation and Development Expenditure	**12,875**	**13,763**

NOTE 12
PAYABLES

	2016 $'000	2015 $'000
Current		
Trade payables	114	2,236
Other creditors and accruals	757	5,330
	871	**7,566**

NOTE 13
INTEREST-BEARING LIABILITIES

	2016 $'000	2015 $'000
Current		
Lease liabilities (secured)	3,954	4,059
Non-Current		
Lease liabilities (secured)	864	4,681

Financing Arrangements

Entities in the consolidated entity have access to the following financing arrangements at balance date:

	2016 $'000	2015 $'000
Bond and Credit Card Facility – secured	380	2,000
Asset Purchase Facility (USD$) – secured	4,213	20,833
Asset Purchase Facility (AUD$) – secured	786	3,000
Less: Draw down portion	(5,379)	(9,060)
	-	**16,773**

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. The bonding facility drawn down at 30 June 2016 was $380,000 (2015: $320,000). No amounts are payable under this facility, other than the annual fee, unless the consolidated entity does not adhere to the terms of the agreements guaranteed.

The Asset Purchase Facility (USD$) is denominated in US dollars and is translated into Australian dollars at the year-end exchange rate; it is secured by cash. At the end of the lease term the consolidated entity acquires ownership of assets purchased under financing arrangements.

The consolidated entity has a debt facility totalling $5,379,000 at reporting date which are secured against cash deposits of the same amount shown as restricted cash on the statement of financial position. No cash security was held against the draw down portion of the facilities for the year ended 30 June 2015.

NOTE 14
PROVISIONS

	2016 $'000	2015 $'000
Current		
Employee benefits	557	3,003
Non-Current		
Employee benefits	7	599
Rehabilitation (a)	6,455	6,975
	6,462	7,574

Mine Rehabilitation

In accordance with State Government legislative requirements, a provision for mine rehabilitation has been recognised in relation to the consolidated entity's nickel mining operations. The basis for accounting is set out in Note 1(z) of the significant accounting policies.

a) Movements in provisions

Movements in the rehabilitation provision during the financial year are set out below.

	2016 $'000	2015 $'000
Rehabilitation		
Carrying amount at start of year	6,975	7,161
Revaluation of provision	(662)	(383)
Charged to profit or loss		
- Unwinding of discount	142	197
Carrying amount at end of year	**6,455**	**6,975**

NOTE 15
CONTRIBUTED EQUITY

a) Issued and Paid-up Capital

	2016 $'000	2015 $'000
188,830,404 (2015: 188,238,274) fully paid ordinary shares	23,663	23,663

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.

On a show of hands 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.

b) Movements in Ordinary Share Capital

	No. of Shares	Issue Price	$'000
2016			
Opening balance	188,238,274		23,663
Shares issued pursuant to the vesting of performance rights over fully paid ordinary shares	592,130	-	-
Closing balance	188,830,404		23,663
2015			
Opening and closing balance	188,238,274		23,663

c) Options

At 30 June 2016 options to take up shares in Mincor Resources NL are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
6,500,000 unlisted[(1)]	18 May 2016	18 May 2021	50 cents per share

[(1)] Options have been granted under the Employee Share Option Plan to all employees. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

d) Performance Rights

At 30 June 2016 performance rights to take up shares in Mincor Resources NL are as follows:

Number and Class	Issue Group	Issue Date	Expiry Date
452,000 unlisted	Senior executives/managers	20 January 2014	20 January 2018
7,000 unlisted	All employees	20 January 2014	20 January 2018
424,000 unlisted	Senior executives/managers	19 February 2015	19 February 2019
8,000 unlisted	All employees	19 February 2015	19 February 2019
200,000 unlisted	Chief Executive Officer	2 October 2015	2 October 2019

e) Capital Risk Management

The consolidated entity manages its capital to ensure entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of its capital structure comprising equity, debt and cash.

The capital structure of the consolidated entity consists of debt, which includes borrowings disclosed in Note 13, cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings as disclosed in Notes 16 and 17 respectively.

The consolidated entity reviews the capital structure on an ongoing basis. As part of this review the consolidated entity considers the cost of capital and the risks associated with each class of capital. Based on recommendations from the Board of Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues, share buy-backs, new debt or the refinancing or repayment of existing debt.

The consolidated entity reviews its gearing level. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'interest bearing debt' and 'trade and other payables' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

As the consolidated entity had no net debt at 30 June 2016, its gearing level was Nil (30 June 2015: Nil).

NOTE 16
RESERVES

	2016 $'000	2015 $'000
Other financial assets at fair value through other comprehensive income	(6,616)	(6,569)
Share-based payments	5,398	5,506
	(1,218)	(1,063)
Movements:		
Other financial assets at fair value through other comprehensive income		
Balance at 1 July	(6,569)	(6,426)
Revaluation – gross (Note 9)	(47)	(143)
Balance at 30 June	**(6,616)**	**(6,569)**
Share-based payments		
Balance at 1 July	5,506	5,067
Option expense (Note 28)	74	(50)
Performance rights expense (Note 28)	(182)	489
Balance at 30 June	**5,398**	**5,506**

Nature and Purpose of Reserves

i) Other financial assets at fair value through other comprehensive income

Changes in the fair value and exchange differences arising on translation of investments, such as equities, are recognised in other comprehensive income, as described in Note 1(t).

NOTE 16
RESERVES (cont'd)

Nature and Purpose of Reserves (cont'd)

ii) Share-based payments

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.

NOTE 17
RETAINED EARNINGS

	2016 $'000	2015 $'000
Balance 1 July	43,668	85,455
Loss for the year	(41,968)	(34,259)
Dividends paid (Note 18)	-	(7,528)
Balance 30 June	**1,700**	**43,668**

NOTE 18
DIVIDENDS

a) Ordinary Shares

	2016 $'000	2015 $'000
No final dividend was paid in respect to the year ended 30 June 2015 (2015: 2 cents paid on 24 September 2014)	-	3,764
No interim dividend was paid in respect to the year ended 30 June 2016 (2015: 2 cents paid on 20 March 2015)	-	3,764
	-	7,528

b) Dividends Not Recognised at Year End

The Directors have elected not to pay a final dividend in respect of the year ended 30 June 2016 (2015: Nil).

NOTE 19
KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Directors

The following persons were Directors of Mincor Resources NL during the financial year:

- DJ Humann – Non-executive Chairman
- DCA Moore – Non-executive Deputy Chairman
- JW Gardner – Non-executive Director
- IF Burston – Non-executive Director

b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial year:

- P Muccilli – Chief Executive Officer (appointed 1 February 2016, Chief Operating Officer from 22 June 2015 to 31 January 2016)
- GL Fariss – Chief Financial Officer/Company Secretary
- R Hatfield – Exploration Manager

All the above persons are employees of Mincor Resources NL and were also key management persons during the year ended 30 June 2015.

c) Key Management Personnel Compensation

	2016 $	2015 $
Short-term employee benefits	1,427,673	1,702,950
Post-employment benefits	144,543	175,235
Long-term employment benefits	19,893	27,969
Share-based payments	14,208	165,415
	1,606,317	**2,071,569**

Detailed remuneration disclosures can be found in sections (a) to (e) of the Remuneration Report contained in the Directors' Report.

d) Equity Instruments Disclosures relating to Key Management Personnel

i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of options, together with terms and conditions of the options, can be found in section (e) of the Remuneration Report contained in the Directors' Report.

ii) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director of Mincor Resources NL and other key management personnel of the consolidated entity, including their personally-related parties, are set out below.

Name	Balance at start of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable	Unvested
2016							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel							
P Muccilli	400,000	1,200,000	-	(400,000)	1,200,000	-	1,200,000
GL Fariss	400,000	800,000	-	(400,000)	800,000	-	800,000
R Hatfield	400,000	800,000	-	(400,000)	800,000	-	800,000
2015							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel							
GL Fariss	1,800,000	-	-	(1,400,000)	400,000	400,000	-
P Muccilli	1,800,000	-	-	(1,400,000)	400,000	400,000	-
B Fowler	600,000	-	-	(600,000)	-	-	-
R Hatfield	1,800,000	-	-	(1,400,000)	400,000	400,000	-

iii) Performance rights provided as remuneration

Mincor Resources Performance Rights Plan ("**Plan**") was introduced following approval by the Board of Directors on 15 August 2012.

Details of performance rights provided as remuneration and shares issued on the vesting of the performance rights, together with terms and conditions of the performance rights, can be found in section (e) of the Remuneration Report contained in the Directors' Report.

NOTE 19
KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

d) Equity Instruments Disclosures relating to Key Management Personnel (cont'd)

iv) Performance rights holdings

The number of performance rights over ordinary shares in the Company granted during the financial year to each director of Mincor Resources NL and other key management personnel of the consolidated entity, including their personally-related parties, are set out below.

Name	Balance at start of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable	Unvested
2016							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel							
P Muccilli	299,000	200,000	(86,430)	(47,570)	365,000	-	365,000
GL Fariss	299,000	-	(86,430)	(47,570)	165,000	-	165,000
R Hatfield	299,000	-	(86,430)	(47,570)	165,000	-	165,000
2015							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel							
GL Fariss	218,000	81,000	-	-	299,000	-	299,000
P Muccilli	218,000	81,000	-	-	299,000	-	299,000
B Fowler	230,000	81,000	(30,000)	(281,000)	-	-	-
R Hatfield	218,000	81,000	-	-	299,000	-	299,000

v) Shareholdings

The number of shares in the Company held during the financial year by each director of Mincor Resources NL and other key management personnel of the consolidated entity, including their personally-related parties, are set below.

Name	Balance at start of year	Received on the exercise of options/ performance rights	Other changes	Balance at end of year
2016				
Directors of Mincor Resources NL				
Ordinary shares				
DJ Humann (Chairman)	500,000	-	-	500,000
DCA Moore (Deputy Chairman)	4,245,000	-	-	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
Other Key Management Personnel				
Ordinary shares				
P Muccilli	112,500	86,430	-	198,930
GL Fariss	183,334	86,430	(108,422)	161,342
R Hatfield	50,000	86,430	-	136,430

Name	Balance at start of year	Received on the exercise of options/ performance rights	Other changes	Balance at end of year
2015				
Directors of Mincor Resources NL				
Ordinary shares				
DJ Humann (Chairman)	500,000	-	-	500,000
DCA Moore	4,245,000	-	-	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
Other Key Management Personnel				
Ordinary shares				
GL Fariss	183,334	-	-	183,334
P Muccilli	112,500	-	-	112,500
B Fowler	8,000	30,000	(38,000)	-
R Hatfield	50,000	-	-	50,000

NOTE 20
EXPENDITURE COMMITMENTS AND CONTINGENCIES

a) Exploration Expenditure Commitments

	2016 $'000	2015 $'000
Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:		
- Within one year	**3,674**	**3,588**

In order 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 subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report and are payable within one year. All of the above obligations are subject to renegotiation upon expiry of the mineral tenements.

b) Operating Lease Commitments

	2016 $'000	2015 $'000
Operating lease commitments are as follows:		
Office rental		
Within one year	476	481
Later than one year but not later than five years	274	779
	750	**1,260**

c) Finance Lease Commitments

Finance and hire purchase rentals for plant and equipment are payable as follows:		
Within one year	4,039	4,276
Later than one year but not later than five years	869	4,769
Minimum lease payments	4,908	9,045
Less: future finance charges	(90)	(305)
Recognised as a liability	4,818	8,740
Representing interest-bearing liabilities:		
Current (Note 13)	3,954	4,059
Non-current (Note 13)	864	4,681
	4,818	**8,740**

d) Capital Commitments

There is no significant capital expenditure contracted for at the end of the reporting period (2015: Nil).

e) Contingent Assets and Liabilities

There are no known contingent assets or liabilities as at 30 June 2016 (2015: Nil).

NOTE 21
SEGMENT INFORMATION

Description of Segments

The Group has one reportable operating segment being nickel mining operations.

In determining operating segments, the Group has had regard to the information and reports the chief operating decision maker uses to make strategic decisions regarding resources. The Chief Executive Officer ("**CEO**") is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Group. The CEO assesses and reviews the business using a total Group business approach and utilises an executive team consisting of the Chief Financial Officer and Exploration Manager to assist with this function. The CEO assesses the performance of the operating segment based on a measure of net profit after tax.

NOTE 22
REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Group, and its related practices and non-related audit firms.

	2016 $	2015 $
a) Audit services		
PricewaterhouseCoopers Australian firm		
- Audit and review of financial statements and other audit work under the *Corporations Act 2001*	127,500	168,555
PricewaterhouseCoopers Papua New Guinea firm		
- Audit and review of financial reports	-	4,307
Total remuneration for audit services	**127,500**	**172,862**
b) Non-audit services		
Taxation services		
PricewaterhouseCoopers Australian firm		
- Tax compliance services, including review of company income tax returns	42,932	33,660
PricewaterhouseCoopers Papua New Guinea firm		
- Tax compliance services, including review of company income tax returns	-	9,308
Total remuneration for taxation services	**42,932**	**42,968**

NOTE 23
SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2016 (%)	Equity Holding 2015 (%)
Oribi Resources Inc.	British Virgin Islands	Ordinary	100	100
Mincor Operations Pty Limited	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 PNG Limited	Papua New Guinea	Ordinary	100	100

*This subsidiary has been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities & Investments Commission. For further information, refer to Note 24.

NOTE 24
DEED OF CROSS GUARANTEE

Mincor Resources NL and Goldfields Mine Management Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities & Investments Commission.

a) Consolidated Income Statement, Statement of Comprehensive Income, and a Summary of Movements in Consolidated Retained Earnings

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Mincor Resources NL, they also represent the 'Extended closed group'.

Set out below is a consolidated income statement, statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2016 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2016 $'000	2015 $'000
Revenue	18,566	85,695
Mining contractor costs	(3,247)	(8,053)
Ore tolling costs	(3,862)	(13,473)
Utilities expense	(6,404)	(8,374)
Mining supplies and consumables	(3,884)	(9,300)
Royalty expense	(670)	(3,333)
Employee benefit expense	(11,756)	(22,093)
Finance costs	(412)	(538)
Foreign exchange gain	300	3,816
Exploration costs expensed	(3,427)	(7,576)
Depreciation and amortisation expense	(9,165)	(29,385)
Profit from sale of property, plant and equipment	2,365	-
Impairment of property, plant and equipment	(16,483)	(13,891)
Provision for doubtful debt on intercompany receivable	(5,118)	(14)
Other expenses from ordinary activities	(3,820)	(8,787)
Loss before income tax	(47,017)	(35,306)
Income tax benefit	-	1,174
Loss for the year	**(47,017)**	**(34,132)**
Other comprehensive loss		
Financial assets at fair value through other comprehensive income	(36)	(169)
Other comprehensive loss for the year, net of tax	(36)	(169)
Total comprehensive loss for the year	**(47,053)**	**(34,301)**
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	49,527	91,187
Amounts transferred to dividend distribution reserve	(61,975)	-
Loss for the year	(47,017)	(34,132)
Dividends provided for or paid	-	(7,528)
(Accumulated losses)/retained earnings at the end	**(59,465)**	**49,527**

NOTE 24
DEED OF CROSS GUARANTEE (cont'd)

b) Statement of Financial Position

Set out below is a consolidated statement of financial position as at 30 June 2016 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2016 $'000	2015 $'000
Current Assets		
Cash and cash equivalents	12,635	32,961
Restricted cash	5,379	-
Trade and other receivables	1,839	18,498
Inventory	-	2,237
Total Current Assets	**19,853**	**53,696**
Non-Current Assets		
Financial assets at fair value through other comprehensive income	43	62
Property, plant and equipment	4,622	31,136
Exploration and evaluation expenditure	12,875	13,763
Other financial assets	310	310
Total Non-Current Assets	**17,850**	**45,271**
TOTAL ASSETS	**37,703**	**98,967**
Current Liabilities		
Payables	871	7,566
Interest-bearing liabilities	3,954	4,059
Provisions	556	3,003
Total Current Liabilities	**5,381**	**14,628**
Non-Current Liabilities		
Interest-bearing liabilities	864	4,681
Provisions	6,462	7,574
Deferred tax liabilities	93	90
Total Non-Current Liabilities	**7,419**	**12,345**
TOTAL LIABILITIES	**12,800**	**26,973**
NET ASSETS	**24,903**	**71,994**
Equity		
Contributed equity	23,663	23,663
Reserves	60,705	(1,196)
(Accumulated losses)/ retained earnings	(59,465)	49,527
TOTAL EQUITY	**24,903**	**71,994**

NOTE 25
OTHER ARRANGEMENTS

The consolidated entity has the following arrangements with other entities:

Name	Principal Activity	Percentage Interest 2016	Percentage Interest 2015
Carnilya Hill Farm-in	Nickel exploration	70	70
Apollo Farm-in (1)	Iron ore exploration	100	100
Edie Creek Farm-in (2)	Gold exploration	17	17

(1) During April 2016 Apollo Minerals Ltd withdrew from the Farm-in Agreement concerning the Company's exploration tenement EL4932 in South Australia without earning any interest in the tenement, the Company retains 100% interest.

(2) During 2011 the Company entered into an agreement with Niuminco Group Limited whereby the Company undertook to spend $15 million over five years to earn a 51% interest in the Edie Creek Gold Project. During March 2013 the Company completed its work at the Edie Creek project. Mincor considers that the ore system is likely to have a number of small gold deposits rather than one single viable ore deposit, and accordingly Mincor has elected not to continue to earn any additional interest in the project although potential still remains. During May 2013 the Company met the $5 million earn-in target and is therefore entitled to a 17% fully-vested interest in the Edie Creek Joint Venture.

The above arrangements are contractual in nature and the parties do not share joint control. The consolidated entity accounts for these interests by recognising its share of assets, liabilities, income and expense.

NOTE 26
RELATED PARTY TRANSACTIONS

a) Parent Entity

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

b) Subsidiaries

The aggregate amounts receivable from/payable to controlled entities are on an interest-free basis and are repayable on demand.

c) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 19.

d) Transactions with Other Related Parties

There were no transactions with other related parties during the reporting period (2015: Nil).

NOTE 27
EARNINGS PER SHARE

	2016 Cents	2015 Cents
a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Company	(22.3)	(18.2)
b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Company	(22.3)	(18.2)
c) Earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Loss for the year	(41,968)	(34,259)
Loss attributable to the ordinary equity holders of the Company	(41,968)	(34,259)
d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominated in calculating basic and diluted earnings per share	188,411,857	188,219,781

NOTE 28
SHARE-BASED PAYMENTS

a) Options

Mincor Resources Executive Share Option Scheme

The Mincor Resources Executive Share Option Scheme ("**Scheme**") was introduced on 8 May 2006. Persons eligible to participate in the Scheme include key employees, who are determined at the discretion of the Directors. Options are granted under the Scheme for no consideration for a maximum period of five years and can be exercised at any time on or after the following dates.

Grant Date	Number of Options Exercisable	Vesting and Date Exercisable
18 July 2011	100% of options	18 July 2013
5 October 2011	100% of options	6 October 2012

Each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

The exercise price of options is determined at the discretion of the Directors and is set to incentivise the executives to increase shareholder value.

Set out below are summaries of options lapsed under the Scheme.

Grant Date	Expiry Date	Exercise Price	Opening Balance (number)	Granted during the Year (number)	Exercised during the Year (number)	Lapsed during the Year (number)	Closing Balance (number)	Vested and Exercisable at End of the Year (number)
2016								
18 July 2011	17 July 2015	132 cents	2,000,000	-	-	2,000,000	-	-
5 October 2011	4 October 2015	103 cents	1,600,000	-	-	1,600,000	-	-
Total			**3,600,000**	**-**	**-**	**3,600,000**	**-**	**-**
Weighted average exercise price			$1.19	-	-	-	-	-
2015								
31 January 2011	30 January 2015	260 cents	2,400,000	-	-	2,400,000	-	-
1 April 2011	31 March 2015	195 cents	1,600,000	-	-	1,600,000	-	-
19 May 2011	18 May 2015	160 cents	1,600,000	-	-	1,600,000	-	-
18 July 2011	17 July 2015	132 cents	2,000,000	-	-	-	2,000,000	2,000,000
5 October 2011	4 October 2015	103 cents	1,600,000	-	-	-	1,600,000	1,600,000
Total			**9,200,000**	**-**	**-**	**5,600,000**	**3,600,000**	**3,600,000**
Weighted average exercise price			$1.76	-	-	-	$1.19	$1.19

Mincor Resources Employee Share Option Plan ("ESOP")

The Mincor Resources ESOP was introduced following approval by the Board of Directors on 14 April 2016 and replaced the Performance Rights Plan. Persons eligible to participate in the ESOP include Directors and all employees of the Company.

Options are granted under the ESOP for no consideration for a maximum period of five years and can be exercised at any time between the date the option vests and the expiry date, subject to the imposition of any specified vesting date determined at the discretion of the Directors.

When exercisable, each option is converted into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

The exercise price of options is determined at the discretion of the Board and is set to incentivise the executives to increase shareholder value. All options granted carry no divided or voting rights.

Set out below is a summary of the options granted.

Grant Date	Expiry Date	Exercise Price	Opening Balance (number)	Granted during the Year (number)	Exercised during the Year (number)	Lapsed during the Year (number)	Closing Balance (number)	Vested and Exercisable at End of the Year (number)
2016								
18 May 2016	18 May 2021	50 cents	-	6,500,000	-	-	6,500,000	-
Total			**-**	**6,500,000**	**-**	**-**	**6,500,000**	**-**
Weighted average exercise price			-	$0.50	-	-	$0.50	-

The weighted average contractual life of options outstanding at the end of the period was 4.88 years.

Fair value of options granted

The assessed fair value at grant date of options granted on the 18 May 2016 under the ESOP was 12.54 cents per option.

The fair value at grant date is determined using the Binominal option valuation methodology that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for the options granted during the year ended 30 June 2016 include:

2016	Options are granted for no consideration and will vest over 11 months
a. Exercise price	$0.50
b. Grant date	18 May 2016
c. Expiry date	18 May 2021
d. Share price at grant date	$0.34
e. Expected price volatility of the Company's shares	75%
f. Expected dividend yield	0%
g. Risk-free interest rate	1.55%

b) Performance Rights

Mincor Resources Performance Rights Plan

The Mincor Resources Performance Rights Plan ("**Plan**") was introduced following approval by the Board of Directors on 15 August 2012. Persons eligible to participate in the Plan include executive directors and all employees of the Company or a Related Body Corporate of the Company.

Performance rights are granted under the Plan over ordinary shares for no consideration. Performance rights are granted subject to one or all of the following vesting conditions:

- **Service Condition**, usually a three-year period commencing from the time of grant;
- **Strategic Objectives Conditions** measured over the Service Condition period, including:
  - a **safety and sustainability component**;
  - an **operational performance component**, including production, control and growth in ore reserves; and
  - a **growth component**, including new mining operations, new exploration discoveries or assets and growth in mineral resources.

Each component of the Strategic Objectives Conditions is earned on a sliding scale basis depending on the degree of success achieved in meeting performance metrics. Certain components of the performance rights may be earned annually but will only be paid when the Service Condition is achieved.

All performance rights will automatically expire on the earlier of their expiry date or the date their holder ceases to be an employee of the Company, unless the Board determines to vary the expiry date in the event the holder ceased to be an employee because of retirement, redundancy, death or total and permanent disability.

Performance rights granted under the Performance Rights Plan will 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 current or future reporting periods are set out below:

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2015/4	2 Oct 2015	31 Dec 2018	2 Oct 2019	**Service Condition:** Holder must remain an employee for a continuous period from 1 July 2015 until 30 June 2018. **Performance Conditions** measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.26

NOTE 28
SHARE-BASED PAYMENTS (cont'd)

b) Performance Rights (cont'd)

Mincor Resources Performance Rights Plan (cont'd)

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2015/1	19 Feb 2015	31 Dec 2017	19 Feb 2019	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2017. **Performance Conditions** measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.67
2015/2	19 Feb 2015	31 Dec 2017	19 Feb 2019	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2017. **Performance Conditions** measured over the period 1 July 2014 to 30 June 2017 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.67
2015/3	19 Feb 2015	31 Dec 2017	19 Feb 2019	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2017. **Performance Conditions:** None	$0.67

The 2015/4 Performance Rights were issued to Mr P Muccilli pursuant to the Company's remuneration strategy.

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2014/1	20 Jan 2014	31 Dec 2016	20 Jan 2018	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2016. **Performance Conditions** measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.61
2014/2	20 Jan 2014	31 Dec 2016	20 Jan 2018	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2016. **Performance Conditions** measured over the period 1 July 2013 to 30 June 2016 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.61

Class	Grant Date	Vesting Date	Expiry Date	Vesting Conditions	Value per Performance Right at Grant Date
2014/3	20 Jan 2014	31 Dec 2016	20 Jan 2018	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2016. **Performance Conditions:** None.	$0.61
2013/1	31 Jan 2013	31 Dec 2015	30 Jan 2017	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2015. **Performance Conditions** measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics: • safety and sustainability; • operational performance; and • achievement of growth objectives. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.94
2013/2	31 Jan 2013	31 Dec 2015	30 Jan 2017	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2015. **Performance Conditions** measured over the period 1 July 2012 to 30 June 2015 ("Performance Period") applying the following metrics: • safety and sustainability; and • operational performance. The number of vested performance rights will be determined at the completion of the Performance Period based on the extent to which the performance metrics have been met. Performance Conditions are measured based on a sliding scale.	$0.94
2013/4	30 Jan 2013	31 Dec 2015	30 Jan 2017	**Service Condition:** Holder must remain an employee for a continuous three-year period ending 31 December 2015. **Performance Conditions:** None.	$0.87

Fair value of performance rights granted

The assessed fair value at grant date of performance rights granted under the Mincor Resources Performance Rights Plan during the year ended 30 June 2016 is based on the market price of the Company's share at grant date.

Set out below are summaries of performance rights granted under the Plan:

Class	Grant Date	Vesting Date	Expiry Date	Opening Balance (number)	Granted during the Year (number)	Vested and Converted to Shares during the Year (number)	Lapsed during the Year (number)	Closing Balance (number)	Vested and Exercisable at end of the Year (number)
2015/4	02 Oct 2015	31 Dec 2018	02 Oct 2019	-	200,000	-	-	200,000	-
2015/1	19 Feb 2015	31 Dec 2017	19 Feb 2019	324,000	-	-	-	324,000	-
2015/2	19 Feb 2015	31 Dec 2017	19 Feb 2019	250,000	-	-	150,000	100,000	-
2015/3	19 Feb 2015	31 Dec 2017	19 Feb 2019	86,000	-	-	78,000	8,000	-
2014/1	20 Jan 2014	31 Dec 2016	20 Jan 2018	336,000	-	-	-	336,000	-
2014/2	20 Jan 2014	31 Dec 2016	20 Jan 2018	232,000	-	-	116,000	116,000	-
2014/3	20 Jan 2014	31 Dec 2016	20 Jan 2018	72,000	-	-	65,000	7,000	-
2013/1	31 Jan 2013	31 Dec 2015	30 Jan 2017	736,000	-	377,970	358,030	-	-
2013/2	31 Jan 2013	31 Dec 2015	30 Jan 2017	360,000	-	137,160	222,840	-	-
2013/4	30 Jan 2013	31 Dec 2015	30 Jan 2017	78,000	-	77,000	1,000	-	-
Total				**2,474,000**	**200,000**	**592,130**	**990,870**	**1,091,000**	**-**
Weighted average fair value				$0.78				$0.57	

The weighted average contractual life of performance rights outstanding at the end of the period was 2.30 years (2015: 2.39).

NOTE 28
SHARE-BASED PAYMENTS (cont'd)

c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2016 $'000	2015 $'000
Options issued under employee option plans (refer Note 16)	74	(50)
Performance rights issued under performance rights plan (refer Note 16)	(182)	489
	(108)	**439**

NOTE 29
PARENT ENTITY FINANCIAL INFORMATION

a) Summary Financial Information

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

	2016 $'000	2015 $'000
Statement of Financial Position		
Current assets	19,761	53,420
Total assets	82,826	144,077
Current liabilities	74,923	83,105
Total liabilities	78,952	92,961
Shareholders' equity		
Issued capital	23,663	23,663
Reserves		
- Financial assets at fair value through other comprehensive income	(6,668)	(6,705)
- Share-based payments	5,398	5,506
- Dividend distribution reserve	61,975	61,975
Accumulated losses	(80,494)	(33,324)
Total Shareholders' equity	**3,874**	**51,115**
Loss for the year	**(47,170)**	**(33,324)**
Total comprehensive loss	**(47,207)**	**(33,493)**

b) Guarantees entered into by the Parent Entity

Mincor Resources NL and Goldfields Mine Management Pty Ltd have provided a cross guarantee as described in Note 24. No deficiencies of assets exist in any of these entities.

Additionally, the parent entity has provided financial guarantees in respect of lease liabilities to the value of $4,818,000 to Mincor Operations Pty Ltd (2015: $8,740,000).

c) Contingent Assets and Liabilities of the Parent Entity

There are no known contingent assets or liabilities as at 30 June 2016 (2015: Nil).

d) Contractual Commitments for the Acquisition of Property, Plant and Equipment

As at 30 June 2016, the parent entity had no contractual commitments (2015: Nil).

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 $61,975,000 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.

NOTE 30
EVENTS OCCURRING AFTER BALANCE SHEET DATE

Dividends

On 10 August 2016 the Directors elected not to pay any dividend in respect of the year ended 30 June 2016.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 44 to 85 are in accordance with the *Corporations Act 2001*, including:

   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 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; and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 24 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 24.

Note 1(a) 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 Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Dated at Perth this 10th day of August 2016.

Moore.

DCA Moore
Director

Independent auditor's report to the members of Mincor Resources NL

Report on the financial report

We have audited the accompanying financial report of Mincor Resources NL (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Mincor Resources group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

pwc

Auditor's opinion

In our opinion:

(a) the financial report of Mincor Resources NL is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 30 to 40 of the directors' report for the year ended 30 June 2016. 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.

Auditor's opinion

In our opinion, the remuneration report of Mincor Resources NL for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Pierre Dreyer
Partner

Perth
10 August 2016

ADDITIONAL SHAREHOLDER INFORMATION

AS AT 31 AUGUST 2016

SUBSTANTIAL HOLDERS

(holding not less than 5%)

There were no beneficial shareholders holding more than 5% as at 31 August 2016.

DISTRIBUTION OF SHAREHOLDERS

No. of shares held	No. of shareholders	No. of fully paid shares
1 to 1,000	1,328	802,236
1,001 to 5,000	2,115	6,294,848
5,001 to 10,000	1,124	9,313,703
10,001 to 100,000	1,845	59,550,242
100,001 and over	233	112,869,375
Total	**6,654**	**188,830,404**

VOTING RIGHTS

Ordinary shares – On a show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Options – The Company's options have no voting rights.

Performance rights – The Company's performance rights have no voting rights.

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

34.69%

NUMBER OF SHAREHOLDERS HOLDING LESS THAN A MARKETABLE PARCEL

1,549 shareholders (minimum parcel size of 1,493 shares/ $500 parcel at $0.335 per share).

STOCK EXCHANGE LISTING

Mincor Resources NL shares are listed on the Australian Securities Exchange. The Company's ASX Code is MCR.

UNLISTED SHARE OPTIONS

No. of options	Exercise price	Expiry date	No. of holders
Mincor Resources Employee Share Option Plan			
5,550,000	$0.50	18 May 2021	13

MINCOR RESOURCES PERFORMANCE RIGHTS PLAN (UNLISTED)

Class of right	Expiry date	No. of rights	No. of holders
2014/1	20 Jan 2018	336,000	4
2014/2	20 Jan 2018	116,000	2
2014/3	20 Jan 2018	7,000	7
2015/1	19 Feb 2019	243,000	3
2015/2	19 Feb 2019	100,000	2
2015/3	19 Feb 2019	6,000	6
2015/4	02 Oct 2019	200,000	1

LISTING OF 20 LARGEST SHAREHOLDERS

Name of ordinary shareholder	No. of shares held	Percentage of shares held
J P Morgan Nominees Australia Limited	14,231,239	7.54
Citicorp Nominees Pty Limited	10,952,021	5.80
National Nominees Limited	8,728,708	4.62
HSBC Custody Nominees (Australia) Limited	6,199,487	3.28
Mr David Charles Moore	4,200,000	2.22
Ross Sutherland Properties Pty Ltd <Sutherland Family SF A/C>	2,510,000	1.33
Mr David Parker + Mrs Helen Park <Parker Family A/C>	2,275,000	1.20
Hishenk Pty Ltd	2,225,000	1.18
Mr Anthony Hubert Shields	2,100,000	1.11
National Nominees Limited <DB A/C>	1,677,901	0.89
De Bruin Securities Pty Ltd	1,550,000	0.82
Mr Jun Hua Chen	1,500,000	0.79
Jaytu Pty Ltd <J W Gardner Super Fund A/C>	1,218,175	0.65
Mr Robert Euan Macmillan + Mrs Ruth Durelle Macmillan <Joint A/C>	1,100,000	0.58
Mr Anthony Hubert Shields + Ms Amanda Carol Nayton	1,000,000	0.53
Brispot Nominees Pty Ltd <House Head Nominee No 1 A/C>	980,120	0.52
Peterblue Pty Ltd <Carranya 2 Super Fund A/C>	800,000	0.41
Mr Kenneth Maclaren	766,000	0.40
Chandos Nursing Home Pty Limited	750,000	0.40
Mestjo Pty Ltd	750,000	0.40

TENEMENT LIST

AS AT 31 AUGUST 2016

Lease	Location	Area of Interest	Status	Expiry Date	Mincor's Interest	Mineral Rights
E 15/1365	Kambalda	Bluebush	Granted	28/07/2018	100%	All
E 15/1366	Kambalda	Bluebush	Granted	29/07/2018	100%	All
E 15/1418	Kambalda	Bluebush	Granted	16/12/2020	100%	All
E 15/1456	Kambalda	Bluebush	Granted	08/07/2020	100%	All
M 15/130	Kambalda	Bluebush	Granted	03/02/2027	100%	All except Au
M 15/49	Kambalda	Bluebush	Granted	14/02/2026	100%	All except Au
M 15/63	Kambalda	Bluebush	Granted	03/01/2026	100%	All except Au
ML 15/131	Kambalda	Bluebush	Granted	31/12/2029	100%	All except Au
ML 15/140	Kambalda	Bluebush	Granted	31/12/2029	100%	All except Au
ML 15/494	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/495	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/498	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/499	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/500	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/501	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/502	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/504	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/506	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/507	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/508	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/509	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/510	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/511	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/512	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/513	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/514	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/515	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/516	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/517	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/518	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/519	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/520	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/521	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/522	Widgiemooltha	Bluebush	Granted	31/12/2018	100%	All except Au
ML 15/523	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/524	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/525	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/526	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/527	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/528	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/529	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/530	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/531	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/532	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/533	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/534	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
ML 15/535	Widgiemooltha	Bluebush	Granted	31/12/2017	100%	All except Au
P 15/5767	Kambalda	Bluebush	Granted	17/07/2017	100%	All
L 26/241	Kambalda	Carnilya Hill	Granted	09/08/2028	70%	Infrastructure
M 26/453	Kambalda	Carnilya Hill	Granted	14/12/2036	70%	All
M 26/47	Kambalda	Carnilya Hill	Granted	30/05/2026	70%	All
M 26/48	Kambalda	Carnilya Hill	Granted	30/05/2026	70%	All
M 26/49	Kambalda	Carnilya Hill	Granted	30/05/2026	70%	All
East 48 Lot 11-1	Kambalda	Otter Juan	Freehold	N/A	100%	All
East 48 Lot 11-2	Kambalda	Otter Juan	Freehold	N/A	100%	All
East 48 Lot 11-3	Kambalda	Otter Juan	Freehold	N/A	100%	All
East 48 Lot 12	Kambalda	Otter Juan	Freehold	N/A	100%	All
EL 6592	Lachlan Fold Belt	Tottenham	Renewal pending	28/06/2015	100%	All
EL 6656	Lachlan Fold Belt	Tottenham	Granted	26/10/2017	100%	All
EL 8384	Lachlan Fold Belt	Tottenham	Granted	27/07/2017	100%	All
M 63/242	Norseman	Tramways	Granted	11/11/2033	100%	All

TENEMENT LIST
AS AT 31 AUGUST 2016

Lease	Location	Area of Interest	Status	Expiry Date	Mincor's Interest	Mineral Rights
E 15/1059	Kambalda	Widgiemooltha	Granted	08/10/2018	100%	All
E 15/1060	Kambalda	Widgiemooltha	Granted	08/10/2018	100%	All
E 15/1130	Kambalda	Widgiemooltha	Granted	07/12/2019	100%	All
E 15/1131	Kambalda	Widgiemooltha	Granted	07/12/2019	100%	All
E 15/1390	Kambalda	Widgiemooltha	Granted	18/03/2019	100%	All
E 15/1432	Kambalda	Widgiemooltha	Granted	09/03/2020	100%	All
E 15/1440	Kambalda	Widgiemooltha	Granted	22/02/2020	100%	All
E 15/1441	Kambalda	Widgiemooltha	Granted	22/02/2020	100%	All
E 15/1442	Kambalda	Widgiemooltha	Granted	17/03/2020	100%	All
E 15/1469	Kambalda	Widgiemooltha	Granted	16/12/2020	100%	All
E 15/721	Kambalda	Widgiemooltha	Renewal pending	09/08/2016	100%	All
E 15/809	Kambalda	Widgiemooltha	Granted	15/02/2017	100%	All
E 15/812	Kambalda	Widgiemooltha	Renewal pending	09/08/2016	100%	All
E 15/876	Kambalda	Widgiemooltha	Renewal pending	21/09/2016	100%	All
E 15/989	Kambalda	Widgiemooltha	Granted	11/08/2018	100%	All except Ni
L 15/143	Kambalda	Widgiemooltha	Granted	07/08/2020	100%	Infrastructure
L 15/162	Kambalda	Widgiemooltha	Granted	21/10/2016	100%	Infrastructure
L 15/163	Kambalda	Widgiemooltha	Granted	21/10/2016	100%	Infrastructure
L 15/191	Kambalda	Widgiemooltha	Granted	13/02/2020	100%	Infrastructure
L 15/235	Kambalda	Widgiemooltha	Granted	16/12/2023	100%	Infrastructure
L 15/243	Kambalda	Widgiemooltha	Granted	15/10/2024	100%	Infrastructure
L 15/244	Kambalda	Widgiemooltha	Granted	13/04/2024	100%	Infrastructure
L 15/247	Kambalda	Widgiemooltha	Granted	26/05/2025	100%	Infrastructure
L 15/257	Kambalda	Widgiemooltha	Granted	31/08/2025	100%	Infrastructure
M 15/103	Kambalda	Widgiemooltha	Granted	11/12/2026	100%	All except Ni
M 15/105	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/1457	Kambalda	Widgiemooltha	Granted	10/01/2033	100%	All
M 15/1458	Kambalda	Widgiemooltha	Granted	10/01/2033	100%	All
M 15/1459	Kambalda	Widgiemooltha	Granted	10/01/2033	100%	All
M 15/1476	Kambalda	Widgiemooltha	Granted	10/01/2033	100%	All
M 15/1481	Kambalda	Widgiemooltha	Granted	15/11/2025	100%	All
M 15/44	Kambalda	Widgiemooltha	Granted	14/02/2026	100%	All
M 15/45	Kambalda	Widgiemooltha	Granted	14/02/2026	100%	All except Ni
M 15/46	Kambalda	Widgiemooltha	Granted	14/02/2026	100%	All except Ni
M 15/462	Kambalda	Widgiemooltha	Granted	19/10/2031	100%	All
M 15/478	Kambalda	Widgiemooltha	Granted	02/08/2032	100%	All
M 15/48	Kambalda	Widgiemooltha	Granted	13/02/2026	100%	All except Ni
M 15/543	Kambalda	Widgiemooltha	Granted	14/01/2033	100%	All
M 15/601	Kambalda	Widgiemooltha	Granted	11/11/2033	100%	All
M 15/609	Kambalda	Widgiemooltha	Granted	11/11/2033	100%	All
M 15/611	Kambalda	Widgiemooltha	Granted	28/05/2034	100%	All
M 15/634	Kambalda	Widgiemooltha	Granted	18/02/2035	100%	All
M 15/635	Kambalda	Widgiemooltha	Granted	18/02/2035	100%	All
M 15/667	Kambalda	Widgiemooltha	Granted	19/10/2035	100%	All
M 15/668	Kambalda	Widgiemooltha	Granted	19/10/2035	100%	All
M 15/693	Kambalda	Widgiemooltha	Granted	06/04/2036	100%	All except Ni
M 15/734	Kambalda	Widgiemooltha	Granted	16/10/2036	100%	All
M 15/745	Kambalda	Widgiemooltha	Granted	01/12/2036	100%	All
M 15/76	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/77	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All except Ni
M 15/78	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All except Ni
M 15/79	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All except Ni
M 15/80	Kambalda	Widgiemooltha	Granted	06/09/2026	100%	All except Ni
M 15/81	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/82	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/83	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/85	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/86	Kambalda	Widgiemooltha	Granted	21/10/2026	100%	All
M 15/88	Kambalda	Widgiemooltha	Granted	05/08/2026	100%	All
M 15/89	Kambalda	Widgiemooltha	Granted	05/08/2026	100%	All
M 15/90	Kambalda	Widgiemooltha	Granted	05/08/2026	100%	All
M 15/907	Kambalda	Widgiemooltha	Granted	30/04/2019	100%	All

TENEMENT LIST

AS AT 31 AUGUST 2016

Lease	Location	Area of Interest	Status	Expiry Date	Mincor's Interest	Mineral Rights
M 15/91	Kambalda	Widgiemooltha	Granted	30/05/2026	100%	All
M 15/92	Kambalda	Widgiemooltha	Granted	05/08/2026	100%	All
M 15/93	Kambalda	Widgiemooltha	Granted	05/08/2026	100%	All
M 15/94	Kambalda	Widgiemooltha	Granted	30/05/2026	100%	All except Ni
P 15/5262	Kambalda	Widgiemooltha	Granted	10/08/2018	100%	All
M 15/1830*	Kambalda	Widgiemooltha	Application			
P 15/4840	Kambalda	Widgiemooltha	Granted	14/01/2017	100%	All
P 15/4841	Kambalda	Widgiemooltha	Granted	14/01/2017	100%	All
P 15/4843	Kambalda	Widgiemooltha	Granted	25/09/2016	100%	All
P 15/5390	Kambalda	Widgiemooltha	Granted	12/04/2018	100%	All
P 15/5391	Kambalda	Widgiemooltha	Granted	12/04/2018	100%	All
P 15/5393	Kambalda	Widgiemooltha	Granted	15/03/2018	100%	All
P 15/5543	Kambalda	Widgiemooltha	Granted	16/03/2019	100%	All
P 15/5645	Kambalda	Widgiemooltha	Granted	06/03/2020	100%	All
P 15/5646	Kambalda	Widgiemooltha	Granted	11/10/2016	100%	All
P 15/5684	Kambalda	Widgiemooltha	Granted	04/09/2016	100%	All
P 15/5769	Kambalda	Widgiemooltha	Granted	16/09/2017	100%	All
P 15/5770	Kambalda	Widgiemooltha	Granted	16/09/2017	100%	All
P 15/5781	Kambalda	Widgiemooltha	Granted	24/11/2017	100%	All
P 15/5798	Kambalda	Widgiemooltha	Granted	10/12/2017	100%	All
P 15/5805	Kambalda	Widgiemooltha	Granted	11/03/2018	100%	All
P 15/5806	Kambalda	Widgiemooltha	Granted	26/12/2017	100%	All
P 15/5808	Kambalda	Widgiemooltha	Granted	15/01/2018	100%	All
P 15/5911	Kambalda	Widgiemooltha	Granted	05/05/2019	100%	All
P 15/5934	Kambalda	Widgiemooltha	Granted	24/02/2019	100%	All
P 15/5945	Kambalda	Widgiemooltha	Granted	29/04/2019	100%	All
P 15/6005	Kambalda	Widgiemooltha	Granted	10/07/2020	100%	All
EL 4932	Gawler	Woomera	Renewal pending	21/06/2016	100%	All
ML 144	Edie Creek	Papua New Guinea	Granted	28/09/2022	17%	All
ML 380	Edie Creek	Papua New Guinea	Granted	05/10/2021	17%	All
ML 384-392	Edie Creek	Papua New Guinea	Granted	05/10/2021	17%	All
ML 402-410	Edie Creek	Papua New Guinea	Granted	05/10/2021	17%	All
ML 444-446	Edie Creek	Papua New Guinea	Granted	05/10/2021	17%	All
ML 462	Edie Creek	Papua New Guinea	Granted	05/10/2021	17%	All

* M 15/1830 – Mineral lease application for conversion of prospecting licence P 15/5262 lodged 5 September 2016

E = Exploration Licence (WA)
M = Mining Lease
P = Prospecting Licence
ML = Mining Licence (PNG)
ML = Mineral Lease (WA)
EL = Exploration Licence
L = Miscellaneous Licence

CORPORATE DIRECTORY

DIRECTORS

David Humann (Chairman)
David Moore
Jack Gardner
Ian Burston (retired 30 June 2016)

COMPANY SECRETARY

Graham Fariss

REGISTERED OFFICE

Level 1, 56 Ord Street
West Perth 6005, Western Australia

POSTAL ADDRESS

PO Box 1810
West Perth 6872, Western Australia

CONTACT DETAILS

Telephone:	(+618) 9476 7200
Facsimile:	(+618) 9321 8994
Website:	www.mincor.com.au
Email:	mincor@mincor.com.au

STOCK EXCHANGE LISTING

Mincor Resources NL shares are listed on the Australian Securities Exchange (Home Branch – Perth)

ASX Code: MCR

ACN AND ABN

ACN: 072 745 692
ABN: 42 072 745 692

AUDITORS

PricewaterhouseCoopers
Brookfield Place
125 St Georges Terrace
Perth 6000, Western Australia

BANKERS

Commonwealth Bank of Australia
Westpac Banking Corporation

SOLICITORS

Gilbert + Tobin
1202 Hay Street
West Perth 6005, Western Australia

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth 6000, Western Australia

DATE AND LOCATION OF ANNUAL GENERAL MEETING

Wednesday, 9 November 2016 at 11.30am

Venue: Celtic Club, 48 Ord Street, West Perth

Back row (l-r): Peter Muccilli, David Moore, David Humann

Front row (l-r): Jack Gardner, Graham Fariss

MINCOR

RESOURCES NL

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