MINCOR

RESOURCES NL

ANNUAL REPORT 2012

EDIE CREEK CAMP LOOKING TOWARDS ALPHA SOUTH BENCHES (PHOTO BY RHYS LENNINGS, JAN 2012)

Contents

"Mincor is a leading Australian nickel mining Company and has been operating successfully in the Kambalda District of Western Australia since early 2001"

THE COMPANY CURRENTLY OPERATES THREE NICKEL MINES IN KAMBALDA AND CONDUCTS VIGOROUS EXPLORATION FOR MORE.

Mincor is also committed to the discovery or acquisition of additional ore bodies outside Kambalda, and to this end maintains **active exploration programs** within Australia and Papua New Guinea.

To date Mincor has generated cumulative net profits after tax of $235 million and paid out $110 million in dividends. The Company has undertaken only one fundraising from shareholders – $5 million in 2001.

At the end of June 2012, Mincor had a cash balance of $75.9 million and was debt-free.

MAIRI FERGUSON, MINE GEOLOGIST AT MARINERS
(PHOTO BY TANH DOAN, MAY 2012)

LOGGING AC DRILL CORE AT MONS (PHOTO BY TANH DOAN, MAY 2012)

Highlights of the Year

> “12 months without a lost-time injury”

Safety

- **Excellent safety performance** – by year-end, all mines had achieved more than nine months without a lost-time injury, and Mincor's 12-month moving average lost-time injury frequency rate had fallen to 3.8.
- Both Miitel and Mariners achieved more than **12 months without a lost-time injury.**

Financial

- **Profit turnaround achieved and EBITDA up 99%** despite 19% drop in average realised nickel price.
- **Net profit** of $0.24 million (FY2011: loss of $23.4 million), EBITDA of $32.42 million (FY2011: $16.29 million).
- **Dividends maintained** at fully-franked 4 cents per share – tenth year of dividends from Mincor.
- Strong operational earnings of $42.3 million funded:
  - **returns to shareholders of $17 million** in dividends and share buy-back expenditures
  - **options for future growth** via $15.65 million in mine capital expenditures and $12.5 million in exploration expenditures.
- **Year-end balance sheet strong** with $75.9 million in cash, and no debt.

> “Strong operational earnings”

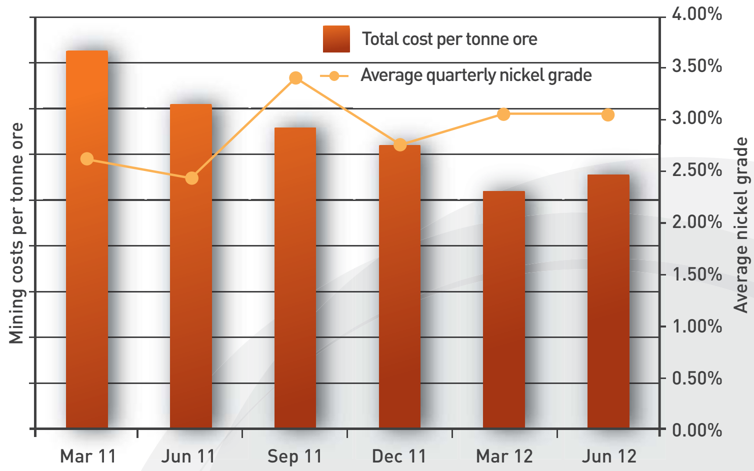
MCMAHON NICKEL MINE - LOADING ORE
(PHOTO BY TANH DOAN, JUNE 2011)

Operations

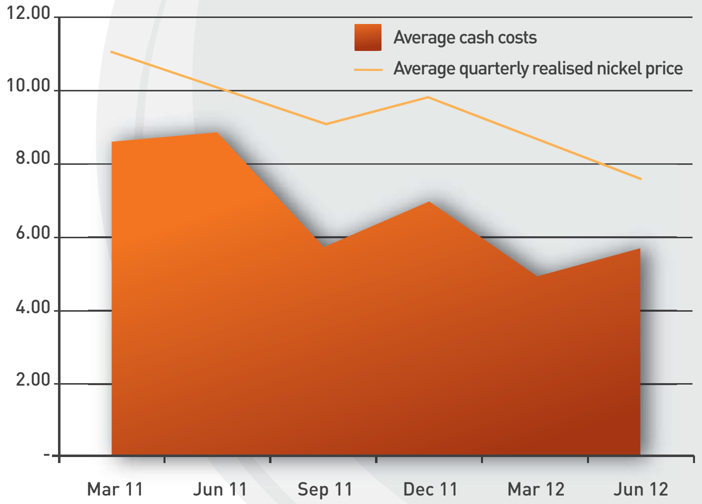
- This financial performance was built on outstanding operational performance – at a time of dropping nickel prices and rising input costs, **Mincor achieved a 27% reduction in cash costs**, built on:
  - 20.4% reduction in the capital and operating cost of mining each tonne of ore
  - 18.4% increase in average nickel grade mined, due to production from new high-grade ore bodies (the Terrace ore body at Mariners and the MN03A ore body at McMahon).
- Mincor's production target for the year exceeded, and **cost target substantially beaten.**
- Operational performance driven largely by move to owner-mining at Miitel and Mariners, an **outstanding performance from all of Mincor's site-based personnel.**

Exploration

- **Continued exploration success at Kambalda,** with out-performance of previously discovered Terrace ore body, discovery of the N29C ore body at Miitel and the MN02C ore body at McMahon, and emerging new discovery below the Terrace at Mariners.
- **Exciting new regional nickel exploration prospects** identified at Mons and Cassini in the Kambalda District.
- **Strong progress in Papua New Guinea** – completion of major airborne survey at May River, identification of a large copper-gold anomaly at Bolobip, and final preparations for drilling at Edie Creek.
- **Progress at Tottenham copper prospect** in New South Wales, with doubling of Mineral Resource.



Graph 1: Operational restructuring brings about a steady reduction in the total costs to mine each tonne of ore, while new ore sources generate rising nickel grades



Graph 2: Dropping costs per tonne ore and rising nickel grades combine to bring about a marked reduction in cash costs – margins maintained despite sharply lower realised nickel prices

Supporting Australia's regional communities

MINCOR IS A LONG-TERM AND CONSISTENT SUPPORTER OF LOCAL COMMUNITIES IN THE EASTERN GOLDFIELDS OF WESTERN AUSTRALIA AND OTHER PARTS OF RURAL AUSTRALIA

During the financial year just ended, Mincor contributed over $70,000 to the following charities and regional and rural organisations in Australia:

- ASX Foundation
- Boulder Rotary Radio
- Cancer Support – Wellness Magazine
- Constable Care Foundation Inc
- Curtin University – Earth Science Initiative
- Easter Treasure Hunt – Radiowest, Kalgoorlie
- Give Me Five for Kids – Princess Margaret Hospital Goldfields Family Assistance Trust
- Kambalda Childcare Centre
- Kambalda Christmas Tree
- Kambalda Cricket Club
- Kambalda Cultural & Arts Group
- Kambalda Disability Support – KidsCare House
- Kambalda Football Club Inc
- Kambalda West High School – School Scholarship and Music Camp
- Margaret River Fire Appeal
- Princess Margaret Hospital
- S. Heinrich sponsorship – Laos Water Cycle
- Shire of Coolgardie
- Shire of Coolgardie – State League Basketball
- Step-up
- Tottenham Swimming Club
- Tottenham Welfare Council

WILDFLOWERS NEAR LAKE LEFROY
(PHOTO BY TANH DOAN, NOV 2011)

Chairman's Report

To our shareholders

Progress and highlights of the year

We continue to focus on developing and mining our Kambalda nickel resources. We are having success in identifying new resources and we have identified exciting new prospects in our mines and in nearby exploration territory. Surprisingly, much of our near-to-mine tenements have, to date, been only lightly explored. Our ongoing and substantial investment in our exploration programs are designed to identify new resources and reserves through detailed surveys using high-level technology.

We have begun the exploration and drilling of our copper and gold prospects in Papua New Guinea (PNG) and again, exciting areas of interest have been identified. We are encouraged further by the granting of mining leases and the recent improvements in governance arrangements in PNG.

Our copper, zinc, uranium and iron ore prospects in Australia are receiving substantial direct funding from Mincor and from our joint venture partners – the Japan Oil, Gas and Metals National Corporation (JOGMEC).

While we have achieved a very significant turnaround in profitability in the 2011/12 financial year, times have been tough due to a break in the traditional linkage between the nickel price and the USD/AUD exchange rate. The high AUD and the low nickel price have conspired to reduce revenues in the year under review.

It is encouraging to note that several leading commentators have forecast an improving price for nickel. We look forward to their predictions being proved correct.

What we can control, i.e. our costs, we have controlled very well. We achieved a 20.4% reduction in capital and operating costs per tonne of ore mined, and achieved an 18% increase in the average grade of nickel ore mined, resulting in a 27% reduction in our cash costs per pound of payable nickel.

Our cost reduction was achieved in an environment of high salary costs and ongoing inflation (despite the image given by the official CPI statistics), and a shortage of skilled people.

In summary, our production target for the year was exceeded and our target for our cost per unit of production was soundly beaten.

The excellent results at our mines and other operations were due to the brilliant restructuring of our mining activity by our general and mine management and staff.

Our budgets for 2012/13 have been approved by the board and we look forward to another successful, profitable and dividend paying year.

Economic and political environment in Australia

In contrast to apparently uninformed public and political comment in some quarters, which attempts to create a disadvantage out of the huge success of the mining and minerals processing business (and of the success of the oil, gas, coal and other energy producers), we believe an unbiased analysis of these economies will show the whole of the Australian population benefits from a strong mining and energy sector.

Employment, infrastructure development, consumable supplies, plant and equipment purchases, and geological and metallurgical services, including, dare we say the payment of large sums of royalties and taxes to government underpin the assertion that the mining industry provides universal benefits to all.

The dividends paid and asset appreciation transferred to shareholders and to the superannuation funds of millions of Australians, adds to the incomes and wealth of the majority.

In measurable support to these comments, the benefits received from payments provided to Australians by Mincor alone are shown in the following table:

Payments by Mincor in the financial years ended 30 June 2011 and 30 June 2012	$'000
Employee wages, community facilities, suppliers of consumables, goods and services, taxes and royalties paid to government including some taxes levied selectively and solely on the industry	234,781
New plant and equipment, development of mines and investment in exploring for new mineral resources	79,602
Dividends to shareholders and share buy-back payments	32,993
	347,376

For more detail on our activities I refer you to our Managing Director's report and management's discussion describing our operations on page 2 'Highlights of the Year' and from page 6 of this annual report.

Last year I referred to the uncoordinated, uncosted and unfunded plans of our leaders in Canberra.

Mincor, its people and its stakeholders have not been deterred by the unsatisfactory governance of our nation. We continue to strive independently to meet all our targets – financial, technical and social. We believe we have achieved a strong result.

We look forward to good production, high-grade ore, an improvement in the price of nickel and all commodities, and a better USD/AUD relationship in the coming years.

DAVID HUMANN

Managing Director's Report

It was another interesting year in the nickel mining business. One looks back with a certain wryness at a year in which Mincor pulled off the remarkable feat of dropping its cash costs by 27% only to see the nickel price do the same thing, dropping by 25% between the start and the end of the year, essentially tracking Mincor's costs downwards.

Thus despite an excellent operational performance, our financial results at the end of the year reflect a largely breakeven result. Nevertheless actual cash flows from operations were strong, and successfully funded a healthy dividend, a substantial share buy-back, and strong capital and exploration expenditures.

As a result Mincor remains well-funded both to continue as a successful nickel miner and to grow its business through exploration and judicious acquisitions. Our focus remains on these two things – profits and growth.

In the immediate term, margins will continue to be squeezed as the nickel business remains extremely challenging, with the nickel price down a further 10% between the end of FY2011/12 and the date of writing. Magnified by the strong Australian Dollar, the current nickel price is fully 18% below the average spot price for FY2011/12.

Mincor will take whatever steps it deems necessary to manage its way through this downturn. At present we have a healthy growth budget, with exploration spending underway in Papua New Guinea, on our regional Australian exploration prospects, and of course in Kambalda. However most of this expenditure is discretionary and can be curtailed if necessary.

At present we are committed to an initial round of drill-testing at the Edie Creek epithermal gold-silver prospect in PNG. Drilling has just commenced and will continue for several months. Our targets lie along a structural corridor which hosts a series of high-grade epithermal veins with past production of around 200,000 tonnes at 12g/t gold.

We are also very keen to complete at least initial drill-testing of the large copper-gold anomaly we have identified at Bolobip, about 60 kilometres east of Ok Tedi. We believe this anomaly to be consistent with the geochemical signature of a leached cap over a mineralised copper-gold porphyry system, a deposit type that remains among the most sought-after in the world.

However it is in Kambalda where perhaps the most immediate exploration value can be found. The extraordinary out-performance of the Terrace ore body at Mariners, discovered by Mincor only about 18 months ago, has given great impetus to a look-alike discovery now emerging in the area immediately below the Terrace. And at Miitel the discovery this past year of the N29C has shown that South Miitel does host high-grade mineralisation, and we believe that the substantial Mineral Resources further to the south will be converted into Ore Reserves during the course of the year.

Our mining operations are well-set to withstand the downturn. Cash costs are highly competitive and with the Terrace and equally high-grade N10B providing the bulk of Mariners' production for the year, and the N29C available to lift Miitel's grade, and the high-grade MN03A providing ore at McMahon, Mincor should be able to weather the storm better than most.

At the top of our minds, always, is the health and safety of our workforce. I am delighted to be able to report that we had a generally safe year, and substantially improved our safety performance over the previous year. This is despite an exceptionally busy time in which our workforce was called upon to take over the full operations of our two biggest mines. That this was achieved safely, and indeed with a marked improvement in safety performance, is a great tribute to the skill and dedication of all of Mincor's site-based personnel.

I would like to thank all of Mincor's employees for their hard work through a busy and ultimately successful year. I thank the people of Kambalda for their continued support, and indeed the good folk of all the areas in Australia and PNG in which Mincor operates and explores. Thanks also to Mincor's board for their continued support and advice. Finally thanks to my fellow shareholders, with whom I leave the assurance that, while the nickel price is outside our control, we are doing everything we can with what we do control to ensure the continued growth and success of our Company.

DAVID MOORE

Mincor's Kambalda Nickel Business

MINCOR'S KAMBALDA NICKEL OPERATIONS UNDERWENT SIGNIFICANT CHANGES DURING THE YEAR

Overview and Outlook

Mincor's Kambalda nickel operations underwent significant changes during the year with its two biggest mines, Miitel and Mariners, changing to owner-mining. These changes saw a substantial decrease in the cost of production which, together with an increase in the average nickel grade, resulted in a significant reduction in the cash costs.

Thus for the full financial year Mincor met its production target and substantially outperformed its cost target, producing 10,275 tonnes of nickel-in-ore at cash costs of $5.78 per pound of payable nickel.

Mincor is targeting the production of 283,000 tonnes of ore at an average grade of 3.2% nickel for 9,000 tonnes of nickel-in-ore for the new financial year. Cash costs are targeted at $5.50 per pound of payable nickel. Capital expenditures, mostly mine development, have been budgeted at $15 million. This expenditure will be focused on the continued access and development of the N10B ore body at Mariners and the N29C at Miitel.

Safety

Health and safety is a key focus of all Mincor employees and as a result, significant milestones have been achieved during the past year. Both Miitel and Mariners achieved more than 12 months without a lost-time injury. At closure, Carnilya Hill Mine had achieved 1,135 days lost-time injury free. Overall, Mincor operations have achieved nine months lost-time injury free, and the 12 month average Lost-Time Injury Rate had reduced to 3.8 (in line with the nickel industry underground average).

An emphasis on hazard identification and risk management has been implemented which, together with ongoing review of procedures, plans, policies and documentation to ensure consistency across all sites, has contributed to the improved safety performance.

Mincor will continue to maintain the emphasis on safety throughout its operations as it has done in the past, and continue to strive for ongoing improvement in the safety performance of the operations.

Ownership and Operation

Mincor's mines and tenements in the Kambalda region are wholly-owned by Mincor, apart from the Carnilya Hill tenements which are held in a joint venture with View Resources Ltd. Mincor has a 70% interest in the joint venture and is the operator.

Following the restructuring implemented from July 2011, all of Mincor's mines are now owner-operated, with a residential workforce based largely in Kambalda and Kalgoorlie. The mines are operated by a management team comprising a General Manager and Operations Manager, with a site-wide Chief Geologist. Each mine is managed by an Underground Manager with the essential support of experienced Mine Foremen.

Sales

Mincor's off-take agreements with BHP Billiton (Nickel West) continued to operate satisfactorily through the year. Mincor has six separate Ore Tolling and Concentrate Purchase Agreements with Nickel West, covering all of the Company's Kambalda production. These agreements expire between 2016 and 2019.

Under the off-take agreements Mincor delivers ore to the central Nickel West-owned mill at Kambalda, pays Nickel West a tolling charge to turn the ore into concentrate, and then sells the concentrate to Nickel West. An initial payment is made to Mincor in US dollars on the delivery of the ore to Nickel West. The payment is adjusted to the average spot LME nickel price during the third month after the month of delivery.

Metal Prices and Hedging

The LME spot nickel price for the financial year averaged US$19,383 per tonne. In Australian Dollar terms this was A$18,743 per tonne. The average price, net of hedging, realised by Mincor for the year was A$19,599 per tonne. The Australian Dollar nickel price peaked at about A$22,989 in August 2011 and thereafter declined steadily to a low of around A$16,074 in June 2012.

Mincor derived approximately 3.1% of its revenue from by-product credits for copper and cobalt.

Royalty costs for the year totalled A$3.8 million, or A$0.30 per pound of payable nickel.

Mincor's hedging policy is to maintain a certain minimum level of protection against adverse price movements through a discretionary program of rolling two-year forward sales. These rarely exceed 20% of forecast production. As at the date of this report Mincor's forward sales totalled 480 tonnes of payable nickel metal at an average price of A$27,459 per tonne, extending to December 2012.

UNDERGROUND AT MCMAHON
(PHOTO BY TANH DOAN, MAY 2012)

Operational Results

TABLE 1: Operational Results

	SOUTH KAMBALDA OPERATIONS[1]	NORTH KAMBALDA OPERATIONS[2]	TOTAL FOR FINANCIAL YEAR 2011/12	PRECEDING FINANCIAL YEAR (2010/11) TOTAL
Ore Tonnes Treated (DMT)	199,920	132,957	**332,877**	395,979
Average Nickel Grade (%)	3.05	3.14	**3.09**	2.61
Nickel-in-Concentrate Sold (tonnes)	5,367.9	3,811.2	**9,179.0**	9,056.4
Copper-in-Concentrate Sold (tonnes)	517.1	273.8	**790.9**	702.4
Cobalt-in-Concentrate Sold (tonnes)	94.7	55.3	**150.0**	136.5
Sales Revenue* (A$)	70.65m	49.87m	**120.52m**	145.91m
Direct Operating Costs** (A$)	43.03m	31.25m	**74.28m**	102.97m
Royalty Costs (A$)	2.68m	1.25m	**3.93m**	5.71m
Operating Surplus* (A$)**	**24.94m**	**17.37m**	**42.31m**	**37.23m**
Capital Costs**** (A$)	11.34m	7.45m	**18.79m**	37.63m
Payable Nickel Produced (lbs)	7,692,160	5,445,913	**13,138,073**	12,796,138
Mining Costs (A$/lb)	3.38	3.44	**3.41**	4.95
Milling Costs (A$/lb)	1.06	0.99	**1.03**	1.20
Ore Haulage Costs (A$/lb)	0.28	0.08	**0.20**	0.25
Other Mining/Administration (A$/lb)	1.02	1.29	**1.13**	1.43
Royalty Cost (A$/lb)	0.35	0.23	**0.30**	0.44
By-product Credits (A$/lb)	(0.32)	(0.25)	**(0.29)**	(0.32)
Cash Costs (A$/lb Ni) – Full Year	5.77	5.78	**5.78**	7.95
Cash Costs (US$/lb nickel)[3]	5.82	5.83	**5.83**	8.44

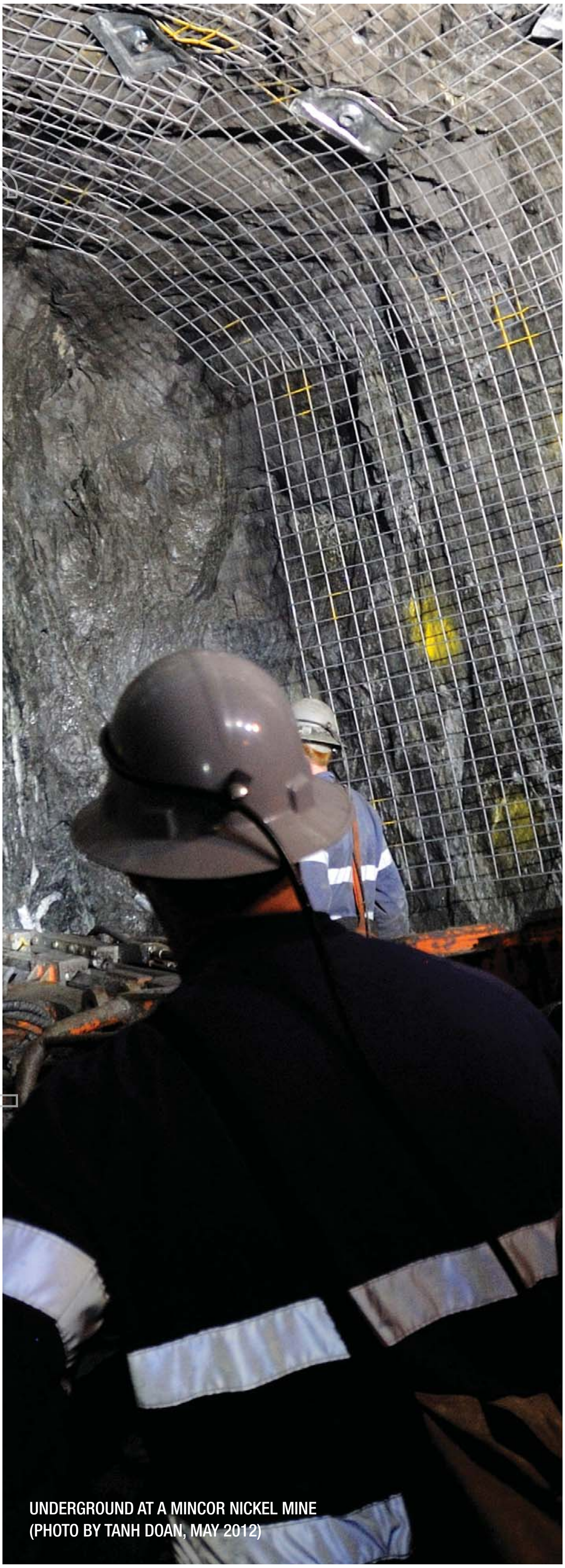
(1) Production from Mariners and Miitel.
(2) Production from Otter Juan and McMahon.
(3) Average June 2012 quarter RBA settlement rate of US$1.0096, (30 June 2011: US$1.0619).
* Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price – see 'Note on Provisional Pricing and Sales Revenue Adjustments' below.
** Direct Operating Costs – mining, milling, ore haulage, administration.
*** Operating Surplus – provisional and unaudited, excludes corporate overheads and other corporate costs, excludes regional exploration costs, excludes depreciation, amortisation and tax.
**** Capital Costs – includes mine capital and development costs and extensional exploration costs. Excludes regional exploration costs.

Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. For period-end reporting the Company determines provisional prices based on the three-month forward nickel price at the end of each month of delivery. This estimate is subject to an adjustment (up or down) when the final nickel price is known. During the September 2011 quarter, Mincor established the final nickel prices for the production months of March 2011, April 2011 and May 2011. As a result Mincor recognised in the current financial year a negative sales revenue adjustment of **$1.88 million** attributable to those production months. This adjustment **has not** been included in the sales revenue figures disclosed in Table 1 above.

TABLE 2: Production by Mine Site, 2011/12

MINE	ORE (TONNES)	GRADE %	NICKEL-IN-ORE (TONNES)	NICKEL-IN-CONCENTRATE (TONNES)
Miitel	106,132	2.27	2,413	2,109
Mariners	93,788	3.93	3,687	3,259
Otter Juan	38,308	4.49	1,720	1,579
McMahon	66,011	2.53	1,672	1,530
Carnilya Hill (MCR's 70%)	28,638	2.73	783	702
Totals	332,877	3.09	10,275	9,179



UNDERGROUND AT A MINCOR NICKEL MINE
(PHOTO BY TANH DOAN, MAY 2012)

Mining Operations

Following an exceptionally difficult FY2011, Mincor carried out a thorough restructuring of its mining operations at the start of FY2012. The most obvious, but not the only, change implemented was a move away from contractor mining at its Southern Kambalda Operations. By the end of October all of Mincor's mines were owner-operated. The safe and professional implementation of this change is a tremendous tribute to all of Mincor's site-based management and personnel.

These changes had an immediate positive impact, bringing the total capital and operating costs required to mine each tonne of ore down by 20.4% across the group.

In addition, however, new high-grade ore sources were accessed during the year, as planned. In particular the very high-grade Terrace ore body at Mariners, and the MN03A ore body at McMahon. These ore bodies lifted Mincor's average group production grade from 2.61% the previous year to 3.09% in FY2012.

It is this combination of lower costs per tonne of ore and higher nickel grades that brought about the sharp 27% reduction in cash costs for the year, to an average, including royalties, of A$5.78 per pound of payable nickel.

At **Mariners**, owner-mining was implemented from October 2011. Production commenced from the Terrace ore body in June 2011, and this ore body essentially carried Mariners' production for the whole year, producing nearly 70% of its nickel and lifting the mine's average grade by 80% to 3.93% nickel.

Despite this strong production, the Terrace ore body was estimated to contain (at the end of June 2012) more nickel than it had at the beginning of the year – reflecting a substantial resource outperformance as well as newly-discovered extensions. Other production came from lower grade stopes and development drives in the rapidly depleting N09, which is generally of lower grade.

During the coming year, decline access to the large and high-grade N10B ore body will be achieved. Mariners will then have two high-grade ore bodies, the Terrace and the N10B, from which to source production. In addition, as described under the Exploration section, Mincor believes that a repeat of the Terrace ore body may be present immediately below the Terrace, and this is a current focus of drilling. Over the longer term, the N11 ore body is slated for drilling in the latter half of the year. Indications from initial drilling are that the N11 could develop into another large, high-grade ore body.

The Miitel Mine was moved to owner-operations in July 2011 and achieved an immediate improvement both in costs and production. Production continued all year from the N18 long-hole stopes. On the positive side these stopes finally entered their highly-productive stage and steady and predictable production was achieved. However, as had been foreshadowed in the previous year, this material is generally low-grade, and has underperformed the original resource estimates. Grades at Miitel were bolstered, however, by higher-grade production from small airleg and jumbo stopes at North Miitel.

Through July and August of 2011, new geological interpretations at South Miitel led to the drilling of several holes that resulted in the discovery of the N29C ore body. Feasibility work was completed and the go-ahead for its development was given in January 2012. Development is now well-advanced, and the first strike drive through the upper level of the ore body was completed in May. The first strike drive lifted Miitel's production grade for that month by 38%.

The N29C ore body will be fully developed and in production throughout the coming financial year. It is expected that this ore body will lift Miitel's average production grade towards 3%, rather than the 2.2% of recent times. In addition, the N29C will bring Miitel's underground infrastructure closer to the large Mineral Resources present further to the south, previously identified through Mincor's surface drilling.

Mincor's understanding of these southern Mineral Resources has increased, following recent strong intersections directly beneath the N29C. It now appears increasingly likely that the grade from Miitel will continue to increase as production from the low-grade N18 winds down and production from higher-grade ore sources to the south ramp up.

At **McMahon** decline access was achieved to the high-grade MN03A ore body in December, and this ore body contributed to production from January 2012 onwards. As a result the story at McMahon is a tale of two halves, with the second half generating twice as much ore as the first half, and at a 73% higher nickel grade.

Mining of the MN03A ore body will continue through the new financial year. Additional production will be sourced from the lower grade MN02B ore body and the newly-discovered and high-grade, though small, MN02C ore body.

Mining at **Carnilya Hill** ended in March 2012 following depletion of ore reserves. The mine remained profitable to its last month of production, and proved to be a highly successful development for Mincor. It produced 339,849 tonnes of ore at an average grade of 3.18% over its life, at an average cash cost of A$4.96/lb.

Carnilya Hill also had an enviable safety record, with 1,135 days free of lost-time injuries at the time of closure. Due to expanded production at its other mines Mincor was able to prevent any job losses associated with the mine closure.

Otter Juan continued in production throughout the year in a largely remnant mining phase, producing small tonnages of profitable high-grade ore. It is expected that the current financial year will see the closure of this stalwart – the largest producing mine yet discovered in Kambalda.

Ore Reserves and Mineral Resources

Mincor's updated Mineral Resources and Ore Reserves are tabulated on page 11.

Total ore reserves at 30 June 2012 are estimated to contain some 25,900 tonnes of nickel metal, down from 30,500 tonnes at 30 June 2011. This means that Mincor replaced approximately 55% of all the nickel that it mined during the year – a figure somewhat below Mincor's average record in this area.

Encouragingly however, this replacement nickel consisted of high-grade ore in important high-production mines, being Miitel and Mariners. In addition, both of these mines are expected to deliver substantial reserve additions through infill drilling of their large resource base over the coming year.

Exploration for new mineral resources, and conversion of existing resources to reserves, remains a core element of Mincor's business model in Kambalda, and the Company will continue its focus in this area through the coming financial year.

> "Nickel grades from Miitel will continue to increase"


OTTER JUAN HEADFRAME
(PHOTO BY TANH DOAN, MARCH 2011)

Table 3: Mineral Resources as at 30 June 2012

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL		
		TONNES	NI (%)	TONNES	NI (%)	TONNES	NI (%)	TONNES	NI (%)	NI TONNES
Mariners	**2012**	**112,000**	**4.8**	**332,000**	**4.5**	**78,000**	**3.6**	**521,000**	**4.5**	**23,300**
	2011	125,000	3.6	417,000	4.8	65,000	3.5	608,000	4.4	26,900
Redross	**2012**	**39,000**	**4.9**	**138,000**	**2.9**	**67,000**	**2.9**	**244,000**	**3.2**	**7,900**
	2011	31,000	5.1	138,000	2.9	67,000	2.9	236,000	3.2	7,500
Burnett	**2012**	**-**	**-**	**121,000**	**4.8**	**98,000**	**2.2**	**219,000**	**3.6**	**7,900**
	2011	-	-	121,000	4.8	-	-	121,000	4.8	5,700
Miitel	**2012**	**132,000**	**3.7**	**306,000**	**4.2**	**333,000**	**3.1**	**771,000**	**3.6**	**28,000**
	2011	175,000	4.2	263,000	3.1	545,000	3.0	983,000	3.2	31,700
Wannaway	**2012**	**-**	**-**	**110,000**	**2.6**	**16,000**	**6.6**	**126,000**	**3.1**	**3,900**
	2011	-	-	123,000	2.6	16,000	6.6	139,000	3.0	4,200
Carnilya Hill*	**2012**	**40,000**	**3.8**	**40,000**	**2.2**	**-**	**-**	**80,000**	**3.0**	**2,400**
	2011	63,000	4.1	41,000	2.3	-	-	104,000	3.4	3,500
Otter Juan	**2012**	**18,000**	**4.0**	**114,000**	**4.7**	**79,000**	**2.3**	**211,000**	**3.8**	**8,000**
	2011	45,000	3.3	114,000	4.7	79,000	2.3	238,000	3.7	8,700
McMahon/Ken**	**2012**	**70,000**	**4.5**	**67,000**	**3.3**	**203,000**	**3.4**	**340,000**	**3.6**	**12,400**
	2011	-	-	264,000	2.9	79,000	6.2	343,000	3.7	12,600
Durkin	**2012**	**-**	**-**	**251,000**	**5.2**	**115,000**	**4.9**	**366,000**	**5.1**	**18,600**
	2011	-	-	251,000	5.2	127,000	5.0	378,000	5.1	19,300
Gellatly	**2012**	**-**	**-**	**29,000**	**3.4**	**-**	**-**	**29,000**	**3.4**	**1,000**
	2011	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Cameron	**2012**	**-**	**-**	**96,000**	**3.3**	**-**	**-**	**96,000**	**3.3**	**3,200**
	2011	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	**2012**	**-**	**-**	**554,000**	**3.0**	**-**	**-**	**554,000**	**3.0**	**16,700**
	2011	-	-	557,000	3.1	-	-	557,000	3.1	17,100
Grand total	**2012**	**411,000**	**4.3**	**2,158,000**	**3.8**	**989,000**	**3.3**	**3,557,000**	**3.7**	**133,300**
	2011	439,000	4.0	2,414,000	3.7	978,000	3.5	3,832,000	3.7	141,400

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

Note that 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 Mr Robert 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 2004 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.

Table 4: Ore Reserves as at 30 June 2012

RESERVE		PROVED		PROBABLE		TOTAL		
		TONNES	NI (%)	TONNES	NI (%)	TONNES	NI (%)	NI TONNES
Mariners	**2012**	**53,000**	**4.3**	**267,000**	**3.9**	**320,000**	**4.0**	**12,700**
	2011	49,000	2.9	329,000	3.8	378,000	3.7	13,900
Redross	**2012**	**49,000**	**3.3**	**-**	**-**	**49,000**	**3.3**	**1,600**
	2011	33,000	3.5	-	-	33,000	3.5	1,200
Miitel	**2012**	**91,000**	**2.3**	**161,000**	**3.5**	**251,000**	**3.1**	**7,800**
	2011	108,000	2.6	114,000	2.5	222,000	2.5	5,600
Wannaway	**2012**	**-**	**-**	**39,000**	**2.9**	**39,000**	**2.9**	**1,100**
	2011	-	-	39,000	2.9	39,000	2.9	1,100
Carnilya Hill*	**2012**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2011	33,000	3.3	-	-	33,000	3.3	1,100
Otter Juan	**2012**	**12,000**	**3.3**	**-**	**-**	**12,000**	**3.3**	**400**
	2011	40,000	3.6	14,000	3.8	54,000	3.6	2,000
McMahon/Ken**	**2012**	**72,000**	**3.2**	**4,000**	**1.6**	**76,000**	**3.1**	**2,300**
	2011	-	-	242,000	2.4	242,000	2.4	5,600
Grand total	**2012**	**277,000**	**3.1**	**471,000**	**3.7**	**747,000**	**3.5**	**25,900**
	2011	263,000	3.0	738,000	3.1	1,001,000	3.0	30,500

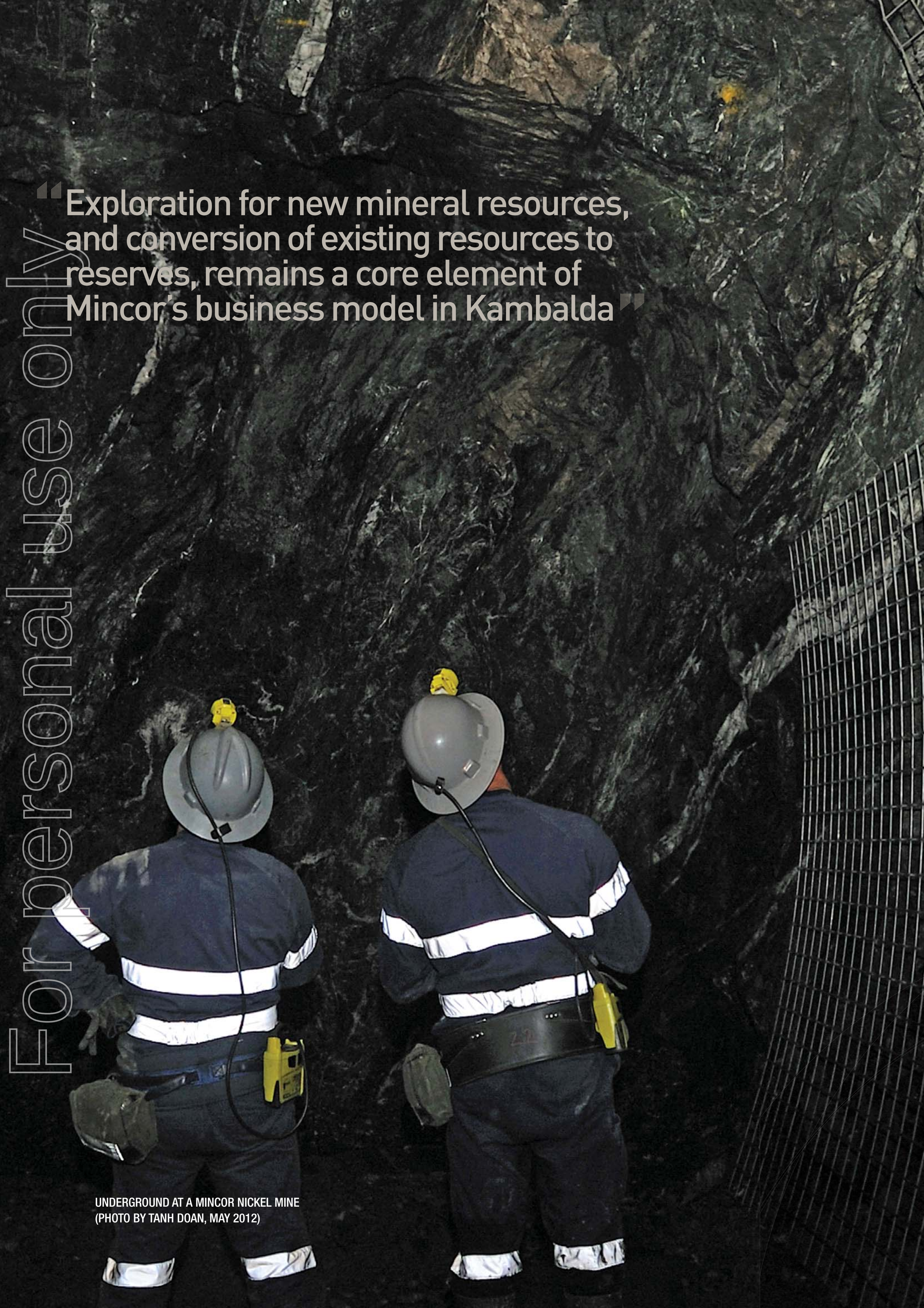
Figures have been rounded and hence may not add up exactly to the given totals.

* Reserves 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 Ore Reserves is based on information compiled by Mr Brett Fowler 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 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fowler 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.

"Exploration for new mineral resources, and conversion of existing resources to reserves, remains a core element of Mincor's business model in Kambalda"



UNDERGROUND AT A MINCOR NICKEL MINE
(PHOTO BY TANH DOAN, MAY 2012)

Kambalda Nickel Exploration

MINCOR MAINTAINS A WELL-FUNDED EXPLORATION PROGRAM THROUGHOUT THE KAMBALDA NICKEL DISTRICT. THIS EXPLORATION IS TARGETED AT BOTH NEAR-MINE (BROWNFIELDS) EXPLORATION AND REGIONAL (GREENFIELDS) EXPLORATION.

SITE PREPARATION AT MONS - TOM SHELMERDINE-HARE, EXPLORATION GEOLOGIST (PHOTO BY TANH DOAN, MAY 2012)

Kambalda Nickel Exploration

To date Mincor has discovered an estimated 140,000 tonnes of nickel metal at the Mineral Resource level, over 100,000 tonnes of which has entered Ore Reserves. It is Mincor's long-term commitment to exploration that has generated this success, and that will continue to sustain the Company as a nickel miner well beyond the apparent term of its current ore reserves.

The Company's landholdings in the Kambalda area comprise the large suite of tenements around Mincor's operating mines in the Widgiemooltha area, the Carnilya Hill tenements to the north of Kambalda (70% Mincor), a large holding over the northern half of the Kambalda Dome and the Bluebush Line.

All of these tenement areas are highly prospective for nickel, demonstrated by the presence of nickel sulphide mineralisation and the all-important 'basal contact'. The basal contact is the stratigraphic position (a contact between two rock types) along which all significant nickel ore bodies in the Kambalda District occur. On Mincor's current ground holdings there is estimated to be a cumulative total of over 135 kilometres of strike of this prospective basal contact.

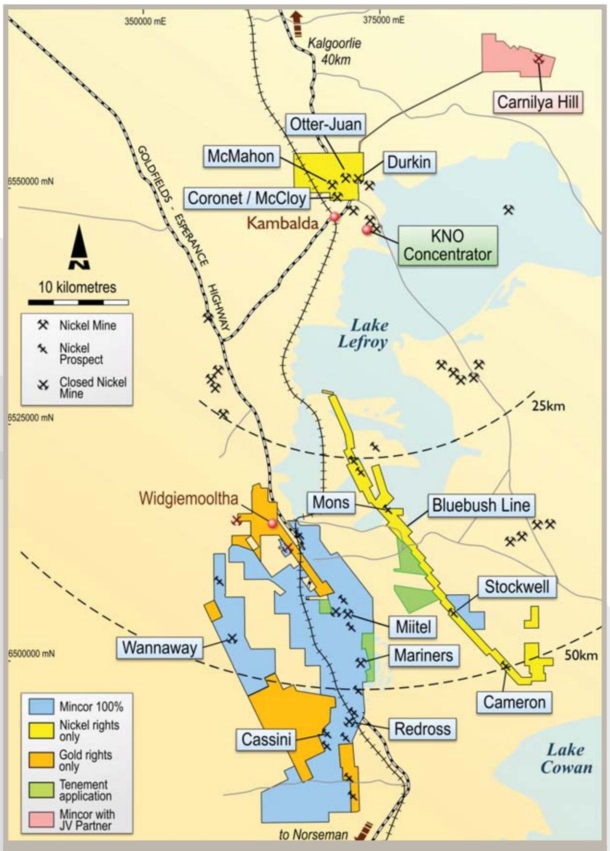


Figure 1: Mincor's mines and tenement holdings in the Kambalda District

Nickel Exploration Highlights of 2011/12

> "The potential to add many years of life to Miitel"

- Discovery of the high-grade N29C ore shoot at Miitel occurred in August 2011. The year-end ore reserve for this new ore body is now 47,400 tonnes @ 4.8% nickel for 2,283 tonnes of nickel metal.
- Late in the financial year, two high-grade drill intersections confirmed a second well-developed channel immediately below the N29C, opening up substantial additional potential at South Miitel.
- The continued growth of the high-grade Terrace ore body at Mariners: this ore body carried Mariners production for the whole of the 2011/12 year, producing 70% of Mariners nickel and lifting the grade by 80% to 3.93% nickel. Despite this strong production the ore body grew through the year by incremental additions, so that its Reserve at year-end contained 40% more nickel than it had at the start of the year.
- Late in the year a possible repeat of this ore body was discovered below the Terrace, with early drill intersections including 6.9 metres @ 3.77% nickel (estimated true width).
- Two strong early-stage exploration plays have emerged, at Cassini and Mons. These are currently the focus of Mincor's regional Kambalda exploration.
- The recognition of camp-scale potential at the southern end of the Widgiemooltha Dome, following the January 2012 acquisition by Mincor of the Cassini tenements. Mincor's consolidated position in this area now contains five separate basal contacts of proven nickel prospectivity with a cumulative strike length of 22 kilometres.

Some of the key areas that will focus Mincor's exploration over the coming year are:

- Mincor's growing understanding of the geology at the southern end of Miitel will be the key to further drilling in the area, where a substantial Mineral Resource has already been delineated and has the potential to add many years of life to Miitel if successfully converted into Ore Reserves.
- Similarly, large Mineral Resources at the northern end of Miitel will be further drilled, with strong potential to add additional Ore Reserves.
- At Mariners, drilling will focus initially on the emerging new 'Terrace look-alike' – the high-grade intersections achieved immediately below the Terrace ore body. Later in the year drilling will move to test the area below the N10B ore body – the potential new N11 ore body.
- Continued target generation and later testing of Ultra-Sized Nickel Ore Body targets along the eastern corridor of the Kambalda Dome.
- Ongoing testing of numerous high-quality regional nickel targets at North Kambalda, the Bluebush Line and the Widgiemooltha Dome.
- Mincor is participating in a major research collaboration between CSIRO, the University of Western Australia's Centre for Exploration Targeting (CET) and Minerals Exploration Research Institute of Western Australia (MERIWA). The project is in its second year and is aimed at identifying possible hydrothermal footprints related to nickel sulphide mineralisation.

AIR-CORE DRILLING AT CASSINI
(PHOTO BY TANH DOAN, JUNE 2012)

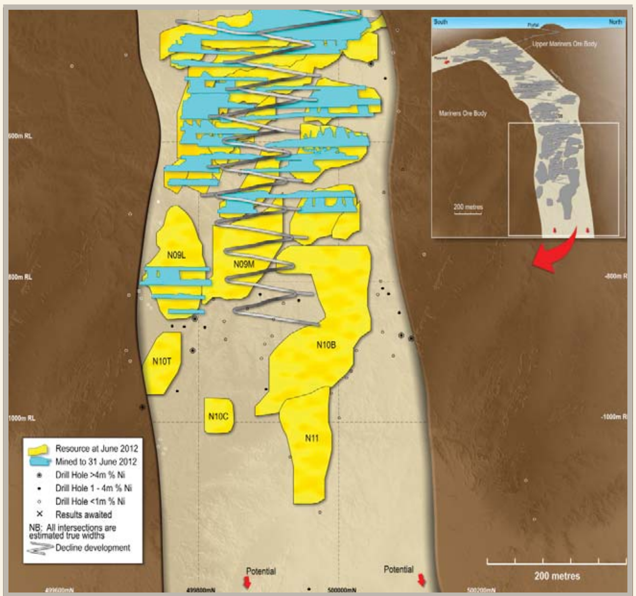


Figure 2: Mariners – long section

Near-Mine Exploration

Mariners ore system

A highlight of the year was the strong performance of the Terrace ore body at Mariners, discovered by Mincor in late 2010. Not only was production strong and of exceptionally high-grade, but the ore body grew through the year so that by year-end its Ore Reserve contained 40% more nickel than had been estimated at the start of the year.

Given the success of the Terrace ore body, Mincor is particularly interested in the emerging discovery immediately below the Terrace, in the same relative geological position as the Terrace.

Mincor's initial hole into this area returned a strong intersection of **3.8 metres @ 4.59% nickel** (true width 1.9 metres), with a later hole intersecting **17.98 metres @ 3.77% nickel** (estimated true width of 6.9 metres). These results are highly significant in the context of the known geology at Mariners, and a strong indicator that a repeat of the Terrace-style mineralisation may be present in this area.

Apart from the obvious benefits of additional high-grade ore reserves, a new ore body in this specific location would lower both capital intensity and cash costs at Mariners for the next several years, while improving the predictability of production through the presence of a second independent production source.

Miitel

Late in 2011, Mincor announced the discovery of the N29C ore body at South Miitel, a small but high-grade ore body located close to existing development. By early in 2012 the development of this ore body had been approved, and by the end of the 2012 financial year it had commenced production.

Although small, the ore body will have a positive impact on Miitel during the coming financial year. It will complement the steady but low-grade production from the N18 ore body, and lift Miitel's overall production grade, reducing cash costs and increasing metal production.

In addition, the N29C helps bring mine infrastructure further to the south, and closer to substantial Mineral Resources that have already been delineated in the south. The benefits of this area are already becoming apparent with what appears to be a second, deeply-incised and high-grade channel structure located immediately below the N29C.

Recent intersections in this area include **4.98 metres @ 9.24% nickel and 3.5 metres @ 7.14% nickel** (both estimated true width of 3.5 metres).

The second intersection lies 50 metres south of the first intersection and occurs in a deeply embayed channel in the basal contact. Three initial holes hit flanking positions. The mineralisation from these two holes now extends all the way to the previously discovered N31 and is now incorporated as one resource.

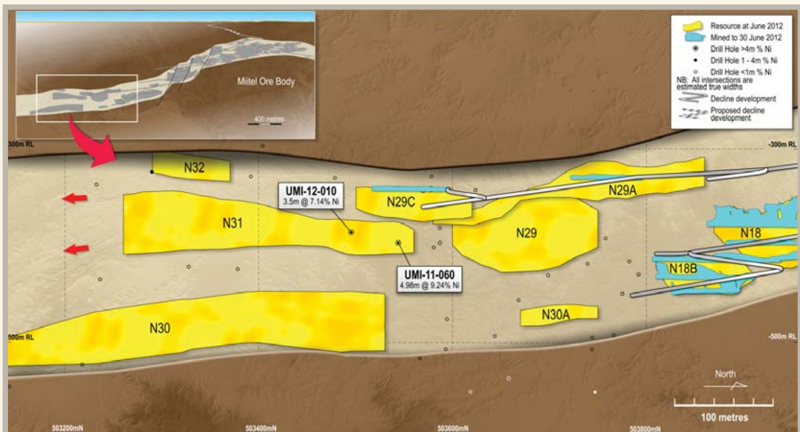


Figure 3A: South Miitel – long section

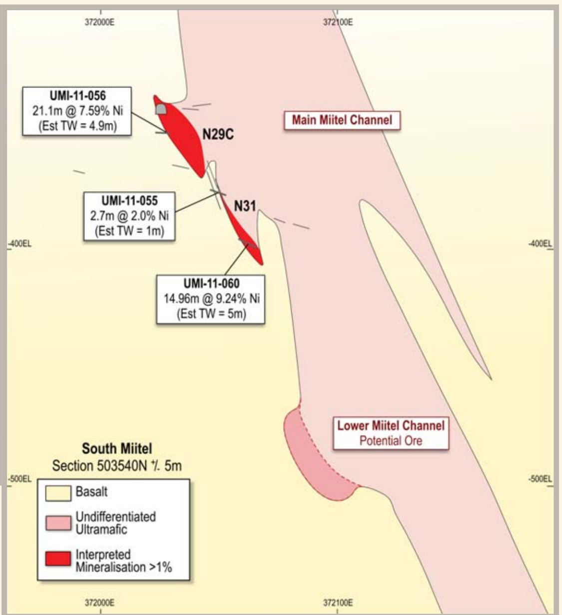


Figure 3B: South Miitel – interpretive geological cross section 503540N

SITE PREPARATION AT MONS – (FROM L TO R): DAVID CHAPMAN, SENIOR FIELD SUPERVISOR; TOM SHELMERDINE-HARE, EXPLORATION GEOLOGIST; TRACEY WARENA, GEOLOGICAL ASSISTANT; PETER MUCCILLI, EXPLORATION MANAGER; JED BRIDGES, EXPLORATION GEOLOGIST (PHOTO BY TANH DOAN, MAY 2012)

McMahon

Drilling during the year at McMahon outlined continuing mineralisation below the MN03 ore body, but it is questionable whether this material is economic at current nickel prices. However, higher in the mine a small but high-grade ore body, the MN02C, was discovered. This has now commenced production, and it has evident potential to extend well beyond its currently known limits.

In addition, the dual Ken-McMahon trend remains highly prospective, including in areas closer to the surface. A sustained exploration effort is planned for the year ahead in this area.

"The greater Kambalda area is a world-class nickel district"

Exploration for Ultra-Sized Nickel Ore Bodies

The greater Kambalda area is a world-class nickel district that has produced over 1.4 million tonnes of nickel metal to date. Most of this has come from Ultra-Sized Nickel Ore Bodies (USNOBs) 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.

Around two-thirds of the prospective basal contact – the stratigraphic location of all Kambalda's nickel ore bodies – on Mincor's North Kambalda tenements has not been drill-tested. This prospectivity explains Mincor's sustained focus on the discovery of additional USNOBs in this area.

Mincor has successfully completed the testing of the initial section of its first USNOB target along the eastern corridor of the Kambalda Dome. Four pierce points were achieved along the oblique section which contains the historic surface drill hole KD7583W1. Based on the drill results, Mincor believes that a fertile flow unit is present, but is not substantially mineralised at this locality.

Mincor has embarked on a research project looking for vectors to large nickel sulphide bodies. The study focuses on the identification of a hydrothermal footprint from these bodies and can be seen at a greater distance to conventional geochemistry. As part of this research project, sampling will be undertaken on all the deepest holes in the eastern corridor at the Kambalda Dome. The next step will be to incorporate the research results and then repeat the sectional drilling program.

Regional Kambalda Nickel Exploration

Cassini prospect

Mincor acquired the Cassini tenements in January 2012. The tenements lie at the southern end of the Widgiemooltha Dome and include at least two Widgiemooltha basal contacts as well as a likely basal contact along the northern edge of the Pioneer Dome.

Work during the year has led Mincor to upgrade its estimate of the scale of the opportunity in this area. The total strike length of the multiple basal contacts and their evident prospectivity indicate the potential for a new nickel sulphide camp. The area is relatively under-explored due to the presence of extensive surface cover. However it has demonstrated nickel sulphide fertility, positive litho-geochemical indications, and numerous untested magnetic anomalies and sulphide mineralisation remains open to the north. Following the latest drill intersection reported below, it now also contains two known high-grade nickel sulphide prospects.

Mincor has completed an initial phase of shallow air-core drilling designed to confirm the location of the concealed basal contacts and give an indication of relative fertilities. The program comprised 38 holes for 3,304 metres.

Most of the results are still pending, but one highly significant intersection has already been achieved, with a shallow, high-grade intersection in an otherwise untested magnetic high. The magnetic high lies 750 metres north of the Cassini prospect itself, and is about 500 metres in strike length. The intersection is as follows:

CAC010: 1 metre @ 7.14% nickel, 0.15% copper from 119 metres

The intersection comprises transitional matrix nickel sulphides (violarite) within moderate to high magnesium ultramafic unit 90 metres below the base of oxidisation. The hole ended in felsic porphyry in the next metre thus the true basal contact remains untested. Elsewhere the air-core program successfully delineated the basal contact on both sides of the Dome and this data will be used for the next round of deeper drilling which is now at the detailed planning stage.

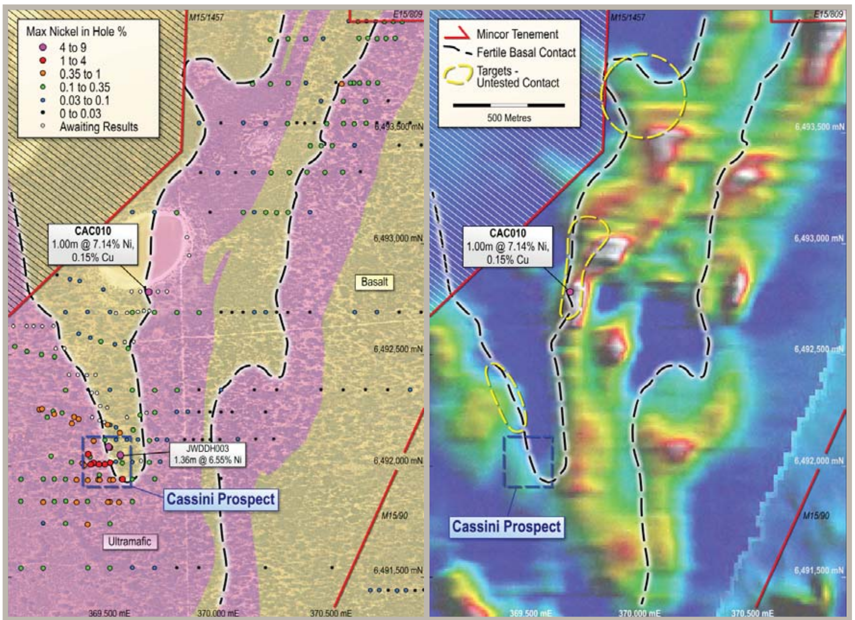


Figure 4: Cassini – Summary air-core drilling and maximum nickel down hole: (a) solid rock geology plan and surface morphology; (b) aeromagnetic image and basal contacts

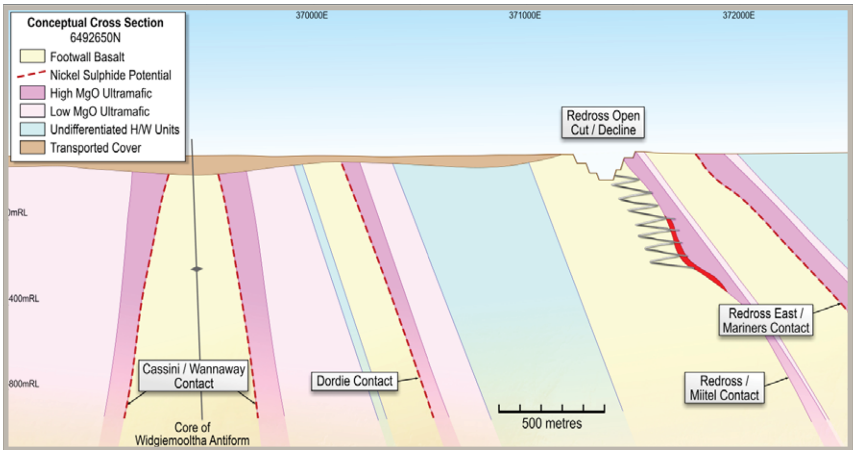


Figure 5: Conceptual geological cross-section showing the repeated basal contacts and the camp-scale opportunity

> "Work during the year has led Mincor to upgrade its estimate of the scale of the opportunity in this area"

Bluebush Line – Mons prospect

The Mons prospect is located at the northern end of the Bluebush Line, and much of the prospect area is covered by thin lake sediments of Lake Lefroy.

The prospect was discovered by an airborne EM survey carried out previously by Mincor and further delineated by a round of air-core drilling completed in November 2010. This work confirmed the presence of moderate to high MgO ultramafic rocks on a regional magnetic high and the preservation of the basal contact over a strike of 2 kilometres, with nickel and copper anomalism in drill holes. Mincor's exploration is focused on two well-developed magnetic highs on what appear to be structurally repeated basal contacts defining the western (Mons) and eastern (Mons East) bodies.

During the year Mincor completed a detailed ground magnetic survey and carried out two air-core drilling programs totalling 67 holes for 3,356 metres. Assay results are pending.

Mincor is now preparing to move to the next phase of deeper drill-testing. Once all the assay results have been received, a drill program will be designed to follow up the known nickel sulphide mineralisation, test beneath the deepest part of the embayed channel and test down-dip in fresh rock below the best developed nickel/copper geochemical anomalies. A deeper exploration hole will test the extensive EM anomaly previously identified by Mincor at the Mons East location.

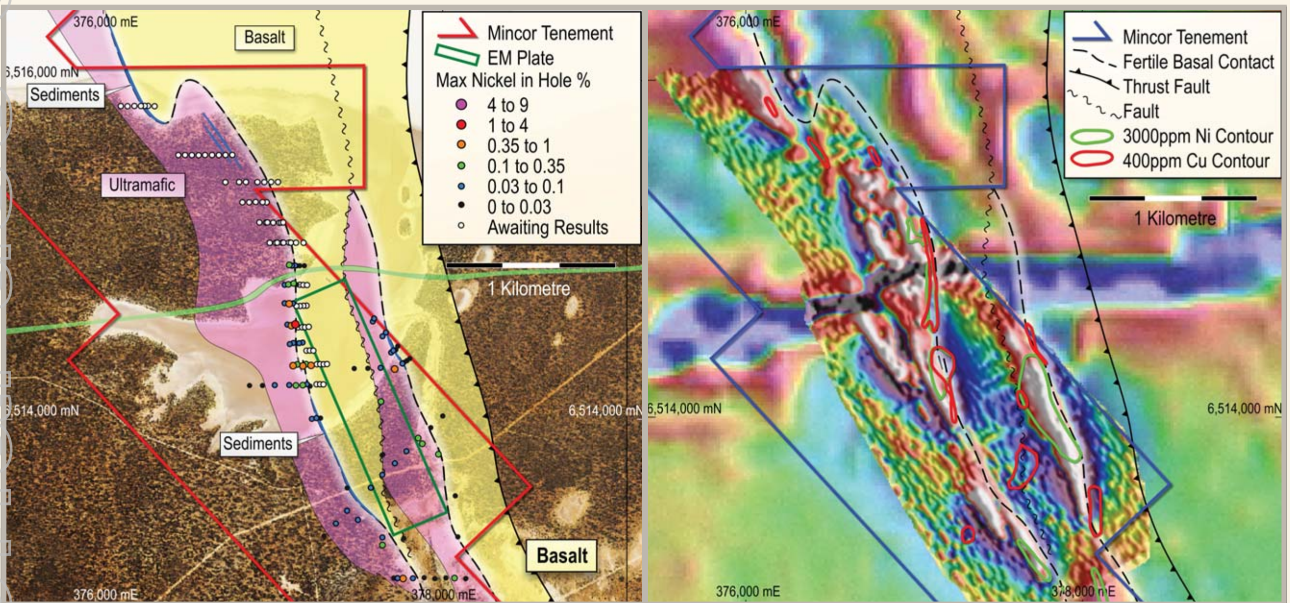


Figure 6: Bluebush Mons – Summary air-core drilling and nickel/copper anomaly: (a) solid rock geology plan and lake edge in blue, ultramafic in brown, and footwall basalt in yellow; (b) ground magnetic image/areas of nickel and copper dispersions

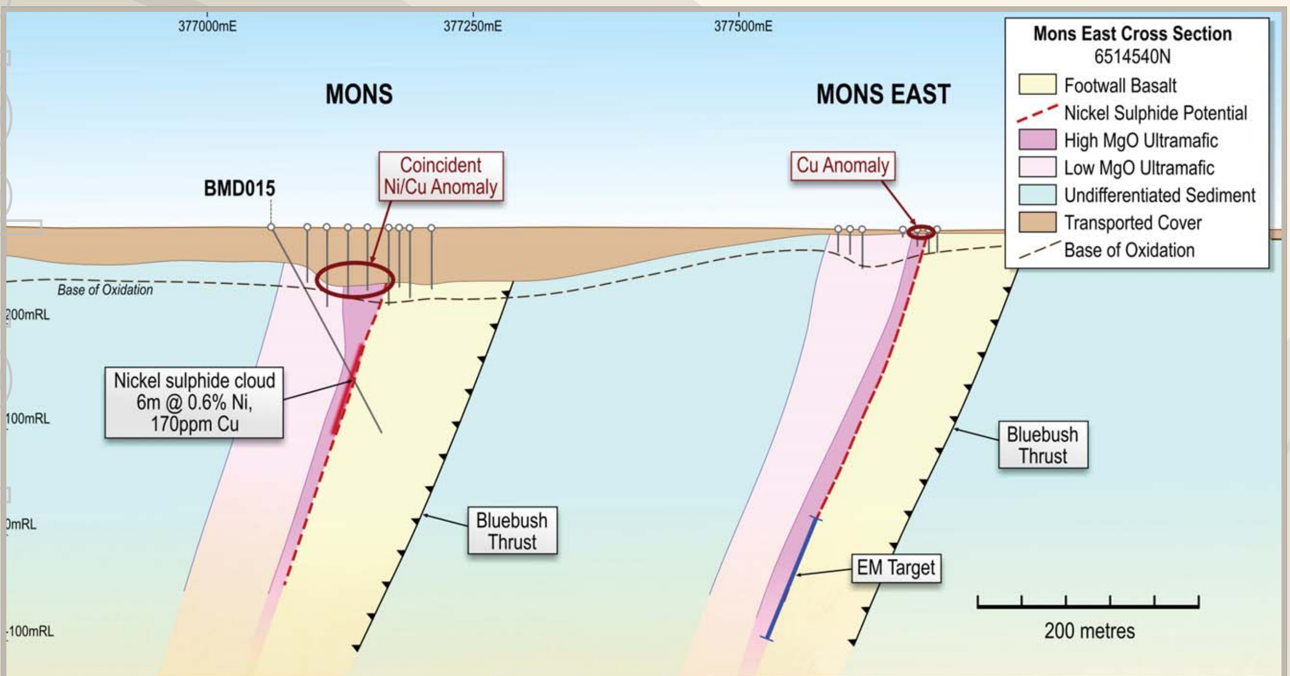


Figure 7: Geological cross-section of Mons showing the repeated basal contacts and idealised geology

Emerging Growth in Papua New Guinea

IN RECENT YEARS PAPUA NEW GUINEA HAS RE-EMERGED AS ONE OF THE MOST EXCITING EXPLORATION DESTINATIONS ON EARTH

ACCESS ROAD TO EDIE CREEK AND HIDDEN VALLEY (PHOTO BY RHYS LENNINGS, NOV 2011)

Papua New Guinea – a world-class mining region

It is the site of numerous world-class operating mines and projects and remains under-explored. The country has close long-term ties with Australia and is undergoing a boom in foreign direct investment. Via a joint venture agreement with Niuminco Ltd, Mincor is sole-funding exploration to earn an interest in four licences.

Mincor's exploration in PNG is targeted at very large-scale, world-class porphyry copper-gold deposits and high-grade epithermal gold deposits as well as high-grade volcanogenic massive sulphide (VMS) copper-gold deposits. The main focus is in three areas:

Edie Creek – located in the heart of the Morobi Mining district which includes the 5.6 million ounce Hidden Valley mine located 10 kilometres to the south, and the 15 million ounce (and growing) Wafi-Golpu deposit located 60 kilometres to the north. Mincor sole funding up to $15 million to earn 51%.

Bolobip – an outstanding porphyry copper-gold target located in a known porphyry belt only 60 kilometres east of Ok Tedi. Mincor sole funding up to $5 million to earn 72%.

May River – multiple porphyry and epithermal targets located within the Frieda River Intrusive Complex adjacent to the giant Frieda River deposits, which have a current inventory of 12.9 million tonnes of copper, 20.4 million ounces of gold and 49 million ounces of silver. Mincor sole funding up to $5 million to earn 72%.

Figure 8: Mincor's project locations in Papua New Guinea

Edie Creek Project

Edie Creek is located 210 kilometres north of Port Moresby and 120 kilometres south-southwest of the deep water port of Lae, at an elevation of approximately 2,200 metres. Access is good and local infrastructure is excellent, with a modern camp and all necessary facilities present on site. The Edie Creek tenements cover a total area of 390 hectares.

Exploration commenced late in 2011 and to date has comprised the following:

- Detailed mapping and data compilation – old workings together with available mining information, drill hole information, bench sampling and geological studies.
- All underground workings have been re-digitised as they show the exact location of highest grade mineralisation. A complete new set of plans, cross sections and longitudinal sections has been completed for the Edie Creek and Enterprise mine areas.
- A ground magnetic survey was completed which comprised 109 line kilometres along lines spaced between 25 and 100 metres apart. The results clearly show a dominant northwest structural trend, and supports a model of gold deposition in dilational zones associated with sinistral movement along a number of northwest trending structures.
- Soil sampling at 25-metre intervals along grid lines spaced 100 metres is nearing completion and will assist with targeting of areas outside of the known prospects as well as extensions to known mineralisation.
- Planning of initial drill holes.

Initial drill holes will target down-dip extensions of the main Edie Creek lodes, an area that yielded 200,000 tonnes grading 11.7g/t gold and 257,000 g/t silver from underground mining operations carried out between 1936 and 1941. Previous mining activity focused on the shallow oxide and weathered zone with only very minimal exploration beneath. The deepest intersection is currently less than 150 metres below surface so the first series of holes will target beneath the existing workings as shown in Figure 9 although the actual number and distribution of holes will vary according to results.

Drill-testing of a number of other high-quality targets including Enterprise, Karuka, Mounts and an apparently continuous zone of mineralisation from Mounts to Surmans to Midas is currently in the planning stage (Figure 10).

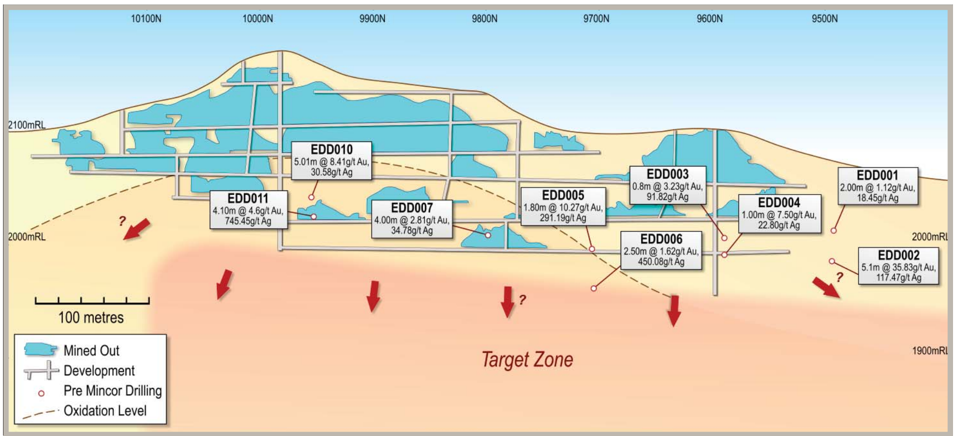


Figure 9: Long section of the Edie Creek mine area showing target zone (this may vary according to results as drilling progresses)

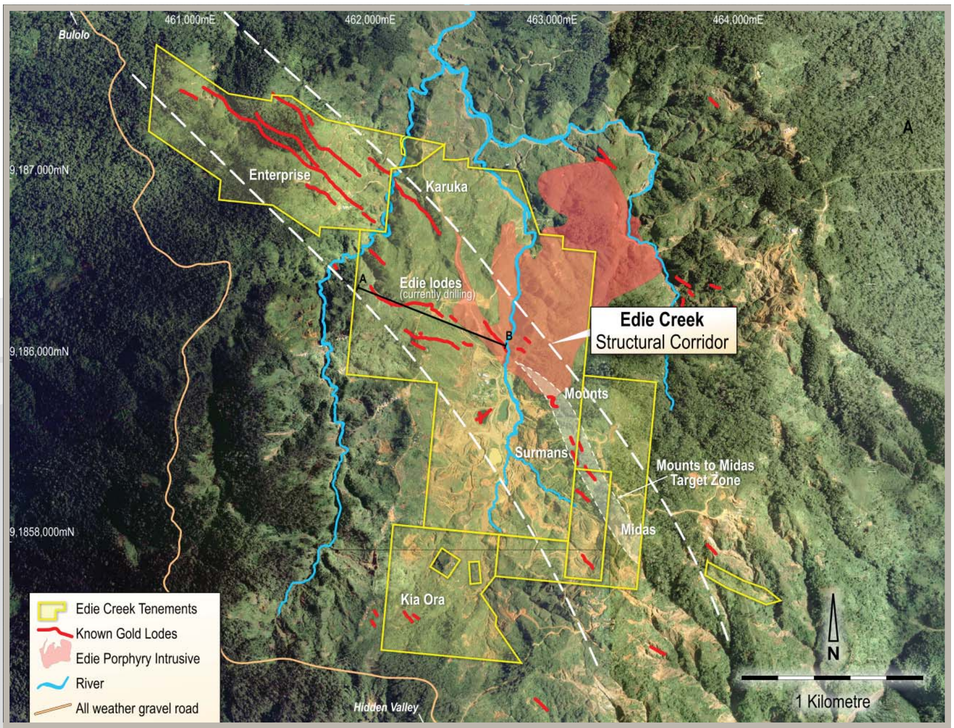


Figure 10: Edie Creek leases showing northwest structural corridor, known lode locations and target areas

> "The May River tenement covers an area of exceptional prospectivity"

SUNDAY AFTERNOON SOCCER MATCH NEAR EDIE CREEK CAMP SITE (PHOTO BY RHYS LENNINGS, MAY 2012)

May River Project

The May River tenement covers an area of exceptional prospectivity. Mincor is targeting high-grade VMS-style copper-gold deposits in the north and very large porphyry-style copper-gold deposits in the south, where the tenement shares the same geology as the adjacent Frieda River porphyry. The area is also highly prospective for epithermal gold deposits. Mincor has a base camp at the village of Hotmin, which is accessible via helicopter, fixed-wing aircraft and river barge.

Extensive airborne geophysical surveys have been completed comprising:

- A VTEM (Versatile Time Domain Electromagnetic) survey comprised 3,074 line kilometres – 1,977 line kilometres over the northern part of the tenement, targeting volcanogenic massive sulphide deposits and 1,097 line kilometres in the southern part, west of Frieda River, targeting Nena-style ore bodies.
- The new ZTEM system (Z-Axis Tipper Electromagnetic) was flown over the southern area in conjunction with the VTEM to better define the geology and structural setting of the area and to help define porphyry-type systems.

A total of 22 primary and 16 secondary targets were identified for follow up.

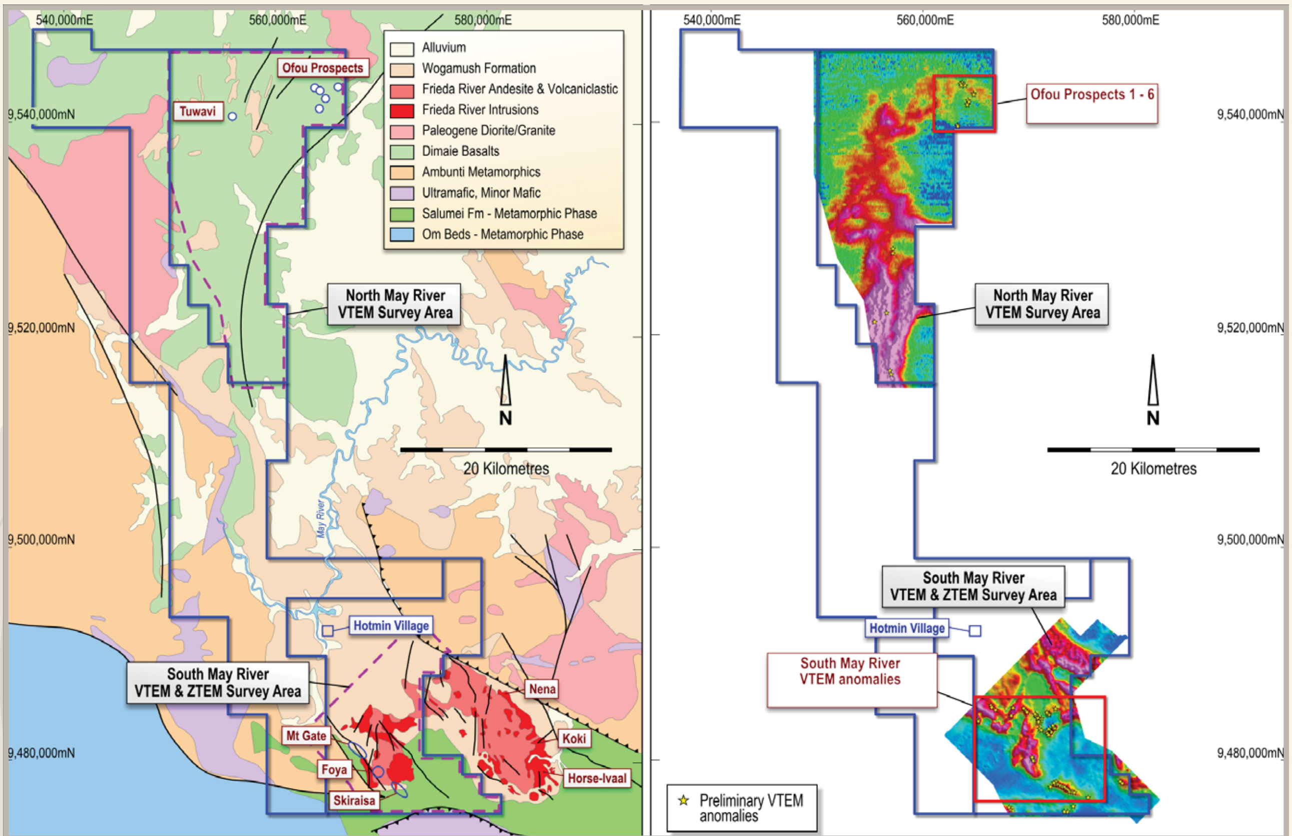


Figure 11: Location of airborne surveys at May River – VTEM was flown over both areas and ZTEM over the southern area only (left-hand diagram shows underlying geology)

South May River

Of great interest is a cluster of VTEM anomalies surrounding a central magnetic high (SMRV4 to SMRV11, see Figure 12). These anomalies (apart from SMRV6) also fall within anomalous ZTEM zones (SMRZ3, SMRZ6 and SMRZ7) that are present as coincident areas of low resistivity surrounding a central area of high resistivity. Additional anomalous ZTEM zones that may form part of the same system are outlined by SMRZ4 and SMRZ5.

The ZTEM processing shows a highly resistive and magnetic core zone, which is also a topographic high, flanked by zones of high conductivity and low resistivity. Geological information shows that this central area may be underlain by intrusive diorite porphyry.

The magnitude and extent of these geophysical anomalies and their location on a mapped intrusive complex some 9 kilometres from the Frieda River ore deposits suggests that they could represent a major mineralised copper-gold porphyry system.

Elsewhere a northwest trending line of VTEM anomalies (SMRV12 and SMRV13) within an elevated ZTEM response (SMRZ9 and SMRZ12) occurs to the west/southwest of the Skirasia – Foya – Mountain Gate line of prospects (Figure 13). These prospects are themselves subtly defined in the ZTEM data.

Previous drilling at Skirasia intersected extensive gold mineralisation, including:

- **06SK98:** 109 metres @ 1.53g/t gold, from 1 to 109 metres depth
- **11SK98:** 54 metres @ 1.83g/t gold, from 106 to 160 metres depth
- **93SK001:** 96 metres @ 0.89g/t gold, from 0 to 96 metres depth

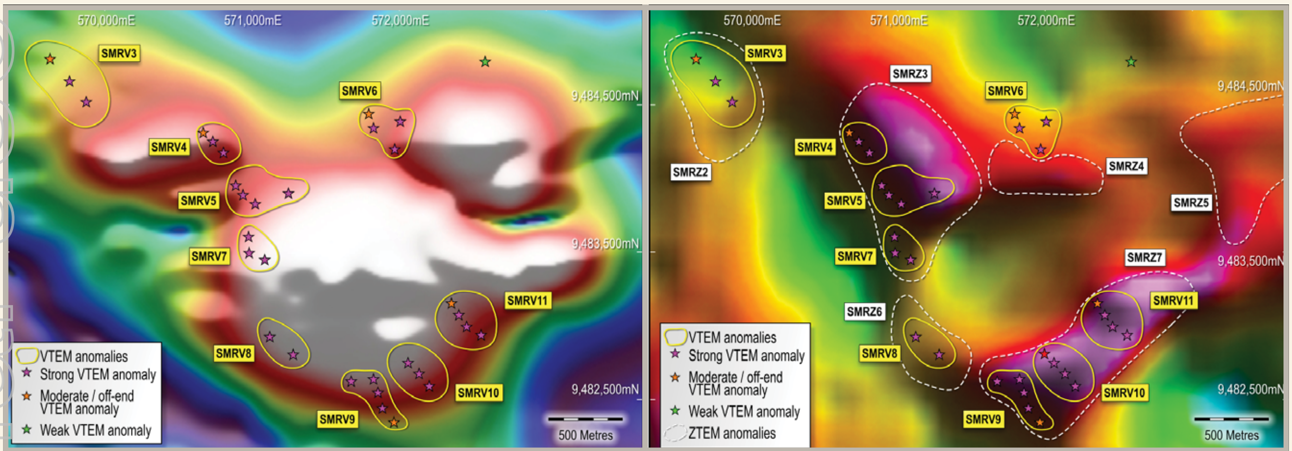


Figure 12: Iku Hill anomalies – the image on the left shows the position of VTEM anomalies superimposed on a regional magnetic image. The anomalies are marginal to a central magnetic high (intrusive). The right hand image shows the VTEM anomalies superimposed on ZTEM data with the warm colours representing areas of low resistivity (implying high conductivity). ZTEM anomalies tend to correlate closely with the electromagnetic anomalies identified in the VTEM data.

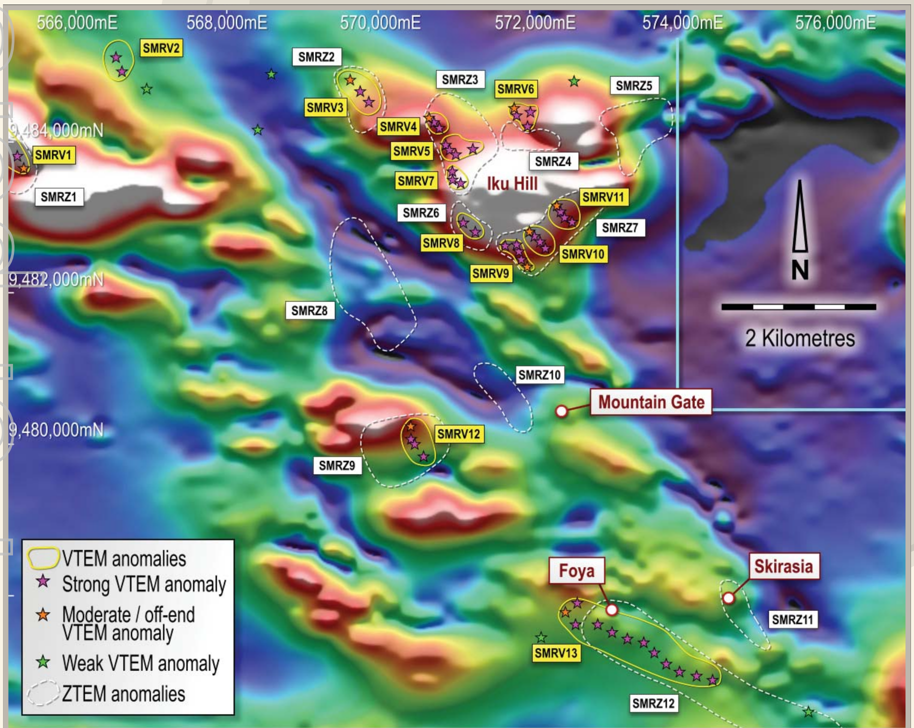


Figure 13: Additional preliminary VTEM and ZTEM anomaly locations at South May River superimposed on regional magnetic image (warm colours indicate elevated magnetic zones, white being most magnetic)

JUSTIN KONDIAS, FIELD ASSISTANT, EDIE CREEK
(PHOTO BY RHYS LENNINGS, JAN 2012)

North May River

North May River is prospective for high-grade VMS-style copper-gold deposits. A number of such deposits are known to be present on the licence area including Ofou 6 (Figure 14) where previous drilling results include:

- **009UF97:** 11 metres @ 10.6% copper and 1.98g/t gold
- **010UF97:** 19 metres @ 11.47% copper and 2.17g/t gold

Very importantly, the VTEM survey clearly identified the known mineralisation at the prospects named Ufou 1, 2 and 4. Equally significantly it did not identify anomalies at two named but undrilled prospects, being Ufou 3 and 5 – suggesting these do not require further consideration. Finally, the survey identified a strong new anomaly, which has been named Ufou 6.

These results suggest that the VTEM survey has effectively screened the chosen area. Of the existing prospects, three have been confirmed and two downgraded, while a new prospect has been added.

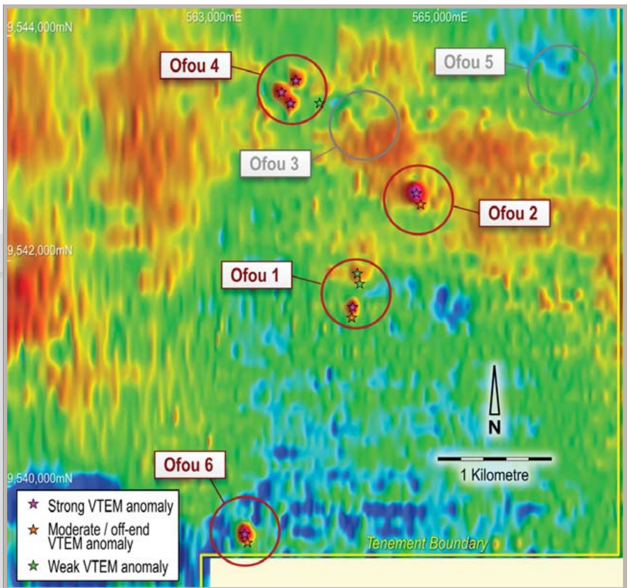


Figure 14: Discrete VTEM anomalies (channel 35 image shown) clearly associated with known sulphide occurrences at Ofou including a new anomaly at Ofou 6

Bolobip Project

The Bolobip prospect comprises a diorite-monzonite intrusive stock similar in age and geological setting to the Ok Tedi mine, which is located approximately 60 kilometres to the west. The area was explored briefly by CRA in the late 1980s. CRA carried out mapping and surface geochemical sampling, but no drilling and no geophysical surveys.

Work carried out by Mincor at Bolobip to date includes:

- Compilation of historical data including purchase of relevant datasets wherever available.
- Re-establishment of old trenches and access tracks.
- A detailed review of all geochemical data.

Previous sampling comprises stream sediments, ridge and spur sampling (soils or rock chips on approximately 20-30 metre centres), channel sampling along trenches (approximately 4-5 metre centres) and a grid-based wacker/auger sampling at approximately 25-metre intervals along 100-metre spaced grid lines.

The Bolobip stock is the main target and work to date has focused on an area that is roughly 2 square kilometres in extent and was originally identified by regional stream sediment sampling. The location of the area relative to the Bolobip intrusives is shown in Figure 15.

A detailed review and thorough technical analysis of all CRA's geochemical results has identified a coherent copper-gold anomaly approximately 1 kilometre in diameter. The area immediately surrounding this zone of elevated copper and gold is relatively enriched in zinc, lead and manganese.

Mincor believes this distinctive geological signature is consistent with the presence of a leached cap above a large mineralised copper-gold porphyry body, an interpretation enhanced by the location of the anomaly in an intrusive body along a well-known porphyry belt.

Mincor is currently planning a possible round of surface geophysical surveys, to be followed by drill-testing later in the year.

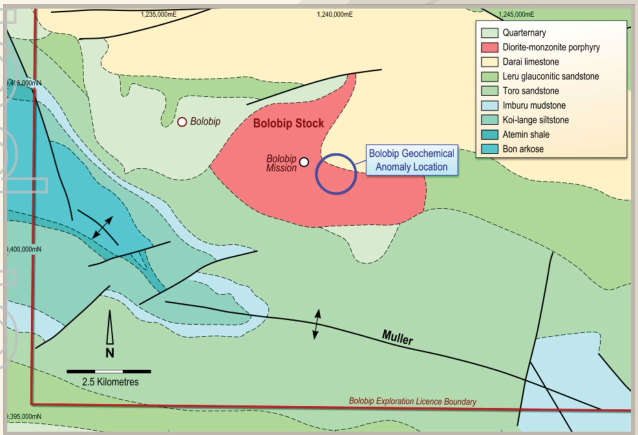


Figure 15: Location of geochemically anomalous area at Bolobip

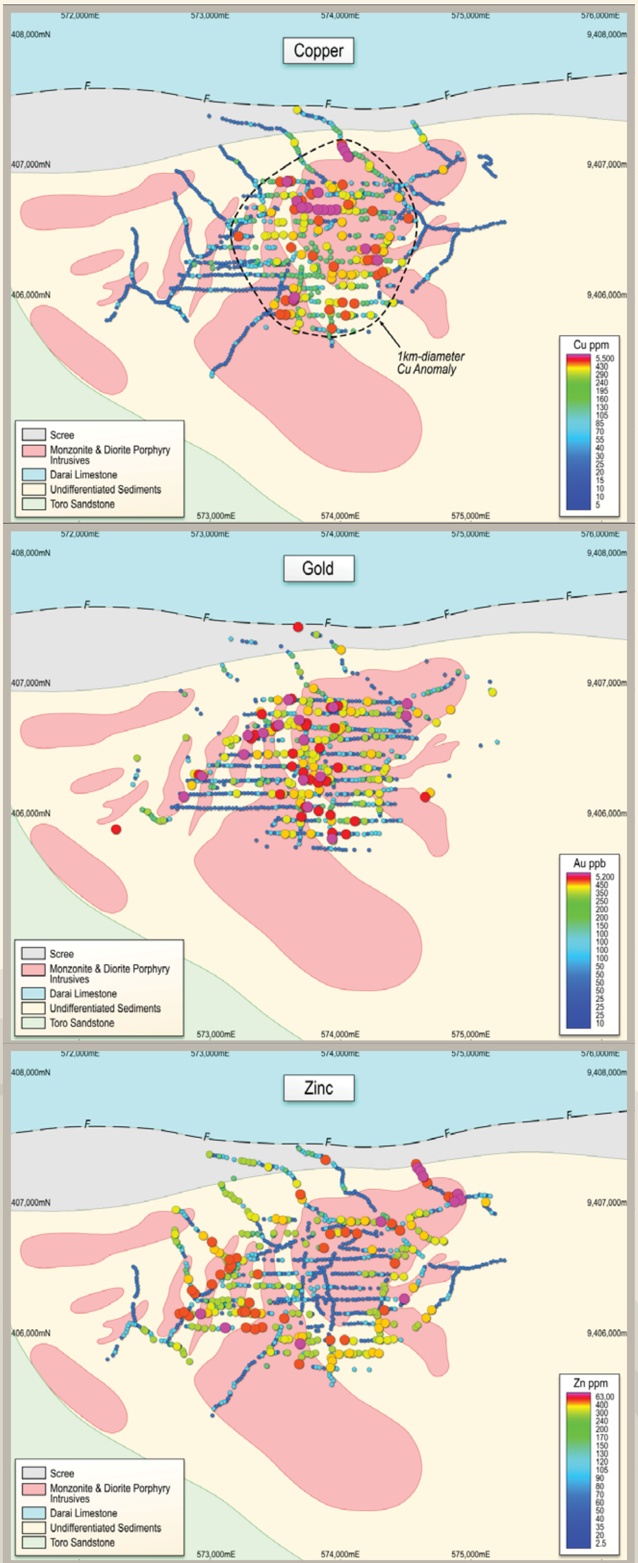
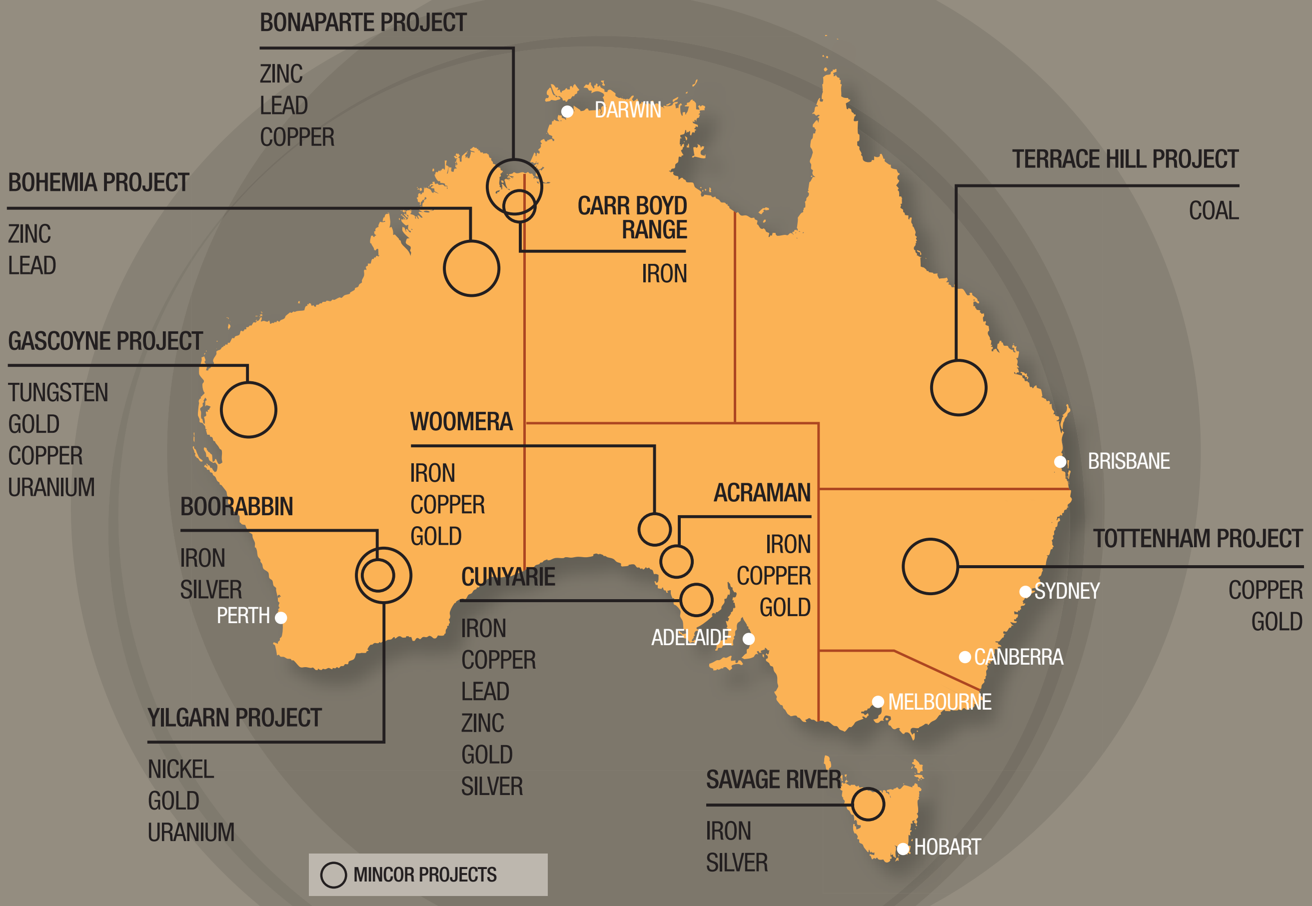


Figure 16: (above from top to bottom) Copper-gold and zinc distribution – note central enrichment of copper and gold and rimming zinc.

Australia-Wide Mineral Exploration

PHOTO BY TANH DOAN, MAY 2012



In addition to its intensive exploration in Kambalda and growing presence in Papua New Guinea, Mincor maintains an active exploration program across a high-quality suite of Australian projects, searching for economic deposits of gold, copper, zinc and other metals. Mincor has current projects in New South Wales, South Australia and Western Australia.

DRILL CORE FROM THE OXIDE ZONE AT ORANGE PLAINS (PHOTO BY RICHARD HATFIELD)

Tottenham Copper-Gold Project

(Mincor 100%)

The Tottenham Copper Project is located in the prolific Lachlan Fold Belt of New South Wales. 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. Tottenham is located 160 kilometres southeast of the CSA copper-silver mine and Peak gold mine near Cobar.

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, with mineralisation located at or near a prominent quartz-magnetite marker horizon.

The geological setting is similar to copper deposits at Tritton and Murrawombie, which occur in the same rock suite about 120 kilometres northwest of Tottenham. The Tritton Copper Mine (13 million tonnes @ 2.4% copper) and its satellite deposits are typical of VMS deposits worldwide.

Mincor's initial work in the area focused on the near-surface potential, and during 2006/07 the Company carried out exploration and drilling programs that led to the delineation of a maiden JORC-compliant Inferred Resource of 3.7 million tonnes @ 1.1% copper containing 41,850 tonnes of copper metal 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.

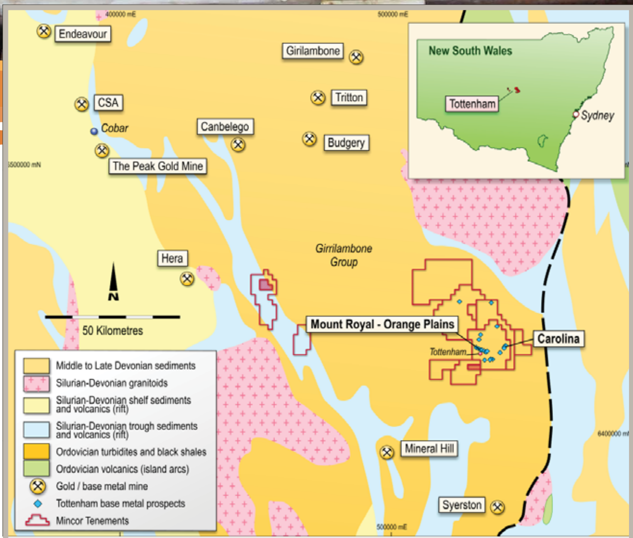


Figure 17: Regional location of the Tottenham Copper Project and Mincor's tenement holdings

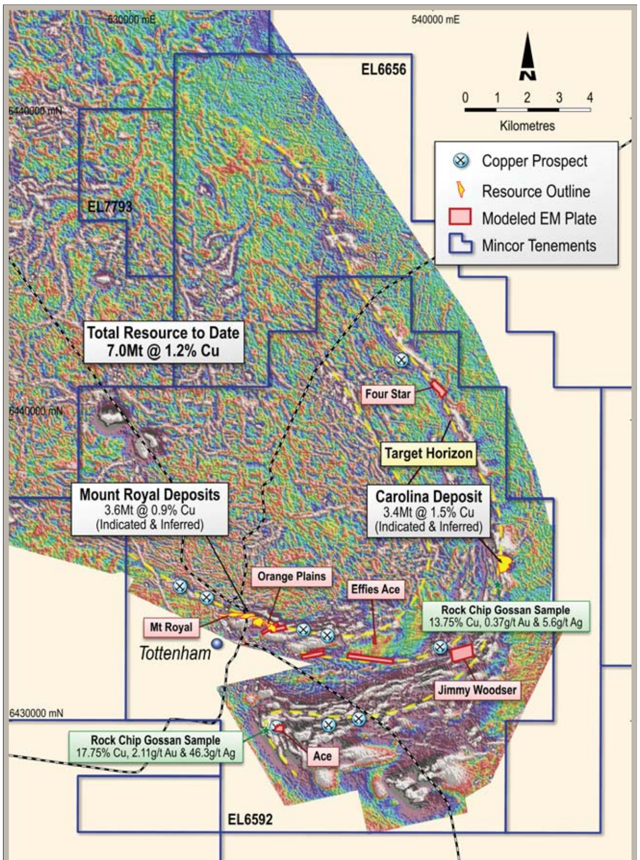


Figure 18: Magnetic intensity image and priority EM targets at Tottenham

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

Table 5: Tottenham Mineral Resource (at a 0.4% copper cut-off)

LOCATION	INFERRED	GRADE	INDICATED	GRADE	TOTAL TONNES	GRADE	CONTAINED METAL
	(TONNES)	(CU %)	(TONNES)	(CU %)		(CU %)	(TONNES)
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**	**85,710**

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 Mr Robert Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a permanent employee of Mincor Resources NL. Mr Hartley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 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.

The new resource calculation for a global estimate of 85,700 tonnes of copper in resource is a 100% increase over the previous estimate. The new resource will be used in preliminary scoping studies to help guide the exploration effort through an understanding of the economic sensitivity of incremental resource additions.

Target generation work recently completed at Tottenham includes further soil geochemistry north of the Mount Royal line of workings. A new well-developed soil anomaly has been identified and named Hudsons. This coherent anomaly trends north-northwest and is on a possible new mineralised trend. The anomaly is hosted in red soils with no outcrop, and air-core drilling is planned.

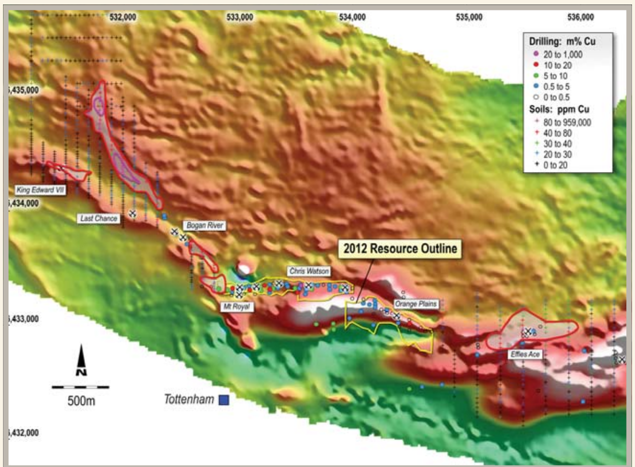


Figure 19: Untested new copper soil anomaly identified northwest of Bogan River Mine

Bohemia Zinc Project

Mincor's Bohemia tenements lie along the Lennard Shelf, which is the northern edge of the Canning Basin in northern Western Australia. The Lennard Shelf is a well-known zinc-lead mining district, with past production of more than 40 million tonnes of ore at grades of around 11% combined zinc plus lead.

Empirical evidence based on gravity data suggests that the largest of the known Lennard Shelf deposits are associated with cross faults ('transfer structures') that cut across the 'frontal fault' that is the overriding control on mineralisation elsewhere in the district. One such transfer structure is interpreted to control the location of Pillara (23 million tonnes @ 7.12% zinc and 2.2% lead) which is the largest of the Lennard Shelf ore bodies, located approximately 60 kilometres northwest of Mincor's tenements. At Bohemia, Mincor is targeting similar large-scale zinc mineralisation associated with a geological setting that is interpreted to mirror that of Pillara.

Mincor will carry out an initial detailed stream sediment survey which will be followed up by gravity and IP surveys, and drill-testing later in the year.

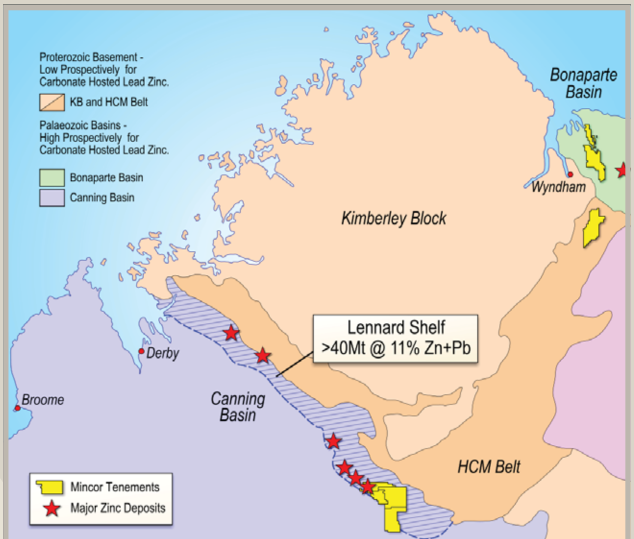


Figure 20: Location of Bohemia tenements

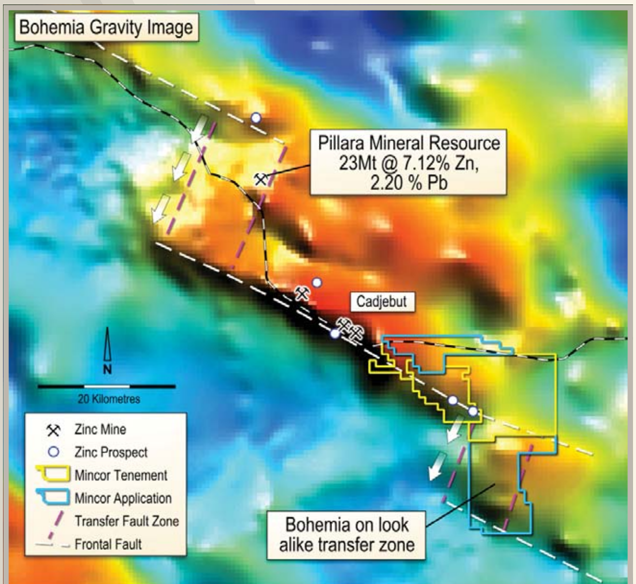


Figure 21: Regional gravity image showing the location of the Bohemia target

AIR-CORE DRILLING AT CATTLE POOL
(PHOTO BY JOHN THEVISSEN)

Bonaparte Copper and Zinc Project

(Mincor 100%, JOGMEC sole funding to earn up to 40%)

Mincor, together with joint venture partner JOGMEC (Japan Oil, Gas and Metals National Corporation), is exploring for sedimentary-hosted zinc, lead and copper deposits within the onshore Bonaparte basin. Little work has been carried out in the past. Mincor is the first company to have successfully negotiated an access agreement with the Traditional Owners.

The area is underlain by prospective Devonian and Carboniferous rocks with numerous zinc, lead and copper occurrences. Previous work focused on the Redbank Hills prospect, targeting surface gossans and sporadic copper and zinc mineralisation in Devonian sandstones and shales. However this is only one of numerous targets and Mincor is working up a broad suite of geochemical and geophysical anomalies.

This year 1,900 soil samples were taken at Siggins Springs, Cockatoo, Mistake Creek, Redbank South and Mt Cecil. A statistical analysis of 2011 soil samples was completed and confirmed possible southern extensions to anomalous copper-lead-zinc at the Redbank Prospect. Follow up soils are planned in 2012 at Redbank South and Siggins Springs.

Mincor is currently negotiating with the DEC for access to the highly prospective Ningbing Range tenement applications (E80/4350-51) where historic drilling has intersected up to 21 metres @ 1.86% zinc (including 2 metres @ 4.5% zinc and 1 metre @ 4.85% zinc) in an area where just four of 12 known gossans have been tested.

> "Mincor is working up a broad suite of anomalies"

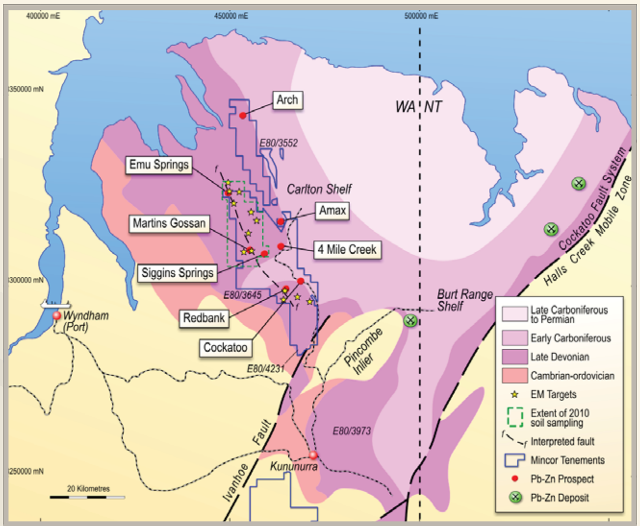


Figure 22: Bonaparte Project – regional setting and prospect locations

Gascoyne Uranium Project

(Mincor 100%)

The Gascoyne Tungsten-Uranium Project consists of two granted exploration licences east of Carnarvon in Western Australia's Gascoyne region. The tenements cover known occurrences of tungsten and uranium.

Mincor's current focus is on the uranium potential of the area. Extensive surface uranium mineralisation has been discovered by Mincor at Cattle Pool through several phases of exploration, including air-core drilling, costeaning, and a detailed RadonX emanometry survey. This work has outlined extensive secondary U_3O_8 mineralisation (U-K vanadates) present in a variety of settings.

A VTEM survey was undertaken and the results highlight a number of significant formational conductors, possibly associated with graphitic metasediments, within the older Pooranoo Metamorphic basement. A clear spatial association with known uranium occurrences and the proximity of the conductors to the younger Bangemall Group unconformity is highly encouraging, and provides a focus for future exploration. Integration of VTEM data with soil radon and spectrometric (uranium-thorium) data collected in 2008/09, will now be carried out to define targets for drilling.

Kambalda West – Woolgangie E15/883

(Mincor 70%)

A detailed ground magnetic survey was completed over a significant regional magnetic anomaly on the tenement. It is believed the source of the magnetic anomaly is either a banded iron formation or a magnetite skarn. The survey shows a well-developed anomaly over 1.3 kilometres long and 300 metres wide with a maximum peak of 11,300 nanoteslas. One RC hole is planned to test the peak of the anomaly.

Early Stage Tenements

Based on geological modelling, Mincor has applied for a number of exploration licences. Applications have been lodged for Cunyarie and Acraman (Eyre Peninsula) and at Woomera (northern Gawler Craton).

The Eyre Peninsula targets are skarn hosted coarse magnetite (Wilcherry Hill and Hercules Type) and epithermal base metals (Menninnie Dam and Paris Type) within the palaeoproterozoic Hutchison Group metasediments. In the northern Gawler Craton, the target is BIF hosted magnetite (Mt Christie-Sequoia Type) within the Archaean Mulgathing Suite metasediments. An additional tenement was also pegged in the Carr Boyd Range (East Kimberley) targeting Proterozoic sediment hosted haematite similar to the nearby Ridges Iron Ore Mine.

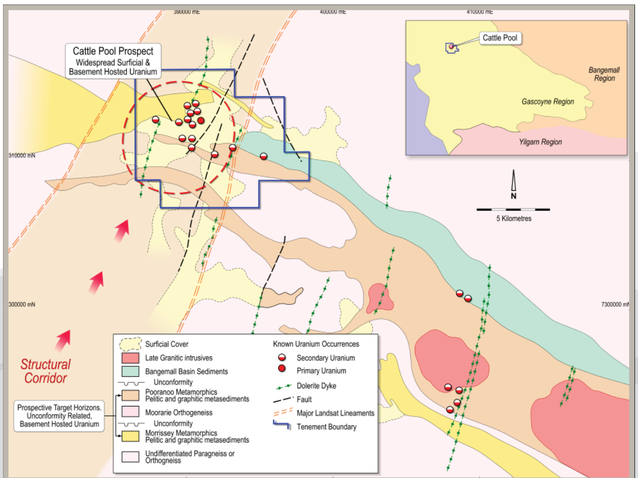


Figure 23: Gascoyne Project area showing regional geology and prospect locations

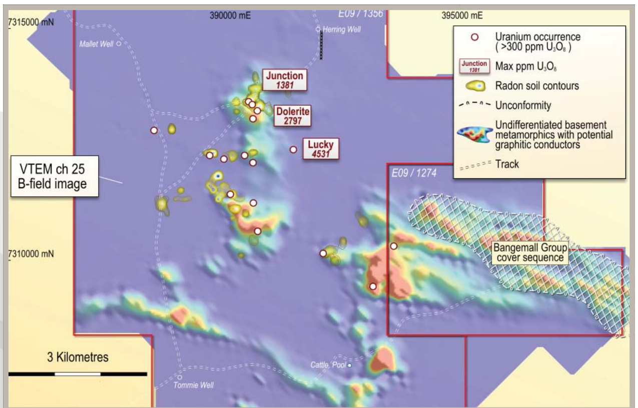


Figure 24: Gascoyne – coincident radon uranium occurrences possibly related to primary uranium in basement conductors

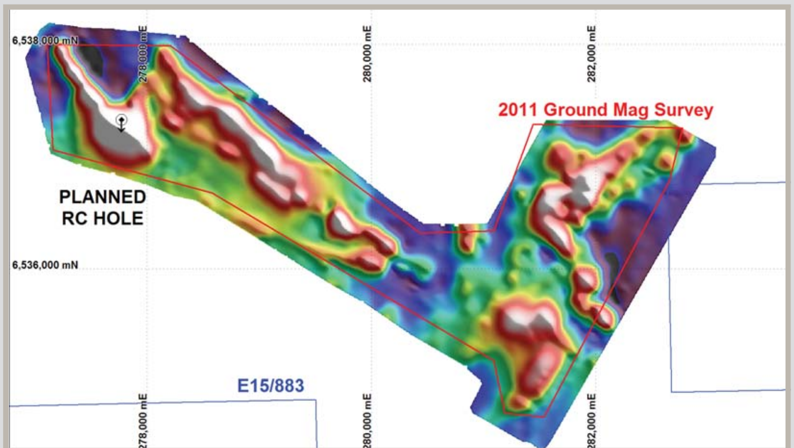


Figure 25: Woolgangie – ground magnetic survey, TMi image and proposed drill hole

Acronyms and Definitions

Acronyms

EM	electromagnetic (a geophysical prospecting technique that uses the electrically conductive nature of massive sulphides to aid in their discovery)
DHEM	down-hole electromagnetics (use of this technique via a probe inserted in a drill-hole)
IP	Induced Polarisation – another geophysical technique that relies on the electromagnetic properties of certain ore bodies to aid in their detection.
JOGMEC	Japan Oil, Gas and Metals National Corporation
MgO	magnesium oxide
Ni	nickel
PNG	Papua New Guinea
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)
USNOB	Ultra-Sized Nickel Ore Body (defined by Mincor to be a nickel ore body containing more than 100,000 tonnes of nickel metal at mineable grades better than 3.5% nickel)
TEM	transient electromagnetic (a form of EM geophysical survey)
U_3O_8	the most commonly occurring natural form of uranium
VMS	volcanogenic massive sulphides
VTEM	Versatile Time Domain Electromagnetic survey (a helicopter-borne airborne EM survey)
ZTEM	Z Axis Tipper Electromagnetic System (an advanced airborne electromagnetic technique designed to map the conductivity and resistivity of the earth)

HIDDEN VALLEY ACCESS ROAD, ON ROUTE TO EDIE CREEK
(PHOTO BY RHYS LENNINGS, NOV 2011)

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.
Besshi-type	A form of massive sulphide deposit (copper-zinc-lead plus gold and silver). Typically larger and lower grade than the related Kuroko-type massive sulphide deposits.
contained nickel metal	Nickel contained in the ore, before any metallurgical recoveries are applied.
disseminated sulphides	A form of mineralisation where the economic sulphide mineral is finely disseminated through the rock.
epithermal deposits	These deposits are formed within about one kilometre of the Earth's surface in the range of 50 to 200°C. These deposits are typically found in volcanic rocks; the chief metals are gold, silver and mercury.
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.
gossans	Oxidised (weathered) forms of naturally occurring sulphides, often forming the weathered (outcropping) portion of a sulphide ore body.
hanging-wall	A mining term that refers to the rock unit lying stratigraphically and/or physically directly above an ore body. In most Kambalda mines the hanging-wall 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	Is 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 approximately 88-93%, nickel-in-ore converts to nickel-in-concentrate, which is the material Mincor actually sells.
ore reserves	Is 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.
porphyry intrusion	A form of igneous rock that has, in a molten state, intruded (cut through) pre-existing rock units. In Kambalda such intrusions can adversely affect both the exploration for and the mining of nickel ore bodies.
quartz magnetite unit	A distinctive rock unit comprising quartz and magnetite, often formed in association with submarine volcanism.
Radonx emanometry	Indirect prospecting method for uranium, relying on the measurement of the concentration of naturally occurring radon gas.
stratigraphy	The study of stratified rocks (sedimentary and volcanic rocks), their sequence in time, their characteristics, and their correlation in different localities.
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.

EMERGENCY RESPONSE TRAINING
(PHOTO BY TANH DOAN, MAY 2012)

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 ensure that its employees are protected from all occupational injuries and diseases.
- Mincor will 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 11 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/her.
- 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.
- Following best practices elsewhere in the world, supervisors spend at least 20% of their time on matters directly related to the protection of their subordinates' health and safety.
- Contractor's personnel are viewed as Mincor employees for health and safety purposes. Mincor's safety principles and values apply equally to contractor's 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 2012

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 15 August 2012.
The Directors have the power to amend and reissue the financial statements.

The Board of Directors of Mincor Resources NL ("**the Company**") is responsible for corporate governance of the Company. The Company has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. The Board continually reviews its governance practices to ensure they remain consistent with the needs of the Company. Some of these policies and procedures are summarised in this statement.

Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition ("**ASX 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. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reasons for the adoption of its own practice, in compliance with the "if not, why not" reporting regime.

The following table sets out where the Company has followed the recommendations or provided "if not, why not" reporting.

	ASX P & R	If not, why not		ASX P & R	If not, why not
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 4.4	✓	
Recommendation 2.1	✓		Recommendation 5.1	✓	
Recommendation 2.2	✓		Recommendation 5.2	✓	
Recommendation 2.3	✓		Recommendation 6.1	✓	
Recommendation 2.4	✓		Recommendation 6.2	✓	
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2	✓	
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2	✓		Recommendation 7.4	✓	
Recommendation 3.3	✓		Recommendation 8.1	✓	
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5	✓		Recommendation 8.3	✓	
Recommendation 4.1	✓		Recommendation 8.4	✓	

Further information about the Company's corporate governance practices including charters, policies and procedures may be found at the Company's website at **www.mincor.com.au**, under the section marked 'Corporate Governance'. A list of the charters, policies and procedures which are referred to in this Corporate Governance Statement, together with the recommendations to which they relate, are set out below.

	Recommendation(s)
Charters	
Board	1.3
Audit Committee	4.3, 4.4
Nomination Committee	2.6
Remuneration Committee	8.4
Policies and Procedures	
Policy and Procedure for Selection and (Re)Appointment of Directors	2.6
Process for Performance Evaluation	1.2, 2.5
Policy on Assessing the Independence of Directors	2.6
Diversity Policy	3.2, 3.5
Code of Conduct (summary)	3.1, 3.5
Policy on ASX Listing Rule Compliance and Compliance Procedures (summary)	5.1, 5.2
Procedure for Selection, Appointment and Rotation of External Auditor	4.4
Shareholder Communication Policy	6.1, 6.2
Risk Management Policy (summary)	7.1, 7.4

DISCLOSURE – PRINCIPLES AND RECOMMENDATIONS

The Company reports below on how it has followed (or otherwise departed from) each of the Principles and Recommendations during the 2011/2012 financial year ("**Reporting Period**"). The information in this statement is current at 15 August 2012.

PRINCIPLE 1 – Lay Solid Foundations for Management and Oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Board's objectives are to:

a) Increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and

b) Ensure the Company is properly managed.

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Board delegates responsibility for running the Company's affairs and implementing the policies and strategy set by the Board to the Managing Director, who is accountable to the Board. The Company has established the functions delegated to senior executives which are set out in its Board Charter.

Senior executives are responsible for supporting and assisting the Managing Director to conduct the general operations and financial business of the Company in accordance with the delegated authority of the Board and to progress the strategic direction provided by the Board.

The Board holds at least four meetings per annum and on other occasions as required. Senior managers of the Company are invited to attend meetings of the Board. Non-executive Directors may meet independently of the Executive Directors, although during the Reporting Period no such meetings occurred. At each meeting of the Board time is allocated for consideration of strategic planning issues.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The Managing Director is responsible for evaluating the performance of senior executives by conducting formal interviews with each of the senior executives. The Managing Director documents the evaluations and reports the outcome of those evaluations to the Board when required.

Recommendation 1.3:

Companies should provide the information indicated in the Guide to reporting on Principle 1.

Disclosure:

During the Reporting Period an evaluation of senior executives took place in accordance with the process disclosed at Recommendation 1.2.

PRINCIPLE 2 – Structure the Board to Add Value

Recommendation 2.1:

A majority of the Board should be independent directors.

Disclosure:

During the year the Board comprised a majority of independent directors (including the Chairman). Details of the Directors (including details of their skills, experience, expertise and term of office) are set out in the Directors' Report.

The Board recognises the corporate benefits arising from Board diversity. The Board seeks to have a mix of skills and diversity amongst its members, with a majority of independent members in accordance with Recommendation 2.1. The skills, knowledge and experience which the Board considers to be particularly relevant to the Company are financial qualifications and experience; mining industry knowledge and experience; and engineering and geology expertise. Currently there are no female members on the Board however, should a vacancy exist in the future, the Board will consider a diverse range of candidates in accordance with its Diversity Policy.

The Board has adopted a policy for assessing the independence of directors. This policy provides that when determining the independent status of a director the Board should consider whether the director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- Has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- Is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- Has a material contractual relationship with the Company or another group member other than as a director.

The Board also considers the Company's materiality thresholds when assessing the independence of directors. The materiality thresholds are set out in the disclosures under Recommendation 2.6 below.

Messrs DJ Humann, IF Burston and JW Gardner are independent as they are Non-executive Directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

Mr DCA Moore is the executive Managing Director and is therefore not independent.

Recommendation 2.2:

The Chair should be an independent director.

Disclosure:

The independent Chair of the Board is Mr DJ Humann.

Recommendation 2.3:

The roles of the Chair and Chief Executive Officer should not be exercised by the same individual.

Disclosure:

The Managing Director is Mr DCA Moore who is not Chair of the Board.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Disclosure:

The Board has established a Nomination Committee.

The Nomination Committee has a separate charter which describes its role, composition, functions and responsibilities. A copy of the charter is set out on the Company's website.

Details of the number of meetings held and attendance at each Nomination Committee meeting during the Reporting Period are detailed below.

Name	No. of Meetings Held	No. of Meetings Attended
DJ Humann (Independent, non-executive)	1	1
DCA Moore (Not independent, executive)	1	1
IF Burston (Independent, non-executive)	1	1

Mr DJ Humann was Chair of the Nomination Committee until 23 May 2012. On 23 May 2012, Mr IF Burston took on the role of Chair of the Nomination Committee so that the Chair of the committee is not also Chair of the Board.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

The Board's *Process for Performance Evaluation* (available on the Company's website) states that the Chairman is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. It further states that the Nomination Committee is responsible for evaluating the Managing Director and that other senior executives are evaluated by the Managing Director. These evaluations occur annually, or as required, on an informal basis.

During the year, the Chairman (in conjunction with the Nomination Committee) reviewed the performance of the Board as a whole. The review was undertaken by way of round-table discussions relating to how the Board functions and operates effectively. No significant adverse issues were identified. The process applied during the year followed the disclosed process.

During the year, the Chairman (in conjunction with the Board) reviewed the performance of the Audit Committee, Remuneration Committee and Nomination Committee. The reviews were undertaken by way of round-table discussions relating to how the committees functioned and how effectively they operated. No significant adverse issues were identified. The process applied during the year followed the disclosed process.

The Managing Director was evaluated by the Chairman and the Board by way of informal discussion. The Managing Director's performance was also subject to continuous review through ongoing discussions with the Chairman. The process applied during the year followed the disclosed process.

Recommendation 2.6:

Companies should provide the information indicated in the Guide to reporting on Principle 2.

Disclosure:

The following additional information is provided with respect to reporting on *Principle 2.*

Company's materiality thresholds

When assessing Company matters, the Board considers the following quantitative and qualitative materiality thresholds, which are set out in the Company's Board Charter:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net assets;
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more;
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%; and
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Statement concerning availability of Independent Professional Advice

If a Director considers it necessary to obtain independent professional advice to properly discharge their responsibilities as a director, then, provided the Director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Retirement and re-election of directors

The Company's constitution requires one third of directors (other than the Managing Director and alternate directors) to retire from office at each Annual General Meeting. Directors appointed by the Board are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of directors to retire by rotation at the Annual General Meeting.

Directors cannot hold office for more than three years following their appointment without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders. Reappointment of directors is not automatic.

Appointment of new directors

No new directors were appointed during the last financial year. The Board (subject to member's voting rights in a general meeting) is responsible for selection of new members and succession planning. The Nomination Committee evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nomination Committee identifies the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors on the Board. A potential candidate is considered with reference to their skills and expertise in relation to other Board members. New directors are invited to join the Board by the Chairman, who makes the invitation based on recommendations made by the Nomination Committee and approved by the Board. Any appointment made by the Board is subject to ratification by shareholders at the next annual general meeting. The Policy for selection and appointment of new directors is available on the Company's website.

PRINCIPLE 3 – Promote Ethical and Responsible Decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a comprehensive Code of Conduct which is set out in full on the Company's website. The purpose of the code of conduct is to establish practices to maintain confidence in the Company's integrity, set in place practices to take account of its legal obligations and the reasonable expectations of its stakeholders and outline practices for the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. This code of conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders, and the broader community.

The Board supports the highest standards of corporate governance, and requires its members and the staff of the Company, to act with integrity and objectivity in relation to:

- Compliance with the law;
- Record keeping;
- Conflicts of interest;
- Confidentiality;
- Acquisitions and disposals of the Company's securities; and
- Safe and equal opportunity employment.

The Board and management are also conscious of and aim to ensure fulfilment of the wider obligations of the Company and its staff to people affected by its operations, and for responsible management of the environment.

The Company's Code of Conduct states that the Board, management and employees must not involve themselves in situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises the matter should be brought to the attention of the Chairman in the case of a Director, or the Managing Director in the case of a member of management, or a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and the progress in achieving them.

Disclosure:

The Board has established a policy concerning diversity. The Diversity Policy describes the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Company performance. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the process by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. A copy of the Company's Diversity Policy is set out on the Company's website.

Recommendation 3.3:

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

The measurable objectives set by the Board for the Reporting Period, and a report as to the Company's progress towards achieving the objectives is set out in the following table:

Measurable Objective	Progress Towards Achieving Objective
Equality in remuneration/pay scales.	Remuneration/pay scales across the organisation are reviewed annually as part of the annual remuneration review process. During this process any inequalities are identified and addressed. This took place during the Reporting Period.
Approach all recruitment and selection with equality that ensures no bias towards either male or female candidates (through job ads, briefings to recruitment agents, selection criteria based on experience, applicants considered on merit).	All recruitment and selection that took place during the Reporting Period was approached in accordance with the objective.

Measurable Objective	Progress Towards Achieving Objective
Approach all promotions with equality that ensures no bias towards male or female candidates (i.e. best person for the role).	All promotions that took place during the Reporting Period were approached in accordance with the objective.
Approach all training and career development opportunities with equality to ensure no bias towards any staff member(s).	All training and career development that took place during the Reporting Period was approached in accordance with the objective.
Offer flexible working arrangements for mothers of young children, provided the arrangement is acceptable to both the employee and the Company.	Flexible working arrangements were offered in accordance with the objective during the Reporting Period. The arrangements are also reviewed as part of the annual performance and remuneration review process.

Recommendation 3.4:

Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

Disclosure:

The Company does not have any women directors on its Board. A table showing the proportion of women across the organisation is set out below. The information in the table is current as at 30 June 2012.

	Male	Female	Total	% Male	% Female	% Total
Senior management positions	8	0	8	100%	0%	100%
Other positions	179	39	218	82%	18%	100%
Total	187	39	226	83%	17%	100%

The Company has three non-executive directors, all of whom are male.

Recommendation 3.5:

Companies should provide the information indicated in the Guide to reporting on Principle 3.

Disclosure:

A copy of the Company's Code of Conduct and Diversity Policy is set out on the Company's website.

PRINCIPLE 4 – Safeguard Integrity in Financial Reporting

Recommendation 4.1:

The Board should establish an Audit Committee.

Disclosure:

The Company has established an Audit Committee. The main responsibilities of the Audit Committee are to:

- Monitor and review the integrity of the financial reporting of the Company, including reviewing significant financial reporting judgements;
- Review the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- Monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- Monitor and review compliance with the Company's Code of Conduct; and
- Perform such other functions as assigned by law, the Company's Constitution or the Board.

In fulfilling its responsibilities, the Audit Committee receives regular reports from management and the external auditors. It also meets with the external auditors at least twice a year – more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit Committee and the Chairman of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- *consists only of non-executive directors*
- *consists of a majority of independent directors*
- *is chaired by an independent Chair, who is not Chair of the Board*
- *has at least three members.*

Disclosure:

The Audit Committee is structured in accordance with Recommendation 4.2 and ASX Listing Rule 12.7. The members of the Audit Committee, their status and the number of times they met during the Reporting Period are outlined in the following table.

Name	No. of Meetings Held	No. of Meetings Attended
IF Burston (Chairman, Independent, non-executive)	4	4
DJ Humann (Independent, non-executive)	4	4
JW Gardner (Independent, non-executive)	4	4

The qualifications of each director are set out in the Directors' Report. Mr Burston has over 30 years' experience in the extractive and related industries and therefore possesses the requisite industry knowledge to participate on and act as Chairman of the Audit Committee. Mr Humann is a Chartered Accountant and therefore possesses the requisite financial literacy and expertise to participate on the Audit Committee. Mr Gardner is an Independent Director with requisite financial and industry knowledge.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Audit Committee operates under an established Audit Committee Charter which is available on the Company's website. The charter describes the Audit Committee's role, composition, functions and responsibilities.

Recommendation 4.4:

Companies should provide the information indicated in the Guide to reporting on Principle 4.

Disclosure:

The following additional information is provided with respect to reporting on *Principle 4.*

Selection, appointment and rotation of external auditor

The Company has established procedures for the selection, appointment and rotation of its external auditor which are available on the Company's website. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

PRINCIPLE 5 – Make Timely and Balanced Disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance.

The Company understands the importance of ensuring the market has full and timely information available to all on an equal basis. For this reason the Company has detailed compliance procedures for ASX listing rule disclosure requirements which covers the following areas:

- Providing guidelines for identifying disclosure material and monitoring share price movements;
- Guidelines for trading halts;
- Guidelines for decision-making processes;
- Details on record keeping, confidentiality, education of executives and staff, release of disclosure material; and
- Updating of procedures.

To ensure accountability at a senior executive level the Company has appointed an officer responsible for ensuring compliance with this policy. A summary of the Company's ASX continuous disclosure procedures is available on the Company's website.

Recommendation 5.2:

Companies should provide the information indicated in the Guide to reporting on Principle 5.

Disclosure:

A summary of the Company's Policy on ASX Listing Rule Compliance and Compliance Procedures are available on the Company's website.

PRINCIPLE 6 – Respect the Rights of Shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Company values its relationship with shareholders and understands the importance of communication with them in accordance with the requirements of the ASX. As disclosed above, the Company has a Policy on Continuous Disclosure to ensure it is in compliance with the continuous disclosure obligations of the ASX. The Company also has a Shareholder Communication Policy for keeping shareholders up to date with Company information.

To keep shareholders informed the Company maintains a website at www.mincor.com.au, on which the Company makes the following information available:

- Company announcements for the last three years;
- Information briefings to media and analysts for the last three years;
- Notices of meetings and explanatory materials;
- Financial information for the last three years; and
- Annual reports for the last three years.

The Company sends a copy of its quarterly report to all shareholders. It also sends copies of significant announcements to shareholders and any other person who registers with the Company as an 'Interested Party'. The Company also encourages shareholder participation at general meetings. A copy of the Company's Shareholder Communication Policy is available on the Company's website.

Recommendation 6.2:

Companies should provide the information indicated in the Guide to reporting on Principle 6.

Disclosure:

A copy of the Company's shareholder communication strategy is available on the Company's website.

Principle 7 – Recognise and Manage Risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Company has an established Risk Management Policy, a summary of which is available on the Company's website.

The Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of these systems.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director, with the assistance of senior management. The Managing Director is responsible for regularly reporting directly to the Board on all matters associated with risk management, including whether the Company's material business risks are being managed effectively. During the year the Managing Director reported to the Board on the effectiveness of the Company's management of its material business risks. In fulfilling his duties, the Managing Director has unrestricted access to company employees, contractors and records and may obtain independent expert advice on any matter he believes appropriate, with the approval of the Board.

The Company has established a Risk Register as part of its risk management and internal control systems. The Risk Register formally documents:

- The identification of business risks;
- An assessment of the consequence of each business risk;
- An assessment of the likelihood of each business risk;
- A risk rating for each identified business risk;
- What existing controls are in place for each identified business risk;
- The effectiveness of each of the existing controls; and
- Where further actions may be required to further mitigate or reduce business risk.

The Risk Register is reviewed and updated by management on an ongoing basis and reported to the Board on a quarterly basis.

In addition, the Company maintains a number of policies and practices designed to manage specific business risks. These include:

- Audit Committee and Audit Committee Charter;
- Insurance programs;
- Regular budgeting and financial reporting;
- Clear limits and authorities for expenditure levels;
- Procedures/controls to manage environmental and occupational health and safety matters;
- Procedures for compliance with continuous disclosure obligations under the ASX listing rules; and
- Procedures to assist with establishing and administering corporate governance systems and disclosure requirements.

Major categories of risks reported on within the Risk Register include operational risk, environmental risk, sustainability, statutory reporting and compliance, financial risks (including financial reporting, treasury, information technology and taxation), occupational health and safety risks, and market-related risks.

The Company's risk management system is an ongoing process. It is recognised that the level and extent of the risk management system will evolve commensurate with the evolution and growth of the Company's activities. Further information on financial risk management is outlined in Note 2 to the financial statements.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

At the request of the Board, management have designed, implemented and maintained risk management and internal control systems to manage the Company's material business risks. Management are required to report to the Board confirming that risks are being managed effectively. During the Reporting Period the Board received reports from management regarding the effectiveness of the Company's management of its material business risks.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

In accordance with the requirements of the *Corporations Act 2001* and Principle 7 of the ASX Principles and Recommendations, the Managing Director and Chief Financial Officer have provided a declaration in accordance with section 295A of the Corporations Act and have assured the Board that the declaration is founded on sound systems of risk management and internal controls, and that the systems are operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4:

Companies should provide the information indicated in the Guide to reporting on Principle 7.

Disclosure:

A summary of the Company's Risk Management Policy is available on the Company's website.

PRINCIPLE 8 – Remunerate Fairly and Responsibly

Recommendation 8.1:

The Board should establish a Remuneration Committee.

Disclosure:

The Company has established a Remuneration Committee. The Remuneration Committee has a separate charter which describes its role, composition, functions and responsibilities. A copy of the charter is set out on the Company's website.

Details of the number of meetings held and attendance at each Remuneration Committee meeting during the Reporting Period are detailed below.

Name	No. of Meetings Held	No. of Meetings Attended
DJ Humann (Independent, non-executive)	1	1
JW Gardner (Independent, non-executive)	1	1
IF Burston (Independent, non-executive)	1	1

Recommendation 8.2:

The Remuneration Committee should be structured so that it:

- *consists of a majority of independent directors;*
- *is chaired by an independent chair; and*
- *has at least three members.*

Disclosure:

The Remuneration Committee is structured in accordance with Recommendation 8.2 and ASX Listing Rule 12.8.

Mr DJ Humann was Chair of the Remuneration Committee until 23 May 2012. On 23 May 2012, Mr IF Burston took on the role of Chair of the Remuneration Committee so that the Chair of the committee is not also Chair of the Board.

Recommendation 8.3:

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

All compensation arrangements for Directors and key management personnel are determined at Board level, in consultation with the Remuneration Committee, after taking into account the current competitive rates prevailing in the market.

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 consolidated entity's operations in Australia.

Remuneration of Non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. Remuneration for Non-executive Directors is not linked to the performance of the Company. 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, nor is there any termination or other benefits paid on retirement. The Company does not issue options to Non-executive Directors.

The pay and reward framework for Executive Directors and senior executives consists of a combination of base salary and benefits, short-term performance incentives, long-term incentives through participation in employee share schemes and other remuneration. This remuneration framework aligns the remuneration of executives and senior management with the achievement of strategic objectives and the creation of value for shareholders.

Details of the nature and amount of remuneration paid to each Director of the Company and each key management personnel of the consolidated entity are provided in the 'Remuneration Report' contained within the Directors' Report.

Recommendation 8.4:

Companies should provide the information indicated in the Guide to reporting on Principle 8.

Disclosure:

There are no termination or retirement benefits for Non-executive Directors (other than for statutory superannuation).

A copy of the Company's Remuneration Committee Charter is set out on the Company's website. The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity-based remuneration schemes.

Details of remuneration, including the Company's policy on remuneration, are contained in the 'Remuneration Report' which forms part of the Directors' Report.

The Directors present their report on the consolidated entity consisting of Mincor Resources NL ("the Company") and its controlled entities, for the year ended 30 June 2012.

DIRECTORS

The names of the Directors of Mincor Resources NL in office at the date of this report are:

Name	Particulars	Shareholding Interest
DJ Humann FCA, FCPA, FAICD (Chairman)	**Experience and expertise** Mr Humann joined Mincor Resources NL on 30 September 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 chairman of Advanced Braking Technologies Ltd and Atomaer Holdings Pty Ltd. Non-executive director of India Resources Ltd and Future Directions International Pty Ltd. Director of James Anne Holdings Pty Ltd. **Former directorships in last three years** Non-executive director of Rewards Holdings Pty Ltd from 2004 to 2009. Non-executive director of Braemore Resources PLC from 2006 to 2010. Non-executive director of Matrix Metals from 2000 to 2010. Non-executive director of Durack Estates Ltd (Bahamas) from 1997 to 2011. Non-executive chairman of Logicamms Ltd from 2009 to 2012. Non-executive chairman of Exxaro Australia Sands Pty Ltd from 1998 to 2012.	500,000 shares
DCA Moore (Managing Director)	**Experience and expertise** Mr Moore joined Mincor Resources NL on 30 September 1999 and is the Managing Director of the Company. 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

Name	Particulars	Shareholding Interest
IF Burston	**Experience and expertise** 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. **Other current directorships** Non-executive chairman of NRW Ltd, Energio Limited and TGP Limited. **Former directorships in last three years** Non-executive chairman of Imdex Ltd from 2000 to 2009. Non-executive chairman of Auvex Resources Ltd from 2006 to 2009. Non-executive chairman of Carrick Gold Ltd from 2009 to 2010. Non-executive chairman of Condor Nickel Ltd from 2009 to 2010. Non-executive chairman of Broome Port Authority from 2004 to 2010. Non-executive chairman of African Iron Ltd from 2011 to 2012. Non-executive director of Fortescue Metals Group Ltd from 2008 to 2011.	50,000 shares
JW Gardner	**Experience and expertise** Mr Gardner is a Non-executive Director who joined the Company in 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** Chairman of Viking Ashanti Limited. Non-executive director of Vortex Minerals Pty Ltd, Mineraus Resources Pty Ltd, Greenline Investments Pty Ltd, Bayfield Enterprises Pty Ltd and Aerial Holdings Pty Ltd. **Former directorships in last three years** Non-executive director of Viking Metals Pty Ltd from 2007 to 2010.	1,218,176 shares

COMPANY SECRETARY

The name of the Company Secretary of Mincor Resources NL in office at the date of this report is:

Name	Particulars
B Lynn	Mr Lynn is a Chartered Accountant with over 25 years' experience. He joined Mincor in May 2001 and prior to this held various senior financial positions with companies involved in the mining industry, including gold and mineral sands.

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS

Mining Operations

The Company produced 9,179 tonnes of nickel-in-concentrate during the year ended 30 June 2012 (2011: 9,056 tonnes of nickel-in-concentrate).

During the year, the Company's South Kambalda Operations (Miitel and Mariners) produced 199,920 dry metric tonnes at an average grade of 3.05%, to produce 5,368 tonnes of nickel-in-concentrate.

The Company's North Kambalda Operations (including Otter Juan, Coronet and McMahon Nickel Operations and Mincor's 70% interest in the Carnilya Hill Nickel Operation) produced 132,957 dry metric tonnes at an average grade of 3.14%, to produce 3,811 tonnes of nickel-in-concentrate.

In March 2012 the Company's 70% owned Carnilya Hill Mine reached depletion of ore reserves and was placed on care and maintenance.

Exploration and Development Projects

During the year, the Company spent $12,587,000 on exploration activities, comprising $4,010,000 on regional exploration activities, $3,135,000 on extensional exploration activities, and $5,442,000 on exploration activities in Papua New Guinea.

Exploration and development drilling continued throughout the period, with considerable success at Mariners Nickel Mine, Miitel Nickel Mine, McMahon Nickel Mine and at the Cassini Nickel Sulphide Prospect. A major airborne survey was successfully completed at the May River Project in Papua New Guinea with numerous VTEM and ZTEM targets identified. The Company has committed to an aggressive exploration drilling program targeting gold, nickel and other base metals on its tenements throughout Australia and in Papua New Guinea.

Corporate

As at 30 June 2012 the Company had sold forward 480 tonnes of nickel to December 2012 at an average price of A$27,459 per tonne.

During the year the Company completed an on-market share buy-back whereby 12.4 million shares in the Company were bought back and cancelled for an outlay of $9.1 million.

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.

No significant change in the activities occurred during the 12 months to 30 June 2012, except as outlined below.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there have been no significant changes in the state of affairs of the consolidated entity during the financial period.

GROUP RESULTS

The profit of the consolidated entity for the year after income tax was $242,000 (2011 loss: $23,391,000).

DIVIDENDS

On 27 September 2011 the Company paid a fully franked annual dividend of 2 cents per share to shareholders in respect of the year ended 30 June 2011.

On 23 March 2012 the Company paid a fully franked interim dividend of 2 cents per share in respect of the year ending 30 June 2012.

On 15 August 2012 the Directors declared a fully franked final dividend of 2 cents per share in respect of the year ended 30 June 2012.

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 2012, and the number of meetings attended by each Director were:

	Total Directors Meetings Available	Directors Meetings Attended	Total Audit Committee Meetings Available	Audit Committee Meetings Attended
DJ Humann	6	6	4	4
DCA Moore	6	6	-	-
JW Gardner	6	6	4	4
IF Burston	6	6	4	4

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.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

REMUNERATION REPORT

This Remuneration Report outlines the director and executive remuneration arrangement of the Company and 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 Company and 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 the Managing Director, senior executives, and operations managers of the Company and the consolidated entity.

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

i) *Directors*

DJ Humann	Chairman (Non-executive)
DCA Moore	Managing Director
IF Burston	Director (Non-executive)
JW Gardner	Director (Non-executive)

ii) *Named Executives*

B Lynn	Chief Financial Officer/Company Secretary
GL Fariss	General Manager, Corporate Development
P Muccilli	Exploration Manager

All of the above persons were also key management personnel during the year ended 30 June 2011.

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.

REMUNERATION REPORT (continued)

Key Developments on Remuneration Strategy for Executives

The Company undertook a comprehensive review of its remuneration strategy during the financial year ended 30 June 2012 to ensure its remuneration framework reflected current business needs, shareholder views and contemporary market practice and were appropriate to attract, motivate, retain and reward employees.

This review came to the conclusion that, while the existing incentive policies had served the Company well they had, over the course of time, moved out of alignment with evolving best practises in the industry. Consequently it was decided to terminate the existing incentive policies. The policies in question comprise a cash-based short-term incentive bonus scheme, an Executive Share Option Scheme and an Employee Share Option Plan. All three incentive schemes were terminated on 1 December 2011. The only awards made during the year under these schemes were the granting of 5,000,000 options under the Executive Share Option Scheme to eight employees prior to this date.

A new incentive scheme has been designed and will be implemented from 1 July 2012. Its key elements are as follows:

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 for the achievement of individual and group performance targets linked to the Company's strategic objectives.	Award of short-term incentive linked directly to achievement of key performance indicators and performance targets.
Performance based; Long-term incentive (LTI)	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 long-term incentive linked directly to achievement of strategic Company objectives.

The new arrangements place greater emphasis on the link between each senior executive's variable 'at risk' remuneration and their performance and that of the Company.

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 the Managing Director and other senior executives;
- Terms and conditions of long-term incentives and short-term incentives for the Managing Director and other 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 consolidated entity's operations in Australia and overseas.

Remuneration levels for the Managing Director and 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 reward. 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 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 receives 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 2012. 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 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 Mincor Employee Share Option Plan, Mincor Resources Executive Share Option Scheme and the recently introduced Performance Rights Plan; and
- Other remuneration.

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

REMUNERATION REPORT (continued)

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

Remuneration of key management personnel (continued)

i) Fixed remuneration – base salary

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

Fixed remuneration provides a base level of remuneration which is market competitive and 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.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion.

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

ii) Variable remuneration – short-term incentives

Historically, the Company paid short-term incentives ("**STIs**") to its executives by way of its Incentive Bonus Scheme. Under this Scheme, STIs were awarded based on the best judgement of the directors at the time, taking account of individual performance and the Company's circumstances. Payments under the Incentive Bonus Scheme are made annually, and solely at the discretion of the Directors. No bonus was paid under the Incentive Bonus Scheme for the year ended 30 June 2012.

As indicated above, and following a comprehensive review, the Company has terminated this scheme for its executives and replaced it with a new cash based 'Mincor Short Term Incentive Scheme' which applies to executives and is effective from 1 July 2012. The new Scheme provides an annual 'at risk' component for executive remuneration and is designed to link any STI payment with the achievement by each key management personnel of specified key performance indicators ("**KPIs**") which are in turn linked to the Company's strategic objectives and targets. The KPIs are established at the start of each financial year. Any STI is paid at the end of the financial year and will be determined by the extent to which KPIs have been achieved.

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

Historically, long-term incentives ("**LTIs**") have been provided to certain employees via the Executive Share Option Scheme and 2002 Employee Share Option Plan. Information on the Executive Share Option Scheme and the 2002 Employee Share Option Plan is set out in Note 31 to the financial statements.

As previously noted, the Company undertook a detailed review of its remuneration practices, including the variable remuneration provided by way of LTIs. Following this review, the Company has replaced the Executive Share Option Plan with the Performance Rights Plan, effective 1 July 2012. No further awards will be made under the Executive Share Option Plan.

The Performance Rights Plan provides a variable long term 'at risk' component for executive remuneration. The objective of the Performance Rights Plan is to provide incentives for senior executives which promote both the long-term performance and growth of the Company and the retention of the Company's senior executives.

Under the Performance Rights Plan senior executives will be granted performance rights over ordinary shares in the Company on an annual basis. The performance rights will be granted subject to the following vesting conditions:

- A three year continuous service condition from the date of grant; and
- The achievement of Strategic Objectives Conditions set by the Board at the time of granting the performance rights over a three-year period commencing from the time of grant.

The Strategic Objectives Conditions include:

- 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 Objective Conditions will be earned on a sliding scale basis depending on the degree of success achieved. Certain components of the LTI may be earned annually but will only be paid when the service condition is satisfied.

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.

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

2012	Short-term Employee Benefits					Post-employment Benefits	Long-term Benefits	Share-based Payments	
Name	Directors fees $	Salary $	Bonus $	Non-monetary benefits $	Other $	Super-annuation $	Long service leave $	Options $	Total $
2012									
Non-executive Directors									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	55,000	-	-	-	-	-	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
Sub-total	210,100	-	-	-	-	9,900	-	-	220,000
Executive Directors									
DCA Moore	-	583,638	-	-	588	15,775	9,630	-	609,631
Other Key Management Personnel									
B Lynn	-	355,637	-	-	588	15,775	9,882	233,541	615,423
GL Fariss	-	267,449	-	-	588	15,775	6,094	233,541	523,447
P Muccilli	-	253,637	-	-	588	15,775	6,692	233,541	510,233
Total	210,100	1,460,361	-	-	2,352	73,000	32,298	700,623	2,478,734
2011									
Non-executive Directors									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	55,000	-	-	-	-	-	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
Sub-total	210,100	-	-	-	-	9,900	-	-	220,000
Executive Directors									
DCA Moore	-	584,213	-	-	588	15,199	9,621	-	609,621
Other Key Management Personnel									
ST Cowle*	-	370,342	-	-	534	15,199	6,355	-	392,430
B Lynn	-	331,323	-	-	588	15,199	6,896	95,870	449,876
GL Fariss	-	252,013	-	-	588	15,199	5,142	95,870	368,812
P Muccilli	-	230,383	-	-	588	15,199	4,890	95,870	346,930
Total	210,100	1,768,274	-	-	2,886	85,895	32,904	287,610	2,387,669

*Mr ST Cowle resigned effective 17 June 2011.

REMUNERATION REPORT (continued)

c) Details of Remuneration (continued)

i) Key management personnel of Mincor Resources NL and its controlled entities (continued)

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

Name	Fixed Remuneration 2012	At Risk – LTI 2012	At Risk – STI 2012
Directors of Mincor Resources NL			
DJ Humann (Chairman)	100%	-	-
DCA Moore	100%	-	-
JW Gardner	100%	-	-
IF Burston	100%	-	-
Other Key Management Personnel of the consolidated entity			
B Lynn	62%	38%	-
GL Fariss	55%	45%	-
P Muccilli	54%	46%	-

ii) Cash bonuses and share-based compensation benefits

For each cash bonus and grant of 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 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 years in which options may vest
DCA Moore	-	-	-	-	-	-
B Lynn	-	-	2011 2012	100 -	- -	2012 2013
GL Fariss	-	-	2011 2012	100 -	- -	2012 2013
P Muccilli	-	-	2011 2012	100 -	- -	2012 2013

d) Service Agreements

Remuneration and other terms of employment for the Managing Director and other 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.

DCA Moore, Managing Director

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2012 of $600,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to three months of the base salary.

B Lynn, Chief Financial Officer

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2012 of $372,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

GL Fariss, General Manager, Corporate Development

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2012 of $283,812.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

P Muccilli, Exploration Manager

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2012 of $270,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

e) Share-based Compensation – options

2002 Employee Share Option Plan
(as noted above, no further options will be awarded under this plan)

The 2002 Employee Share Option Plan ("**Plan**") was introduced on 21 August 2002. Persons eligible to participate in the Plan include Directors and all employees of the Company or companies or bodies corporate in which the Company holds at least 20% of all the voting shares.

Options are granted under the Plan 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. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

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

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

The Plan rules contain a restriction on removing the 'at risk' aspect of the instrument granted to Plan participants. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

Prospectus dated 6 December 2007

The Prospectus was issued on 6 December 2007. Persons eligible to participate pursuant to the Prospectus include Directors and all employees of the Company.

Options are granted under the Prospectus 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. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

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

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Mincor Resources Executive Share Option Scheme
(as noted above, no further options will be awarded under this 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 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 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.

REMUNERATION REPORT (continued)

e) Share-based Compensation – options (continued)

Mincor Resources Executive Share Option Scheme
(as noted above, no further options will be awarded under this scheme) (continued)

The Scheme rules contain a restriction on removing the 'at risk' aspect of the instrument granted to Scheme participants. Scheme participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

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

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
23 October 2006 (2)	$33^{1/3}$% after 18 October 2007	19 October 2011	$1.74	$0.753
	$33^{1/3}$% after 18 October 2008	19 October 2011	$1.74	$0.753
	$33^{1/3}$% after 18 October 2009	19 October 2011	$1.74	$0.753
6 December 2006 (1)	100% after 6 December 2007	5 December 2011	$2.16	$0.7989
1 April 2008 (3)	100% after 5 June 2009	5 December 2012	$4.40	$0.9023
31 January 2011 (2)	100% after 31 January 2012	30 January 2015	$2.60	$0.2572
1 April 2011 (2)	100% after 1 April 2012	31 March 2015	$1.95	$0.2009
19 May 2011 (2)	100% after 20 May 2012	18 May 2015	$1.60	$0.1722
18 July 2011 (2)	100% after 18 July 2013	17 July 2015	$1.32	$0.1767
5 October 2011 (2)	100% after 6 October 2012	4 October 2015	$1.03	$0.0862
24 November 2011 (2)	100% after 25 November 2012	23 November 2015	$1.25	$0.0859

(1) Options granted under the 2002 Employee Share Option Plan which was approved by shareholders at the 2006 annual general meeting. All staff are eligible to participate in the Plan.

(2) Options granted to certain senior executives under the Executive Option Scheme, pursuant to specified terms and conditions.

(3) Options granted pursuant to the Prospectus dated 6 December 2007.

All options granted carry no dividend or voting rights.

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 31 to the financial statements.

Name	Number of Options Granted during the Year 2012	Number of Options Vested during the Year 2012
Directors of Mincor Resources NL		
DJ Humann (Chairman)	-	-
DCA Moore	-	-
JW Gardner	-	-
IF Burston	-	-
Other Key Management Personnel of the consolidated entity		
B Lynn	400,000	1,400,000
GL Fariss	400,000	1,400,000
P Muccilli	400,000	1,400,000

Fair value of options granted

The assessed fair value at grant date of options granted under the Mincor Resources Executive Option Scheme during the year ended 30 June 2012 was 17.67 cents for options granted on 18 July 2011, 8.62 cents for options granted on 5 October 2011 and 8.59 cents for options granted on 24 November 2011. The fair value at grant date is independently determined using the Binomial 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 2012 included:

2012	Options are granted for no consideration and will vest over 24 months	Options are granted for no consideration and will vest over 12 months	Options granted for no consideration and will vest over 12 months
Exercise price	$1.32	$1.03	$1.25
Grant date	18 July 2011	5 October 2011	24 November 2011
Expiry date	17 July 2015	4 October 2015	23 November 2015
Share price at grant date	$0.91	$0.72	$0.76
Expected price volatility of the Company's shares	41%	45%	50%
Expected dividend yield	7%	8%	8%
Risk-free interest rate	4.28%	3.47%	3.07%

The options granted on 24 November 2011 lapsed during the year as a result of certain option holders ceasing to be eligible persons under the Mincor Resources Executive Option Scheme.

Further information on the options is set out in Note 31 to the financial statements.

f) Additional Information

Relationship between compensation and Company performance

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 increased by approximately 7.6% per annum. The following table outlines the Company's performance over the last five years.

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.

	2012	2011	2010	2009	2008
Net profit/(loss) attributable to shareholders of Mincor Resources NL ($000)	242	(23,391)	28,100	(16,664)	64,041
Earnings/(loss) per share (cents)	0.0	(11.7)	14.1	(8.4)	32.4
Dividends paid ($000)	7,854	16,049	14,012	15,911	23,722
Dividends paid per share (cents)	4.0	8.0	7.0	8.0	12.0
30 June share price ($)	0.65	0.91	1.82	1.55	3.32

Details of remuneration

No ordinary shares in the Company were issued as a result of the exercise of remuneration options to each Director of Mincor Resources NL and other key management personnel of the consolidated entity during the year ended 30 June 2012.

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	Issue Price of Shares	Number of Options
1 April 2008	5 December 2012	$4.40	405,000
31 January 2011	30 January 2015	$2.60	3,000,000
1 April 2011	31 March 2015	$1.95	2,000,000
19 May 2011	18 May 2015	$1.60	2,000,000
18 July 2011	17 July 2015	$1.32	2,000,000
5 October 2011	4 October 2015	$1.03	2,000,000
			11,405,000

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

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during and/or since the year ended 30 June 2012 and up to the date of this report on the exercise of options granted under either the 2002 Employee Share Option Plan or Executive Share Option Scheme.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 15 August 2012 the Directors declared a fully franked dividend of 2 cents per share in respect of the year ended 30 June 2012.

CORPORATE GOVERNANCE

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

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 $4,943,000 (2011: $4,943,000). To the best of the belief and knowledge of the Directors, no breach of environmental legislation occurred during the year and up to the date of this report. 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 both the *Energy Efficiency Opportunities Act 2006* and the *National Greenhouse and Energy Reporting Act 2007*.

The *Energy Efficiency Opportunities Act 2006* requires the consolidated entity to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the consolidated entity intends to take as a result.

The *National Greenhouse and Energy Reporting Act 2007* requires the consolidated entity to report its annual greenhouse gas emissions and energy use. The consolidated entity has implemented systems and processes for the collection and calculation of the data required and submitted its 2010/11 report to the Greenhouse and Energy Data Officer on 31 October 2011.

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 24 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 24, 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*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out separately in this report (page 58).

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, 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 that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Dated in Perth this 15th day of August 2012 in accordance with a resolution of the Directors.

DCA Moore
Managing Director

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

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

b) 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 year.

David J Smith
Partner
PricewaterhouseCoopers

Perth
15 August 2012

PricewaterhouseCoopers, ABN 52 780 433 757
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	Note	2012 $'000	2011 $'000
Revenue	3	121,556	152,108
Mining contractor costs		(13,320)	(40,896)
Ore tolling costs		(13,548)	(15,667)
Utilities expense		(8,177)	(9,627)
Mining supplies and consumables		(8,950)	(5,403)
Royalty expense		(3,822)	(5,638)
Employee benefit expense		(26,970)	(25,797)
Finance costs	4	(19)	(189)
Foreign exchange gain/(loss)		2,683	(8,368)
Exploration costs expensed	4	(4,006)	(9,923)
Depreciation and amortisation expense	4	(33,624)	(28,130)
Impairment of property, plant and equipment	4	-	(24,994)
Other expenses from ordinary activities		(10,689)	(10,883)
Profit/(loss) before income tax		1,114	(33,407)
Income tax (expense)/benefit	5	(872)	10,016
Profit/(loss) attributable to the members of Mincor Resources NL		242	(23,391)
		Cents	Cents
Earnings/(loss) per share	30	0.0	(11.7)
Diluted earnings/(loss) per share	30	0.0	(11.7)

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

	Note	2012 $'000	2011 $'000
Profit/(loss) for the year		242	(23,391)
Other Comprehensive (Loss)/Income			
Changes in the fair value of available-for-sale financial assets	18	-	415
Changes in the fair value of other financial assets at fair value through other comprehensive income	18	(4,690)	-
Changes in the fair value of cash flow hedges	18	(3,536)	5,828
Income tax benefit/(expense) relating to components of other comprehensive income	5(c)	2,468	(1,873)
Other comprehensive (loss)/income for the year, net of tax		(5,758)	4,370
Total comprehensive loss for the year attributable to the members of Mincor Resources NL		(5,516)	(19,021)

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

	Note	2012 $'000	2011 $'000
Current Assets			
Cash and cash equivalents	29	75,898	87,342
Trade and other receivables	6	16,397	22,201
Inventory	7	3,926	3,921
Current tax asset	14	1,042	3,783
Derivative financial instruments	8	8,509	8,159
Total Current Assets		105,772	125,406
Non-Current Assets			
Available-for-sale financial assets	9	-	1,644
Other financial assets at fair value through other comprehensive income	9	1,954	-
Property, plant and equipment	10	53,515	68,093
Exploration, evaluation and development expenditure	11	18,415	12,898
Derivative financial instruments	8	-	2,845
Total Non-Current Assets		73,884	85,480
TOTAL ASSETS		179,656	210,886
Current Liabilities			
Payables	12	14,387	19,785
Provisions	15	3,605	3,223
Derivative financial instruments	8	-	2,053
Total Current Liabilities		17,992	25,061
Non-Current Liabilities			
Provisions	15	5,658	5,700
Deferred tax liabilities	16	6,298	9,278
Total Non-Current Liabilities		11,956	14,978
TOTAL LIABILITIES		29,948	40,039
NET ASSETS		149,708	170,847
Equity			
Contributed equity	17	23,663	32,753
Reserves	18	4,933	9,370
Retained earnings	19	121,112	128,724
TOTAL EQUITY		149,708	170,847

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

	Note	Contributed Equity $'000	Retained Earnings $'000	Other Reserves $'000	Total Equity $'000
At 1 July 2010		32,394	168,164	4,495	205,053
Loss for the year		-	(23,391)	-	(23,391)
Other comprehensive income		-	-	4,370	4,370
Total comprehensive loss for the year		-	(23,391)	4,370	(19,021)
Transactions with owners in their capacity as owners:					
· Contributions of equity, net of transaction costs		359	-	-	359
· Dividends provided for or paid	20	-	(16,049)	-	(16,049)
· Employee share options	18	-	-	505	505
		359	(16,049)	505	(15,185)
At 30 June 2011		32,753	128,724	9,370	170,847
Profit for the year		-	242	-	242
Other comprehensive loss		-	-	(5,758)	(5,758)
Total comprehensive loss for the year		-	242	(5,758)	(5,516)
Transactions with owners in their capacity as owners:					
· Buy-back of shares	17	(9,090)	-	-	(9,090)
· Dividends provided for or paid	20	-	(7,854)	-	(7,854)
· Employee share options	18	-	-	1,321	1,321
		(9,090)	(7,854)	1,321	(15,623)
At 30 June 2012		23,663	121,112	4,933	149,708

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

	Note	2012 $'000	2011 $'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		135,429	158,487
Payments to suppliers and employees (inclusive of GST)		(99,233)	(126,667)
		36,196	31,820
Interest received		2,310	3,607
Other revenue		746	1,061
Interest paid		-	(49)
Income tax received/(paid)		1,357	(10,238)
Net Cash Inflow from Operating Activities	29(a)	40,609	26,201
Cash Flows from Investing Activities			
Payments for other financial assets at fair value through other comprehensive income		(5,000)	-
Payments for acquisition of exploration properties		(247)	-
Payments for property, plant and equipment		(21,209)	(39,163)
Payments for exploration, evaluation and development expenditure		(9,110)	(9,873)
Proceeds from sale of property, plant and equipment		457	13
Net Cash Outflow from Investing Activities		(35,109)	(49,023)
Cash Flows from Financing Activities			
Proceeds from issues of shares		-	359
Payments for shares bought back		(9,090)	-
Dividends paid		(7,854)	(16,049)
Finance lease payments		-	(943)
Net Cash Outflow from Financing Activities		(16,944)	(16,633)
Net Decrease in Cash and Cash Equivalents		(11,444)	(39,455)
Cash at the Beginning of the Financial Year		87,342	126,797
Cash at the End of the Financial Year	29(b)	75,898	87,342

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.

Early adoption of standards

The consolidated entity has elected to apply Phase 1 of AASB 9 *Financial Instruments* (as issued in December 2009), AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB9*, and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB9 (December 2010)* from 1 July 2011 because the new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows. In accordance with the transitional provisions of AASB 9, comparative figures have not been restated.

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 (including derivative instruments) 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 2012 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 special purpose entities) over which the consolidated entity has power to govern the financial and operating polices, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another 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 ventures

The proportionate interests in the assets, liabilities and expenses of jointly controlled assets have been incorporated in the financial statements under the appropriate headings. Details of the joint ventures are set out in Note 27.

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 Managing Director.

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 estimated sales value when the product is delivered. Adjustments are made for variations in metal assay, weight and currency between the time of delivery and the time of final settlement of sales proceeds.

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 revenue 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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income Tax (continued)

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 recognised in profit or loss, except when they are deferred in equity as 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 of 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.

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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- 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 balance sheet 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 is provided on the unit-of-production method with separate calculations being made for each mineral resource. 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. 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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Mine Buildings, Machinery and Equipment (continued)

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.

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 more than 12 months to prepare for their intended use or sale.

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 2012 (2011: 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 are 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 balance sheet based on their nature.

o) Employee Benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave 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 annual leave and 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

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service, is 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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 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 Mincor Resources NL 2002 Employee Share Option Plan, the Prospectus issued 6 December 2007 and an Executive Share Option Scheme.

The fair value of options granted under the Mincor Resources NL 2002 Employee Share Option Plan, the Prospectus issued 6 December 2007 and the Executive Share Option Scheme is 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.

The fair value at grant date is independently determined using a Binomial option valuation model that takes into account the exercise price, the term of the option, the vesting and performance criteria, 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 the options 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 that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. 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, 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 contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. 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. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree 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 acquired 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 remeasured to fair value with the changes in fair value 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 to sell 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 suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Investments and Other Financial Assets

i) Classification

The consolidated entity classifies its investments 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 Company determines the classification of its investments 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 or profit or loss (refer (iv) below).

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 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.

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.

A) 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 consolidated income statement.

v) Change in accounting policy – investments in other financial assets

The consolidated entity has changed its accounting policy in respect of its Investments and Other Financial Assets as a result of adopting AASB 9 *Financial Instruments* Phase 1. This version of AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities and the de-recognition of financial instruments. It requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

While AASB 9 does not need to be applied until financial reporting periods commencing on or after 1 January 2013, the consolidated entity has decided to adopt it early from 1 July 2011. On that date, the consolidated entity's management assessed which business models applied to the financial assets held by the consolidated entity at the date of initial application of AASB 9. Accordingly, on this date the consolidated entity elected to reclassify all of its equity instruments previously designated as 'available-for-sale financial assets' to 'financial assets at fair value through other comprehensive income' because the business model is to hold these equity investments for long-term strategic investment and not for trading. This reclassification results in all changes in the fair value of these equity instruments being recognised in other comprehensive income and removes the requirement to carry out impairment testing on the equity instruments.

The adoption of the revised AASB 9 did not affect the consolidated entity's accounting for its trade and other receivables.

u) Derivatives and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured 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 fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 8. Movements in the hedging reserve in shareholders' equity are shown in Note 18. 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 investment rate.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Derivatives and Hedging Activities (continued)

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.

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 balance sheet.

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 sales revenue when product is delivered (Note 1(d));
- Estimation of royalties based on estimated sales revenue;
- Estimation of dismantling, restoration costs, environmental clean-up costs and the timing of this expenditure (Notes 1(z) and 15);
- Asset carrying value and impairment charges;
- Determination of ore reserves; and
- Capitalisation and impairment of exploration and evaluation expenditure.

Critical judgements in applying the entity's accounting policies include determining the effectiveness of forward foreign exchange contracts and futures commodity contracts as cash flow hedges and fair value hedges (Note 1(u)).

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad) Parent Entity Financial Information

The financial information for the parent entity, Mincor Resources NL disclosed in Note 32 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.

ae) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures,* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

The consolidated entity does not expect to adopt these new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation – Special Purpose Entities.* The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the consolidated entity does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share or revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

The consolidated entity is yet to assess the full impact of AASB 11.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the consolidated entity will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the consolidated entity's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a 'partial disposal' concept. The consolidated entity is still assessing the impact of these amendments.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The consolidated entity does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Revised AASB 119 *Employee Benefits*, AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* and AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* (effective 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. The consolidated entity has not yet decided when to adopt the new standard.

There are no other standards that are not yet effective and that are 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 is of a kind referred to in Class Order 98/100, issued by the Australian Securities and 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 that Class Order 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. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts and commodity price futures to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments.

Financial risk management is carried out by senior management utilising policies approved by the Board of Directors. The Board provides written policies covering specific areas, such as mitigating foreign exchange and price risks, use of derivative financial instruments and investing excess liquidity. The consolidated entity uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, commodity price and interest rate risks.

The consolidated entity hedges less than 60% of its proved and probable ore reserves from its combined operations. The consolidated entity will not hedge more than 80% of its budgeted or forecast production over any six-month period and will not enter into hedging contracts that terminate less than six months before planned exhaustion of ore reserves.

There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the 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 and where appropriate, utilises derivative financial instruments to reduce foreign exchange risk exposure.

The consolidated entity is exposed to foreign exchange risk principally through the sale of commodities denominated in US dollars. The consolidated entity hedges part of this exposure through the use of derivative instruments in accordance with policies approved by the Board of Directors.

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

	30 June 2012 USD $'000	30 June 2011 USD $'000
Cash and cash equivalents	26,359	23,022
Trade and other receivables	13,842	18,681
Derivative financial instruments		
- Futures commodity contracts	18,335	58,411
- Forward foreign exchange contracts	(16,312)	(54,157)

Group sensitivity

Based on the financial instruments held at 30 June 2012, had the Australian dollar strengthened/weakened by 10% against the US dollar, with all other variables held constant, the consolidated entity's post-tax profit for the year would have been $2,287,000 lower/$2,796,000 higher (2011: post-tax loss $2,153,000 higher/$2,621,000 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated trade receivables and US dollar denominated cash and cash equivalents.

Equity would have been $1,529,000 lower/$1,870,000 higher (2011: $827,000 higher/$1,019,000 lower) had the Australian dollar strengthened/weakened by 10% against the US dollar, arising mainly from US dollar denominated trade receivables, US dollar denominated cash and cash equivalents and currency hedging contracts.

ii) Price risk

The consolidated entity is exposed to commodity price risk. Commodity price risk arises from the sales of nickel, copper and cobalt. The entity manages its commodity price risk exposure arising from future commodity sales through sensitivity analysis, cash flow management and forecasting and where appropriate, utilises derivative financial instruments to reduce price risk.

Group sensitivity

Based on the financial instruments held at 30 June 2012, had commodity prices strengthened/weakened by 10% against those recognised, with all other variables held constant, the consolidated entity's post-tax profit for the year would have been $706,000 higher/$706,000 lower (2011: post-tax loss $862,000 lower/$862,000 higher), and equity would have been $143,000 higher/$143,000 lower (2011: $2,212,000 lower/$2,212,000 higher).

iii) Other 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 2012, had share prices strengthened/weakened by 10% against those recognised with all other variables held constant, the consolidated entity's equity would have been $137,000 higher/$137,000 lower (2011: post-tax loss and equity $115,000 lower/higher).

iv) 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 2012		30 June 2011	
	Weighted Average Interest Rate	Balance $'000	Weighted Average Interest Rate	Balance $'000
Cash and cash equivalents	2.32%	75,898	3.51%	87,342

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 2012, if interest rates had changed by +/-50 basis points from the year end rates, with all other variables held constant, post-tax profit for the year would have been $266,000 higher/$266,000 lower and equity would have been $266,000 higher/$266,000 lower (2011: post-tax loss and equity $306,000 lower/$306,000 higher).

The consolidated entity interest bearing liabilities have not been included in the sensitivity analysis as their possible impact on profit or loss or total equity is not considered material.

b) Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to trade customers, including outstanding receivables and committed transactions and represents the potential financial loss if counterparties fail to perform as contracted. The consolidated entity has credit policies in place and the exposure to credit risk is monitored on an ongoing basis.

All revenue from operations and related trade receivables balances are due from BHP Billiton Limited pursuant to Ore Tolling and Concentrate Purchase Agreements. The receivables balances are monitored on an ongoing basis.

The age analysis of trade receivables past due but not impaired is disclosed in Note 6. The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment is also disclosed in Note 6.

For cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, 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 financial statements represents the consolidated entity's exposure to credit risk.

NOTE 2
FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity Risk

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 aims at maintaining flexibility in funding to meet ongoing operational requirements, exploration and development expenditure and small-to-medium sized business development opportunities by prudent cash flow management and maintaining committed credit facilities.

To the extent that the consolidated entity has liabilities on its cash flow hedges, the consolidated entity expects to produce sufficient nickel from its nickel operations to deliver into its committed hedge contracts.

The consolidated entity had access to a bonding 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 and derivatives. 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 (assets)/liabilities $'000
AT 30 JUNE 2012				
Non-Derivative Financial Liabilities				
Trade payables	3,334	-	3,334	3,334
Non-interest bearing liabilities	11,053	-	11,053	11,053
Total Non-Derivative Financial Liabilities	14,387	-	14,387	14,387
Derivatives – commodity contracts				
Net settled	(7,032)	-	(7,032)	(7,032)
Derivatives – foreign exchange contracts				
Gross settled				
- (inflow)	(19,746)	-	(19,746)	(1,477)
- outflow	18,269	-	18,269	-
	(1,477)	-	(1,477)	(1,477)
AT 30 JUNE 2011				
Non-Derivative Financial Liabilities				
Trade payables	2,902	-	2,902	2,902
Non-interest bearing liabilities	16,883	-	16,883	16,883
Total Non-Derivative Financial Liabilities	19,785	-	19,785	19,785
Derivatives – commodity contracts				
Net settled	779	(1,468)	(689)	(689)
Derivatives – foreign exchange contracts				
Gross settled				
- (inflow)	(45,929)	(19,746)	(65,675)	(8,262)
- outflow	39,044	18,369	57,413	-
	(6,885)	(1,377)	(8,262)	(8,262)

There are no derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

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 Group's assets and liabilities measured and recognised at fair value at 30 June 2012 and 30 June 2011.

GROUP	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
AT 30 JUNE 2012				
Assets				
Derivatives used for hedging	-	8,509	-	8,509
Other financial assets at fair value through other comprehensive income	1,954	-	-	1,954
Total Assets	1,954	8,509	-	10,463
Liabilities				
Derivatives used for hedging	-	-	-	-
Total Liabilities	-	-	-	-
AT 30 JUNE 2011				
Assets				
Derivatives used for hedging	-	11,004	-	11,004
Available-for-sale financial assets	1,644	-	-	1,644
Total Assets	1,644	11,004	-	12,648
Liabilities				
Derivatives used for hedging	-	2,053	-	2,053
Total Liabilities	-	2,053	-	2,053

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 2012 bid price. These instruments are included in level 1.

The fair value of the derivative financial instruments held by the Group is calculated by a financial risk management firm who use published market data to develop the yield curves, and capture currency and commodity prices to complete these market valuations. The published market data is collected from Reuters and these rates are used to complete the net present value calculation which provides the current market values at the end of each reporting period. These instruments are included in level 2.

NOTE 3
REVENUE

	2012 $'000	2011 $'000
Revenue		
Sale of goods	118,610	147,486
Other Revenue		
Interest income	2,310	3,607
Sundry income	636	1,015
	121,556	152,108

NOTE 4
EXPENSES

	2012 $'000	2011 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Expenses		
Cost of sale of goods	66,321	90,290
Finance costs		
- Interest paid or due and payable to other persons	19	69
- Unwinding of discount on rehabilitation	-	120
	19	189
Exploration expenditure written off	4,006	9,923
Rental expenses relating to operating leases	868	839
Government royalty expense	2,743	3,977
Defined contribution superannuation expense	2,320	2,290
Impairment		
- Property, plant and equipment (refer Note 10)	-	24,994
	-	24,994
Depreciation and amortisation:		
- Mine property	29,911	24,826
- Plant and equipment	3,713	3,304
	33,624	28,130

NOTE 5
INCOME TAX EXPENSE

	2012 $'000	2011 $'000
a) Income tax expense/(benefit)		
Current tax	1,661	(2,774)
Deferred tax	(667)	(6,846)
Over provision in prior year	(122)	(396)
Aggregate income tax expense/(benefit)	872	(10,016)
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense	1,114	(33,407)
Tax at the Australian tax rate of 30% (2011: 30%)	334	(10,022)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Amortisation of property, plant and equipment	161	122
- Over provision in prior year	(122)	(396)
- Share-based payments	396	151
- Sundry items	103	129
Income tax expense/(benefit)	872	(10,016)
c) Tax (income)/expense relating to items of other comprehensive income		
Available-for-sale financial assets (Note 18)	-	125
Other financial assets at fair value through other comprehensive income (Note 18)	(1,408)	-
Cash flow hedges (Note 18)	(1,060)	1,748
	(2,468)	1,873
d) Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30%	74,283	79,006

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

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

NOTE 6
TRADE AND OTHER RECEIVABLES

	2012 $'000	2011 $'000
Current		
Trade receivables	13,936	19,207
Other receivables	915	1,678
Prepayments	1,546	1,316
	16,397	22,201

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.

b) Past Due but not Impaired

Financial assets that are neither past due or impaired are trade receivables with companies with a good collection track record with the consolidated entity.

Where financial assets are past due but not impaired, the consolidated entity has assessed that the credit quality of these amounts has not changed and the amounts are still considered recoverable.

None of the current and non-current trade and other receivables are either impaired or past due but not impaired.

c) Effective Interest Rate and Credit Risk

All receivables in 2012 and 2011 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 7
INVENTORY

	2012 $'000	2011 $'000
Stores	3,926	2,843
Work in progress	-	1,078
	3,926	3,921

NOTE 8
DERIVATIVE FINANCIAL INSTRUMENTS

	2012 $'000	2011 $'000
Current Assets		
Forward foreign exchange contracts – cash flow hedges	1,061	5,191
Futures commodity contracts – cash flow hedges	4,057	1,147
Forward foreign exchange contracts – fair value hedges	416	1,694
Futures commodity contracts – fair value hedges	2,975	127
Total Current Derivative Financial Instrument Assets	8,509	8,159
Non-Current Assets		
Forward foreign exchange contracts – cash flow hedges	-	1,377
Futures commodity contracts – cash flow hedges	-	1,468
Total Non-Current Derivative Financial Instrument Assets	-	2,845
Current Liabilities		
Futures commodity contracts – cash flow hedges	-	(530)
Futures commodity contracts – fair value hedges	-	(1,523)
Total Current Derivative Financial Instrument Liabilities	-	(2,053)
Net Derivative Financial Instrument Assets	8,509	8,951

a) Instruments used by the Consolidated Entity

The consolidated entity is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in future commodity price and foreign exchange rates.

i) Forward exchange contracts – cash flow hedges

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales in foreign currencies, to protect the Group against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to profit or loss except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale.

The following table sets out the net value of Australian dollars to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity.

Sell US Dollars	Weighted Average Rate		Total Value (AUD$'000)	
Year	2012	2011	2012	2011
30 June 2012	-	0.8866	-	38,533
30 June 2013	0.9274	0.9274	13,180	13,180
			13,180	51,713

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the income statement by removing the related amount from other comprehensive income.

At balance date these contracts represented assets of $1,061,000 (2011: assets of $6,568,000).

During the year ended 30 June 2012 a profit of $6,656,000 (2011: profit of $8,974,000) was removed from equity and transferred to the consolidated statement of comprehensive income.

NOTE 8
DERIVATIVE FINANCIAL INSTRUMENTS (continued)

a) Instruments used by the Consolidated Entity (continued)

ii) Commodity price contracts – cash flow hedges

The Group has entered into forward sales contracts that oblige it to sell specified quantities of base metals in the future at predetermined prices. The contracts are matched against anticipated future base metal production to protect the Company against the possibility of a fall in base metal prices.

The following table sets out details of forward nickel sales contracts in place at 30 June 2012:

	Nickel Tonnes		Average Price (US$/Tonne)	
Year	2012	2011	2012	2011
30 June 2012	-	1,410	-	24,230
30 June 2013	480	480	25,465	25,465
	480	1,890		

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the income statement by removing the related amount from other comprehensive income.

At balance sheet date these contracts represented assets of $4,057,000 (2011: $2,085,000).

During the year ended 30 June 2012 a profit of $5,800,000 (2011: loss of $8,894,000) was removed from equity and transferred to the consolidated statement of comprehensive income.

iii) Forward exchange contracts – fair value hedges

Certain forward exchange contracts are designated as fair value hedges as they protect the Group against changes in the fair value of recognised assets. Changes in the fair value of the 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. A gain of $417,000 (2011: gain of $1,694,000) was recognised in profit or loss which was offset by a loss of $417,000 (2011: loss of $1,694,000) of the hedged item.

iv) Commodity price contracts – fair value hedges

Certain futures commodity contracts are designated as fair value hedges as they protect the Group against changes in the fair value of recognised assets. Changes in the fair value of the 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. A gain of $2,975,000 (2011: loss of $1,396,000) was recognised in profit or loss which was offset by a loss of $2,975,000 (2011: gain of $1,396,000) of the hedged item.

b) Interest Rate, Foreign Exchange and Commodity Price Risk

An analysis of the sensitivity of derivatives to interest rate, foreign exchange and commodity price risk is provided at Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial assets mentioned above.

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

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

	2012 $'000	2011 $'000
At beginning of year	-	-
Reclassification adjustment	1,644	-
Additions	5,000	-
Revaluation in current year transferred to equity (Note 18)	(4,690)	-
At end of year	1,954	-
Represented by:		
Equity securities – listed	1,954	-

b) Available-for-Sale Financial Assets

	2012 $'000	2011 $'000
At beginning of year	1,644	1,229
Revaluation in current year transferred to equity	-	415
Reclassification adjustment	(1,644)	-
At end of year	-	1,644
Represented by:		
Equity securities – listed	-	1,644

As noted in Note 1(a) and 1(t), Mincor has early adopted Phase 1 of AASB 9, consequently all available-for-sale financial assets have been reclassified to other financial assets at fair value through other comprehensive income (Note 9(a)).

c) 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 $'000	Plant & Equipment $'000	Leased Plant & Equipment $'000	Total $'000
At 1 July 2010				
Cost	327,105	49,341	9,712	386,158
Accumulated depreciation/amortisation	(255,442)	(38,083)	(9,159)	(302,684)
Net book amount	71,663	11,258	553	83,474
Year ended 30 June 2011				
Opening net book amount	71,663	11,258	553	83,474
Additions	36,331	1,422	-	37,753
Transfers	553	-	(553)	-
Disposals	-	(10)	-	(10)
Depreciation/amortisation charge	(24,826)	(3,304)	-	(28,130)
Impairment loss	(24,994)	-	-	(24,994)
Closing net book amount	58,727	9,366	-	68,093
At 30 June 2011				
Cost	363,436	50,753	9,712	423,901
Accumulated depreciation/amortisation	(304,709)	(41,387)	(9,712)	(355,808)
Net book amount	58,727	9,366	-	68,093
Year ended 30 June 2012				
Opening net book amount	58,727	9,366	-	68,093
Additions	17,111	2,708	-	19,819
Disposals	(720)	(53)	-	(773)
Depreciation/amortisation charge	(29,911)	(3,713)	-	(33,624)
Closing net book amount	45,207	8,308	-	53,515
At 30 June 2012				
Cost	379,827	53,408	-	433,235
Accumulated depreciation	(334,620)	(45,100)	-	(379,720)
Net book amount	45,207	8,308	-	53,515

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

NOTE 11
EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	2012 $'000	2011 $'000
Exploration and Evaluation Expenditure		
Opening balance	12,898	12,948
Current year expenditure	9,276	9,873
Cost of acquisition – new tenements	247	-
Expenditure written off in current year	(4,006)	(9,923)
Closing balance	18,415	12,898
Total Exploration, Evaluation and Development Expenditure	18,415	12,898

NOTE 12
PAYABLES

	2012 $'000	2011 $'000
Current		
Trade payables	3,334	2,902
Other creditors and accruals	11,053	16,883
	14,387	19,785

a) Foreign Currency Risk

Note 2(a)(i) details the trade and other payables not denominated in Australian dollars. An analysis of the sensitivity of trade and other payables to foreign exchange and foreign currency risk is provided at Note 2.

NOTE 13
INTEREST-BEARING FACILITY

Financing Arrangements

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

	2012 $'000	2011 $'000
Bonding Facility – secured	2,000	2,000
Less: Draw down portion	(1,714)	(1,679)
	286	321

The Bonding Facility is denominated in Australian dollars and is secured by a first ranking charge over the assets and undertakings of the parent entity and consolidated entities. An annual performance bond fee is charged at market rates.

NOTE 14
TAX ASSETS

	2012 $'000	2011 $'000
Current		
Income tax asset	1,042	3,783

The current tax asset for the Group of $1,042,000 (2011: asset of $3,783,000) represents the amount of income taxes receivable in respect of current and prior financial periods.

The consolidated entity has entered into a tax funding agreement. Refer to Note 5.

NOTE 15
PROVISIONS

	2012 $'000	2011 $'000
Current		
Employee benefits (b)	3,605	3,223
Non-Current		
Employee benefits (b)	715	757
Rehabilitation (a)	4,943	4,943
	5,658	5,700

As at 30 June 2012 the consolidated entity employed 226 people (2011: 220 people).

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. Because of the long-term nature of the liability, the key uncertainty in estimating the provision is the costs that will be incurred and the life of the mine.

a) Movements in provisions

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

	2012 $'000
Rehabilitation 2012	
Carrying amount at start of year	4,943
Charged to profit or loss	
- Unwinding of discount	-
Amounts used during the period	-
Carrying amount at end of year	4,943

b) Amounts not expected to be settled within the next 12 months

The current position for employee benefits includes accrued annual leave, vesting sick leave and long service leave. Long service leave covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2012 $'000	2011 $'000
Leave obligation expected to be settled after 12 months	715	757

NOTE 16
DEFERRED TAX LIABILITIES

	2012 $'000	2011 $'000
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Trade receivables	4,759	5,907
Inventory	(267)	(659)
Property, plant and equipment	864	323
Evaluation and acquired exploration	3,056	2,996
Employee benefits	(1,339)	(1,252)
Impairment of available-for-sale financial assets	-	(171)
Rehabilitation	(1,483)	(1,483)
Other items	473	914
	6,063	6,575
Amounts recognised directly in equity		
Available-for-sale financial assets	-	107
Other financial assets at fair value through other comprehensive income	(1,300)	-
Cash flow hedges	1,535	2,596
	235	2,703
Net deferred tax liabilities	6,298	9,278
Deferred tax liabilities expected to be settled within 12 months	4,310	5,801
Deferred tax liabilities expected to be settled after more than 12 months	1,988	3,477
	6,298	9,278

NOTE 17
CONTRIBUTED EQUITY

a) Issued and Paid-up Capital

	2012 $'000	2011 $'000
Fully paid ordinary shares 188,208,274 (2011: 200,608,804)	23,663	32,753

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
2012			
Opening balance	200,608,804		32,753
Shares bought back on-market and cancelled	(12,400,530)	$0.73	(9,068)
Buy-back transaction costs			(22)
	188,208,274		23,663
2011			
Opening balance	200,184,686		32,394
Shares issued pursuant to the exercise of options over fully paid shares	10,000	$0.70	7
Shares issued pursuant to the exercise of options over fully paid shares	414,118	$0.85	352
	200,608,804		32,753

NOTE 17
CONTRIBUTED EQUITY (continued)

c) Options

At 30 June 2012 options to take up shares in Mincor Resources NL are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
405,000 unlisted (1)	1 April 2008	5 December 2012	440 cents per share
3,000,000 unlisted (2)	31 January 2011	30 January 2015	260 cents per share
2,000,000 unlisted (2)	1 April 2011	31 March 2015	195 cents per share
2,000,000 unlisted (2)	19 May 2011	18 May 2015	160 cents per share
2,000,000 unlisted (2)	18 July 2011	17 July 2015	132 cents per share
2,000,000 unlisted (2)	5 October 2011	4 October 2015	103 cents per share

(1) Options have been granted pursuant to a Prospectus dated 6 December 2007. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

(2) Options have been granted under the Executive Share Option Scheme to certain senior executives. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

d) Share Buy-Back

On 21 June 2011 the Company announced its intention to conduct an on-market buy-back of up to 20,018,000 shares, being approximately 10% of the Company's share capital. In accordance with the Listing Rules of the Australian Securities Exchange and the *Corporations Act 2011*, the buy-back commenced on 5 July 2011 for a period of 12 months.

During the year to 30 June 2012 the Company purchased on-market and cancelled 12,400,530 ordinary shares in order to enhance shareholder value. The shares were acquired at an average price per share of 73 cents, with prices ranging from 62.5 cents to 99 cents. The total cost of $9,090,000, including $22,000 of after tax transaction costs, was deducted from contributed equity.

The on-market buy-back program ended on 4 July 2012 following the completion of the 12 month buy-back period.

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 18 and 19 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 balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

As the consolidated entity had no net debt at 30 June 2012, its gearing level was Nil (30 June 2011: Nil).

NOTE 18
RESERVES

	2012 $'000	2011 $'000
Available-for-Sale Financial Assets	-	250
Other Financial Assets at Fair Value through Other Comprehensive Income	(3,032)	-
Cash Flow Hedges	3,581	6,057
Share-based Payments	4,384	3,063
	4,933	9,370
Movements:		
Available-for-Sale Financial Assets		
Balance at 1 July	250	(40)
Revaluation – gross (Note 9)	-	415
Deferred tax (Note 16)	-	(125)
Reclassification adjustment	(250)	-
Balance at 30 June	-	250
Other Financial Assets at Fair Value through Other Comprehensive Income		
Balance at 1 July	-	-
Reclassification adjustment	250	-
Revaluation – gross (Note 9)	(4,690)	-
Deferred tax (Note 16)	1,408	-
Balance at 30 June	(3,032)	-
Cash Flow Hedges		
Balance at 1 July	6,057	1,977
Revaluation – net	(3,536)	5,828
Deferred tax (Note 16)	1,060	(1,748)
Balance at 30 June	3,581	6,057
Share-based Payments		
Balance at 1 July	3,063	2,558
Option expense (Note 31)	1,321	505
Balance at 30 June	4,384	3,063

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).

ii) **Cash flow hedges**

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in Note 1(u). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

iii) **Share-based payments**

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

NOTE 19
RETAINED EARNINGS

	2012 $'000	2011 $'000
Balance 1 July	128,724	168,164
Profit/(loss) for the year	242	(23,391)
Dividends paid (Note 20)	(7,854)	(16,049)
Balance 30 June	121,112	128,724

NOTE 20
DIVIDENDS

a) Ordinary Shares

	2012 $'000	2011 $'000
Final fully franked dividend for the year ended 30 June 2011 of 2 cents (2011: 6 cents) per fully paid ordinary shares paid on 27 September 2011 (2011: 24 September 2010)	3,959	12,037
Interim fully franked dividend for the year ended 30 June 2012 of 2 cents (2011: 2 cents) per fully paid ordinary share paid on 23 March 2012 (2011: 25 March 2011)	3,895	4,012
	7,854	16,049

b) Dividends Not Recognised at Year End

The Directors have recommended the payment of a final dividend of 2 cents per fully paid ordinary share, (2011: 2 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 26 September 2012 out of retained earnings at 30 June 2012, but not recognised as a liability at year end is $3,764,000.

NOTE 21
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 – Managing Director
- 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:

- B Lynn – Chief Financial Officer
- GL Fariss – General Manager, Corporate Development
- P Muccilli – Exploration Manager

All the above persons are employees of Mincor Resources NL and were also key management persons during the year ended 30 June 2011.

c) Key Management Personnel Compensation

	2012 $	2011 $
Short-term employee benefits	1,672,813	1,981,260
Post-employment benefits	73,000	85,895
Long-term benefits	32,298	32,904
Share-based payments	700,623	287,610
	2,478,734	2,387,669

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 the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested and exercisable	Unvested
2012							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel of the consolidated entity							
B Lynn	1,400,000	400,000	-	-	1,800,000	1,400,000	400,000
GL Fariss	1,400,000	400,000	-	-	1,800,000	1,400,000	400,000
P Muccilli	1,400,000	400,000	-	-	1,800,000	1,400,000	400,000
2011							
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel of the consolidated entity							
ST Cowle	-	1,000,000	-	(1,000,000)	-	-	-
B Lynn	-	1,400,000	-	-	1,400,000	-	1,400,000
GL Fariss	-	1,400,000	-	-	1,400,000	-	1,400,000
P Muccilli	414,118	1,400,000	(414,118)	-	1,400,000	-	1,400,000

NOTE 21
KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

d) Equity Instruments Disclosures Relating to Key Management Personnel (continued)

iii) 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 the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
2012				
Directors of Mincor Resources NL				
Ordinary shares				
DJ Humann (Chairman)	295,000	-	205,000	500,000
DCA Moore	4,045,000	-	200,000	4,245,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
Other Key Management Personnel of the consolidated entity				
Ordinary shares				
B Lynn	150,000	-	-	150,000
GL Fariss	333,334	-	-	333,334
P Muccilli	100,000	-	-	100,000
2011				
Directors of Mincor Resources NL				
Ordinary shares				
DJ Humann (Chairman)	295,000	-	-	295,000
DCA Moore	4,045,000	-	-	4,045,000
JW Gardner	1,218,176	-	-	1,218,176
IF Burston	50,000	-	-	50,000
Other Key Management Personnel of the consolidated entity				
Ordinary shares				
ST Cowle	179,800	-	(179,800)	-
B Lynn	150,000	-	-	150,000
GL Fariss	333,334	-	-	333,334
P Muccilli	-	414,118	(314,118)	100,000

NOTE 22
EXPENDITURE COMMITMENTS AND CONTINGENCIES

a) Exploration Expenditure Commitments

	2012 $'000	2011 $'000
Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:		
- Within one year	5,912	5,348

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 and are not provided for in the accounts.

b) Operating Lease Commitments

Operating lease commitments are as follows:

	2012 $'000	2011 $'000
Office Rental		
Within one year	619	821
Later than one year but not later than five years	-	633
	619	1,454

c) Capital Commitments

There are no capital expenditure commitments as at 30 June 2012.

d) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2012.

NOTE 23
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 Managing Director ("MD") 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 MD assesses and reviews the business using a total Group nickel business approach and utilises an executive team consisting of the Chief Financial Officer, General Manager – Corporate Development and Exploration Manager to assist with this function. The MD assesses the performance of the operating segment based on a measure of net profit after tax.

NOTE 24
REMUNERATION OF AUDITORS

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

	2012 $	2011 $
a) Audit services		
PricewaterhouseCoopers Australian firm		
- Audit and review of financial statements and other audit work under the *Corporations Act 2001*	191,325	195,976
Total remuneration for audit services	191,325	195,976
b) Non-audit services		
Taxation services		
PricewaterhouseCoopers Australian firm		
- Tax compliance services, including review of company income tax returns	37,000	33,000
- Tax advice on R&D concessions	12,000	7,000
- Tax advice on Australian Taxation Office Client Risk Review	-	91,309
Total remuneration for taxation services	49,000	131,309
Other Services		
PricewaterhouseCoopers Australian firm		
- Due diligence and accounting advice regarding potential acquisitions	14,500	119,555
- Other	28,355	26,573
	42,855	146,128

NOTE 25
SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2012 (%)	2011 (%)
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	-

*This subsidiary has been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by Australian Securities and Investments Commission. For further information refer to Note 26.

NOTE 26
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 director's report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

a) Consolidated Income Statement, Statement of Comprehensive Income, and a Summary of Movements in Consolidated Retaining 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 2012 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2012 $'000	2011 $'000
Income Statement		
Revenue	121,819	152,108
Mining contractor costs	(13,320)	(40,896)
Ore tolling costs	(13,548)	(15,667)
Utilities expense	(8,177)	(9,627)
Mining supplies and consumables	(8,950)	(5,403)
Royalty expense	(3,822)	(5,638)
Employee benefit expense	(26,970)	(25,797)
Finance costs	(19)	(189)
Foreign exchange gain/(loss)	2,683	(8,368)
Exploration costs expensed	(2,913)	(7,010)
Depreciation and amortisation expense	(33,624)	(28,130)
Impairment of property, plant and equipment	-	(24,994)
Other expenses from ordinary activities	(10,689)	(10,931)
Profit/(loss) before income tax	2,470	(30,542)
Income tax (expense)/benefit	(1,199)	9,157
Profit/(loss) for the year	1,271	(21,385)
Other comprehensive (loss)/income		
Available-for-sale financial assets	-	21
Other financial assets at fair value through other comprehensive income	(4,345)	-
Cash flow hedges	(3,536)	5,828
Income tax relating to components of other comprehensive income	2,365	(1,755)
Other comprehensive (loss)/profit for the year, net of tax	(5,516)	4,094
Total comprehensive (loss)/income for the year	(4,245)	(17,291)
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	133,191	170,625
Profit/(loss)for the year	1,271	(21,385)
Dividends provided for or paid	(7,854)	(16,049)
Retained earnings at the end	126,608	133,191

NOTE 26
DEED OF CROSS GUARANTEE (continued)

b) Balance Sheet

Set out below is a consolidated balance sheet as at 30 June 2012 of the closed group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2012 $'000	2011 $'000
Current Assets		
Cash and cash equivalents	75,843	87,342
Trade and other receivables	27,312	25,568
Inventory	3,926	3,921
Derivative financial instruments	8,509	8,159
Current tax asset	1,043	3,784
Total Current Assets	116,633	128,774
Non-Current Assets		
Available-for-sale financial assets	-	691
Other financial assets at fair value through other comprehensive income	1,346	-
Property, plant and equipment	53,515	68,094
Exploration and evaluation expenditure	13,098	12,898
Derivative financial instruments	-	2,845
Other financial assets	311	311
Total Non-Current Assets	68,270	84,839
TOTAL ASSETS	184,903	213,613
Current Liabilities		
Payables	14,348	18,600
Provisions	3,605	3,980
Derivative financial instruments	-	2,053
Total Current Liabilities	17,953	24,633
Non-Current Liabilities		
Provisions	5,658	4,943
Deferred tax liabilities	6,300	9,176
Total Non-Current Liabilities	11,958	14,119
TOTAL LIABILITIES	29,911	38,752
NET ASSETS	154,992	174,861
Equity		
Contributed equity	23,663	32,753
Reserves	4,721	8,917
Retained earnings	126,608	133,191
TOTAL EQUITY	154,992	174,861

NOTE 27
INTERESTS IN JOINT VENTURES

The consolidated entity has the following joint ventures:

Name	Principal Activity	Percentage Interest	
		2012	2011
Webe Creek Farm-in and Joint Venture(1)	Gold exploration	18.75	18.75
Tafuse Farm-in and Joint Venture(1)	Gold exploration	25	25
Sabeto Farm-in and Joint Venture(1)	Gold exploration	25	25
Carnilya Hill Farm-in and Joint Venture*	Nickel exploration	70	70
Image Resources Farm-in and Joint Venture *	Nickel exploration	70	70
Georgina Basin Farm-in and Joint Venture(2) *	Zinc exploration	100	100
Bonaparte Farm-in and Joint Venture(3) *	Zinc exploration	100	100
Edie Creek Farm-in and Joint Venture (4)	Gold exploration	1	Earning
May River Farm-in and Joint Venture (5)	Copper/gold exploration	36	Earning
Bolobip Farm-in and Joint Venture (6)	Copper/gold exploration	1	Earning
Kubuna Farm-in and Joint Venture (7)	Copper/gold exploration	1	Earning

*The interest in the joint venture is controlled by Mincor Resources NL and is not jointly controlled.

(1) Golden Rim Resources Ltd has met the earn-in expenditure commitments to acquire 75% of the Company's share in the Webe Creek, Tafuse and Sabeto Creek licenses.

(2) During 2008 the Company entered into an agreement with the Japan, Oil, Gas and Metals National Corporation ("JOGMEC") whereby JOGMEC has undertaken to spend $2.5 million over two years to earn a 25% interest in the Georgina Basin Project which is currently 100% owned by the Company. During 2011 the Company extended the earn-in period by a further 12 months. JOGMEC have met expenditure commitments of $2.5 million but have not yet exercised any ownership right. JOGMEC may elect to earn a further 15% interest by spending an additional $2 million on the project over a further 12 month period.

(3) During 2010 the Company entered into an agreement with JOGMEC whereby JOGMEC has undertaken to spend $430,000 within one year, then may elect to spend a further $770,000 over a second year to earn a 24% interest in the Bonaparte Project which is currently 100% owned by the Company. JOGMEC may elect to earn a further 16% interest by spending an additional $800,000 on the project over a further 12 month period. During 2012 the Company extended the earn-in period by a further six months such that JOGMEC are required to spend $2 million by 30 September 2012 to earn 40%. JOGMEC have spent $1.9 million to date but have not yet formally exercised any ownership right.

(4) During 2011 the Company entered into an agreement with Niuminco Group Limited ("Niuminco") whereby the Company has undertaken to spend $15 million over five years to earn a 51% interest in the Edie Creek Gold Project.

(5) During 2011 the Company entered into an agreement with Niuminco whereby the Company has undertaken to spend $5 million over eight years to earn a 72% interest in the May River Exploration Licence. During 2012 the Company acquired a 36% interest in the May River Joint Venture with Niuminco by meeting expenditure commitments of $2.5 million. The Company has not received ministerial approval of the interest in the exploration licence.

(6) During 2011 the Company entered into an agreement with Niuminco whereby the Company has undertaken to spend $5 million over eight years to earn a 72% interest in the Bolobip Exploration Licence.

(7) During 2011 the Company entered into an agreement with Niuminco whereby the Company has undertaken to spend $5 million over eight years to earn a 72% interest in the Kubuna Exploration Licence.

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue or profit.

NOTE 28
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 21.

d) Transactions with Other Related Parties

There were no transactions with other related parties during the reporting period.

NOTE 29
RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

a) Reconciliation of net cash inflow from operating activities to operating profit/(loss) after income tax

	2012 $'000	2011 $'000
Profit/(loss) for the year	242	(23,391)
Add/(Less): Non-Cash Items		
Depreciation	3,713	3,304
Amortisation	29,911	24,826
Impairment	-	24,994
Net (profit)/loss on sale of non-current assets	(3)	7
Exploration expenditure written off	4,006	9,923
Employee benefits expense – share-based payments	1,321	505
Change in operating assets and liabilities		
Decrease in trade receivables	2,064	5,968
(Increase) in inventories	(5)	(1,203)
(Increase) in prepayments	(229)	(321)
(Decrease)/increase in creditors and accruals	(2,979)	1,354
Increase/(decrease) in income tax payable/receivable	2,740	(13,025)
(Decrease) in deferred tax	(512)	(7,228)
Increase in employee entitlement provisions	340	488
Net cash inflow from operating activities	40,609	26,201

b) Cash and cash equivalents

Cash at bank and in hand	5	5
Deposits at call	75,893	87,337
	75,898	87,342

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 30
EARNINGS PER SHARE

	2012	2011
a) Basic earnings per share (cents)		
Profit/(loss) attributable to the ordinary equity holders of the Company	0.0	(11.7)
b) Diluted earnings per share (cents)		
Profit/(loss) attributable to the ordinary equity holders of the Company	0.0	(11.7)
c) Earnings used in calculating earnings per share ($'000)		
Basic and diluted earnings per share		
Profit/(loss) for the year	242	(23,391)
Profit/(loss) attributable to the ordinary equity holders of the Company	242	(23,391)
d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	193,788,775	200,544,896

NOTE 31
SHARE-BASED PAYMENTS

2002 Employee Share Option Plan

The 2002 Employee Share Option Plan ("**Plan**") was introduced on 21 August 2002. Persons eligible to participate in the Plan include Directors and all employees of the Company or companies or bodies corporate in which the Company holds at least 20% of all the voting shares.

Options are granted under the Plan for no consideration for a maximum period of five years and can be exercised at any time between the date the option is granted and the expiry date, subject to the imposition of any specified vesting date which is at the discretion of the Directors. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of the 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 granted under the Plan.

Grant Date	Expiry Date	Exercise Price	Opening Balance Number	Granted during the Year Number	Exercised during the Year Number	Forfeited during the Year Number	Closing Balance Number	Vested and Exercisable at End of the Year Number
2012								
6 December 2006	5 December 2011	216 cents	220,000	-	-	220,000	-	-
Total			220,000	-	-	220,000	-	-
Weighted average exercise price			$2.16	-	-	$2.16	-	-
2011								
22 December 2005	25 October 2010	70 cents	30,000	-	10,000	20,000	-	-
6 December 2006	5 December 2011	216 cents	250,000	-	-	30,000	220,000	220,000
Total			280,000	-	10,000	50,000	220,000	220,000
Weighted average exercise price			$2.00		$0.70	$1.58	$2.16	$2.16

NOTE 31
SHARE-BASED PAYMENTS (continued)

Options Issued pursuant to Prospectus dated 6 December 2007

Grant Date	Expiry Date	Exercise Price	Opening Balance Number	Granted during the Year Number	Exercised during the Year Number	Forfeited during the Year Number	Closing Balance Number	Vested and Exercisable at End of the Year Number
2012								
1 April 2008	5 December 2012	440 cents	405,000	-	-	-	405,000	405,000
Total			405,000	-	-	-	405,000	405,000
Weighted average exercise price			$4.40	-	-	-	$4.40	$4.40
2011								
1 April 2008	5 December 2012	440 cents	535,000	-	-	130,000	405,000	405,000
Total			535,000	-	-	130,000	405,000	405,000
Weighted average exercise price			$4.40	-	-	$4.40	$4.40	$4.40

The weighted average remaining contracted life of share options outstanding at the end of the period was 0.43 years (2011: 1.44 years).

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
31 January 2011	100% of options	31 January 2012
1 April 2011	100% of options	1 April 2012
19 May 2011	100% of options	20 May 2012
18 July 2011	100% of options	18 July 2013
5 October 2011	100% of options	6 October 2012

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 Directors and is set to incentivise the executives to increase shareholder value.

Set out below are summaries of options granted 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
2012								
23 October 2006	19 October 2011	174 cents	113,000	-	-	113,000	-	-
31 January 2011	30 January 2015	260 cents	3,000,000	-	-	-	3,000,000	3,000,000
1 April 2011	31 March 2015	195 cents	2,000,000	-	-	-	2,000,000	2,000,000
19 May 2011	18 May 2015	160 cents	2,000,000	-	-	-	2,000,000	2,000,000
18 July 2011	17 July 2015	132 cents	-	2,000,000	-	-	2,000,000	-
5 October 2011	4 October 2015	103 cents	-	2,000,000	-	-	2,000,000	-
24 November 2011	23 November 2015	125 cents	-	1,000,000	-	1,000,000	-	-
Total			7,113,000	5,000,000		1,113,000	11,000,000	7,000,000
Weighted average exercise price			$2.12	$1.19	-	$1.30	$1.78	$2.13

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
2011								
8 May 2006	7 May 2011	85 cents	414,118	-	414,118	-	-	-
23 October 2006	19 October 2011	174 cents	279,667	-	-	166,667	113,000	113,000
31 January 2011	30 January 2015	260 cents	-	4,200,000	-	1,200,000	3,000,000	-
1 April 2011	31 March 2015	195 cents	-	2,800,000	-	800,000	2,000,000	-
19 May 2011	18 May 2015	160 cents	-	2,000,000	-	-	2,000,000	-
Total			693,785	9,000,000	414,118	2,166,667	7,113,000	113,000
Weighted average exercise price			$1.21	$2.18	$0.85	$2.29	$2.12	$1.74

Fair value of options granted

The assessed fair value at grant date of options granted under the Mincor Resources Executive Option Scheme during the year ended 30 June 2012 was 17.67 cents for options granted on 18 July 2011, 8.62 cents for options granted on 5 October 2011 and 8.59 cents for options granted on 24 November 2011. The fair value at grant date is independently determined using the Binomial 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 weighted average contractual life of options outstanding at the end of the period was 2.88 years (2011: 3.67 years).

The model inputs for the options granted during the year ended 30 June 2012 included:

2012	Options are granted for no consideration and will vest over 24 months	Options are granted for no consideration and will vest over 12 months	Options granted for no consideration and will vest over 12 months
Exercise price	$1.32	$1.03	$1.25
Grant date	18 July 2011	5 October 2011	24 November 2011
Expiry date	17 July 2015	4 October 2015	23 November 2015
Share price at grant date	$0.91	$0.72	$0.76
Expected price volatility of the Company's shares	41%	45%	50%
Expected dividend yield	7%	8%	8%
Risk-free interest rate	4.28%	3.47%	3.07%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any changes to future volatility due to publicly available information.

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:

	2012 $'000	2011 $'000
Options issued under employee option plans (refer Note 18)	1,321	505

NOTE 32
PARENT ENTITY FINANCIAL INFORMATION

a) Summary Financial Information

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

	2012 $'000	2011 $'000
Balance Sheet		
Current assets	78,606	46,696
Total assets	229,696	206,739
Current liabilities	93,890	51,318
Total liabilities	99,419	58,704
Shareholders' equity		
Issued capital	23,663	32,753
Reserves		
- Available-for-sale financial assets	-	(202)
- Financial assets at fair value through other comprehensive income	(3,244)	-
- Cash flow hedges	3,582	6,057
- Share-based payments	4,383	3,062
Retained earnings	101,893	106,365
	130,277	148,035
Profit/(loss) for the year	3,382	(15,662)
Total Comprehensive (Loss)/Income	(2,135)	(11,568)

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 26. No deficiencies of assets exist in any of these entities.

c) Contingent Liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2012 or 30 June 2011.

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

As at 30 June 2012, the parent entity had no contractual commitments (30 June 2011 – Nil).

NOTE 33
EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 15 August 2012 the Directors declared a fully franked dividend of 2 cents per share in respect of the year ended 30 June 2012.

The financial effect of this post balance date event has not been recorded in the 30 June 2012 financial statements.

In the Director's opinion:

a) the financial statements and notes set out on pages 59 to 104 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 2012 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 26 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 26.

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 15th day of August 2012.

DCA Moore
Managing Director

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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 statement of financial position as at 30 June 2012, and the income statement, the statement of comprehensive income, statement of changes in equity and 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 the Mincor Resources NL Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year-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. These Auditing 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 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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pwc

Independent auditor's report to the members of Mincor Resources NL (cont'd)

Independence

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

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 2012 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(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 47 to 55 of the directors' report for the year ended 30 June 2012. 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 2012, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

David J Smith
Partner

Perth
15 August 2012

Substantial holders (holding not less than 5%)

Name of shareholder	Total no. of voting shares in Mincor Resources NL in which the substantial shareholders and its associates hold relevant interests	Percentage of total no. of voting shares (%)
Acorn Capital Limited	10,250,773	5.45
Dimensional Fund Advisers	9,441,193	5.00

Distribution of shareholders

No. of shares held	No. of shareholders	No. of fully paid shares
1 to 1,000	1,592	983,304
1,001 to 5,000	3,005	8,909,839
5,001 to 10,000	1,568	12,905,937
10,001 to 100,000	2,062	59,736,838
100,001 and over	177	105,672,356
Total	8,404	188,208,274

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.

Percentage held by 20 largest shareholders

37.74%

Number of shareholders holding less than a marketable parcel

1,031 shareholders (minimum parcel size of 863 shares/ $500 parcel at $0.58 per share).

Stock exchange listing

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

Unlisted share options

No. of options	Exercise price	Expiry date	No. of holders
Mincor Resources Executive Share Option Scheme			
3,000,000	$2.60	30 Jan 2015	5
2,000,000	$1.95	31 Mar 2015	5
2,000,000	$1.60	18 May 2015	5
2,000,000	$1.32	17 Jul 2015	2
2,000,000	$1.03	4 Oct 2015	5
Options issued pursuant to Prospectus dated 6 December 2007			
405,000	$4.40	5 Dec 2012	81

Listing of 20 largest shareholders

Name of ordinary shareholder	No. of shares held	Percentage of shares held (%)
JP Morgan Nominees Australia Limited	16,153,370	8.58
National Nominees Limited	13,732,563	7.30
HSBC Custody Nominees (Australia) Limited	11,200,150	5.95
Citicorp Nominees Pty Limited	5,814,546	3.09
JP Morgan Nominees Australia Limited <Cash Income A/C>	4,615,030	2.45
Mr David Charles Moore	4,000,000	2.13
Mr David Parker & Mrs Helen Parker <Parker Family A/C>	2,250,000	1.20
Mr Anthony Hubert Shields	2,100,000	1.12
Jaytu Pty Ltd <JW Gardner Super Fund A/C>	1,218,175	0.65
Mr Robert Euan Macmillan and Mrs Ruth Durelle Macmillan <Joint A/C>	1,100,000	0.58
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,055,636	0.56
De Bruin Securities Pty Ltd	1,000,000	0.53
Mr Anthony Hubert Shields and Ms Amanda Carol Nayton	1,000,000	0.53
Mestjo Pty Ltd	950,000	0.50
Ross Sutherland Properties Pty Ltd <Sutherland Family S/F A/C>	950,000	0.50
Mrs Daphne Georgina Balaam	880,000	0.47
Peterblue Pty Ltd <Carranya 2 Super Fund A/C>	800,000	0.43
QIC Limited	785,930	0.42
Zashvin Pty Ltd	710,483	0.38
Mr Roy William Wilson	710,000	0.38

Corporate Directory

MINCOR'S BOARD OF DIRECTORS AND COMPANY SECRETARY (L TO R): IAN BURSTON, DAVID MOORE, DAVID HUMANN, BRIAN LYNN AND JACK GARDNER

Directors

David Humann (Chairman)
David Moore (Managing Director)
Ian Burston
Jack Gardner

Company Secretary

Brian Lynn

Registered Office

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

Postal Address

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West Perth 6872, Western Australia

Contact Details

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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 Stock Exchange (Home Branch – Perth)

ASX Code: MCR

ACN and ABN

ACN: 072 745 692
ABN: 42 072 745 692

Auditors

PricewaterhouseCoopers
QV1 Building, 250 St Georges Terrace
Perth 6000, Western Australia

Bankers

Commonwealth Bank of Australia
Société Générale Group
Barclays Bank plc

Solicitors

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

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth 6000, Western Australia

Date and Location of Annual General Meeting

Wednesday, 14 November 2012 at 11.30am
Venue: Celtic Club, 48 Ord Street, West Perth

MINCOR
RESOURCES NL

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