

25 June 2020

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## **\$60M CAPITAL RAISING TO UNDERPIN CAPITAL DEVELOPMENT AND ACCELERATE EXPLORATION AT KAMBALDA**

**Proceeds will enable a Final Investment Decision to be progressed efficiently, provide a strong working capital buffer during development, and facilitate an aggressive approach to resource extension and exploration programs**

- Fully underwritten two tranche Placement to raise up to \$50m (“Placement”)
- First tranche of the Placement to be completed utilising existing Listing Rule 7.1 and 7.1A placement capacity to raise \$17.3m (“T1”), with the second tranche of the Placement to raise \$32.7m (“T2”), subject to shareholder approval at a General Meeting to be held early August 2020
- Existing strategic shareholder IGO Limited (“IGO”) has committed to subscribe for up to \$13.0m of the Placement
- Placement issue price of \$0.72 per share, representing a discount of 12.2% to the last closing price and 4.6% to the 5 day-trading volume weighted average market price (“VWAP”)
- Share Purchase Plan (“SPP”) for all eligible shareholders to raise up to \$10.0m to open on 3 July 2020 at the same offer price as the Placement, subject to receipt of an ASX waiver
- Proceeds from the Placement and SPP will increase Mincor’s cash reserves to over \$100m, allowing it to:
  - Progress to a potential Final Investment Decision (“FID”) for its Kambalda Nickel Operations efficiently and fund a portion of project development costs through equity
  - Undertake resource extension and exploration programs centred around Cassini Main, Cassini North, the untested 1.1km space between Durkin North and Long and other regional targets
  - Negotiate debt funding for project development from a position of balance sheet strength
  - Establish a working capital buffer during project development for contingency or any unforeseen project delays

Mincor Resources NL (ASX: MCR, “Mincor” or “the Company”) is pleased to announce the launch of a fully underwritten, two tranche placement of new fully paid ordinary shares (“Shares”) to raise approximately \$50.0 million (before costs) (“Placement”). Existing strategic shareholder, IGO has committed to subscribe for \$13.0m of new Shares to be issued under the Placement.

In addition, participation in a Share Purchase Plan (“SPP”) is also planned to be offered to eligible Mincor shareholders at the same offer price as the Placement, subject to the receipt of a waiver from ASX (see below). Consistent with previous SPPs conducted by the Company, the Board retains discretion to close as soon as \$10.0 million in applications is received. If demand exceeds this amount at the time of closing, oversubscriptions may be accepted or scaled back at the Directors’ discretion. The SPP is not underwritten.

Together, the Placement and SPP are the “Capital Raising”.

The Capital Raising is being undertaken to:

- Allow the Board of Mincor (“Board”) to efficiently progress to a potential FID for the commencement of project development at its 100%-owned Kambalda Nickel Operations in Western Australia;
- If a FID is reached, fund a portion of the project development costs and expected peak funding requirement of \$97.0 million (in combination with proposed debt funding) as outlined in the Definitive Feasibility Study (“DFS”) announced in March 2020;

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- Fund two years of planned resource extension and exploration programs at Cassini Main, Cassini North, the 1.1km space between Durkin North and Long, and additional regional targets;
- Provide for contingency in project development costs and an additional working capital buffer in the event of any unforeseen delays; and
- Provide for debt raising costs and minimum liquidity requirements, while ensuring that Mincor can finalise negotiations with potential debt providers from a position of balance sheet strength.

The Capital Raising follows the achievement of several key recent milestones which have placed Mincor in a strong position to move towards FID and execute its nickel restart strategy in the second half of 2020. These include:

- Completion of the DFS and release of a maiden Ore Reserve at Cassini in March 2020;
- The fourth increase in Mineral Resources at Cassini, announced today;
- The execution of a binding mining contract with Pit N Portal in May 2020, with the costs negotiated being entirely consistent with the DFS;
- Completion of the early works program at Cassini on time and budget; and
- Securing key senior management personnel for Cassini and the Northern Operations.

Commenting on the Capital Raising, Mincor's Managing Director, David Southam, said:

*"This Capital Raising marks another important milestone in our journey to resume profitable and sustainable nickel sulphide mining in Kambalda.*

*"It caps what has been an exceptionally busy and productive first-half for Mincor, notwithstanding the impact of the COVID-19 pandemic. The past nine months has seen us complete an outstanding high-quality DFS, deliver four consecutive Mineral Resource upgrades and a maiden Ore Reserve at Cassini, while also securing all key final approvals, executing a mining contract and completing early surface works at Cassini. The successful completion of this Capital Raising will allow Mincor to maintain and even increase this momentum in the second half of this year, putting us in an enviable position with full optionality and flexibility around a Final Investment Decision.*

*"The funding will give us the confidence to complete resource extension drilling during the development timeline at Cassini Main and to test the 1.1km Durkin North to Long space from underground positions. Furthermore, our regional exploration program can continue at Cassini North, Bluebush, Juno and other targets. Already today we have seen our confidence in Cassini justified with an in-fill drilling program resulting in a further increase in Mineral Resources.*

*"We are planning to mandate a bank(s) and/or a resource finance specialist in the September 2020 quarter to provide the debt component of our funding package. This raising has the dual benefit of providing potential debt providers with confidence while also giving Mincor a very strong foundation from which to negotiate from.*

*"Importantly, our nickel restart strategy now has contingency and an additional buffer for any unforeseen circumstances. That flexibility is critical for mining companies during construction development, as emphasised by the recent COVID-19 pandemic.*

*"Finally, I would like to acknowledge the support of leading Australian nickel producer, IGO, whose confidence in Mincor's nickel restart strategy is clearly demonstrated by their commitment to subscribe for \$13.0 million of this Capital Raising."*

## Placement

The fully underwritten Placement comprises two tranches, with first tranche of 24,001,803 new Shares at an issue price of \$0.72 per Share, to raise approximately \$17.3m utilising the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacities:

- 23,075,150 new Shares will be issued pursuant to ASX Listing Rule 7.1; and
- 926,653 new Shares will be issued pursuant to ASX Listing Rule 7.1A ("**First Tranche Placement Shares**").

The second tranche of the Placement will be completed subject to Mincor shareholder approval at a General Meeting to be held in early August 2020 and, if approved, will result in the issue of a further 45,442,641 new Shares also at \$0.72 per Share, to raise approximately \$32.7m ("**Second Tranche Placement Shares**").

The issue price under the Placement represents a 12.2% discount to the closing price of \$0.82 per share on 23 June 2020 and a discount of 4.6% discount to the 5-day trading VWAP.

Existing strategic shareholder, IGO, has committed to subscribe for \$13.0 million worth of new Shares to be issued under the Placement to increase their current percentage ownership to approximately 8%, provided that shareholder approval for T2 of the Placement is obtained at the General Meeting.

Euroz Securities Limited and Macquarie Capital (Australia) Limited are acting as Joint Lead Managers and Joint Underwriters to the Placement. Sternship Advisers are acting as financial adviser and Ashurst as Australian legal counsel to Mincor in relation to the capital raising.

An indicative timetable for the Placement and SPP is set out in Appendix 1. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

The underwriters may terminate the underwriting obligations upon the occurrence of certain termination events, which are customary in nature. Further details of these termination events are set out in Appendix 2.

## SPP

The SPP aims to raise up to \$10.0 million (before costs) and will enable all Mincor shareholders (including retail shareholders) with registered addresses in Australia and New Zealand at 5.00pm (WST) on the Record Date of 24 June 2020 ("**Eligible Shareholders**") the opportunity to apply for new Shares at an offer price of \$0.72 per Share (the same price as the Placement price). Eligible Shareholders will be offered the opportunity under the SPP to apply for up to \$15,000 worth of new Shares (subject to scale back at the company's absolute discretion).

New Shares issued under the SPP will rank equally with Mincor's existing Shares with effect from their issue. The offer price is free of brokerage and commission.

The Board intends to cap the SPP at \$10.0 million however, the Board reserves the right to accept oversubscriptions or to scale back applications in its absolute discretion.

The Company has applied for an ASX Waiver to the ASX Listing Rules to allow it to offer Eligible Shareholders the opportunity to participate in the SPP. We expect the ASX Waiver decision to be provided shortly, and will advise shareholders accordingly.

Participation in the SPP by Eligible shareholders is entirely optional. The SPP is not underwritten.

The terms and conditions of the SPP will be set out in a SPP Offer Booklet that will be released on ASX and provided to Eligible Shareholders in accordance with the timetable.

- ENDS -

Approved by:

Board of Mincor Resources NL

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***Summary Information***

The following disclaimer applies to this announcement and any information contained in it (the Information). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Mincor's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at [www.asx.com.au](http://www.asx.com.au). You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

***Forward Looking Statements***

This announcement may include forward-looking statements. These forward-looking statements are based on Mincor's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Mincor, which could cause actual results to differ materially from such statements. Mincor makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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## APPENDIX 1: INDICATIVE TIMETABLE

Key Event	Date
Record Date for Eligibility to participate in SPP	5.00pm WST on 24 June 2020
Trading Halt	24 June 2020
Launch of Capital Raising and Investor Presentation	25 June 2020
Trading Halt lifted, Announcement of completion of Capital Raising	No later than 30 June 2020
Settlement of First Tranche Placement Shares	1 July 2020
Allotment of First Tranche Placement Shares	2 July 2020
Notice of Meeting sent to shareholders (NOM)	On or around 3 July 2020
Dispatch SPP Offer Documents	3 July 2020
SPP Opening date	9.00am WST on 3 July 2020
SPP Closing date	5.00pm WST on 24 July 2020
Announcement of SPP Participation Results	29 July 2020
Issue of New Shares under SPP	31 July 2020
General Meeting for shareholders to consider approval of Second Tranche Placement Shares	Early August 2020
Settlement of Second Tranche Placement Shares	10 August 2020
Allotment of Second Tranche Placement Shares	11 August 2020

The timetable is indicative only and remains subject to change at the Company discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. **The Company encourages Eligible Shareholders who wish to participate to act promptly in submitting their application forms.** The Company reserves the right to close the SPP early, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to the ASX.

## APPENDIX 2: SUMMARY OF KEY TERMS OF THE UNDERWRITING AGREEMENT

<p><b>Overview</b></p>	<p>Mincor Resources NL (ABN 42 072 745 692) (<b>Issuer</b>) has entered into a placement underwriting agreement with Euroz Securities Limited (ABN 23 089 314 893) (<b>Euroz</b>) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) (<b>Macquarie</b>), (<b>Placement Underwriting Agreement</b>).</p> <p>Under the Placement Underwriting Agreement, Euroz and Macquarie (together, <b>JLMs</b>) have agreed to, amongst other things, underwrite a placement of new fully paid ordinary shares in the Issuer (<b>Shares</b>), (<b>Placement</b>). The JLMs have agreed to underwrite the issue of all Shares comprised in the Placement, in their respective proportions, being Euroz 50% and Macquarie 50%.</p> <p>The Placement will comprise:</p> <ul style="list-style-type: none"> <li>• a placement to certain institutional, professional and/or sophisticated investors, to be undertaken without shareholder approval in compliance with ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (<b>Initial Placement</b>); and</li> <li>• a placement to certain institutional, professional and sophisticated investors, subject to approval by the Issuer's shareholders in general meeting (<b>Conditional Placement</b>)</li> </ul>
<p><b>Conditions Precedent</b></p>	<p>The JLMs' obligations to underwrite the Initial Placement and the Conditional Placement under the Placement Underwriting Agreement are subject to conditions precedent which are not uncommon for an arrangement of this nature.</p> <p>These include (among other things) condition precedents as follows:</p> <ul style="list-style-type: none"> <li>• the Issuer delivering to the JLMs a copy of a waiver from ASX which enables the Issuer to rely on the exception in Exception 5 to ASX Listing Rule 7.2 in respect of the SPP, and that waiver having not been withdrawn by ASX on or before 10.00 am on 1 July 2020;</li> <li>• at no point on or before 1 July 2020, ASX having indicated that either the Initial Placement Shares or the Conditional Placement Shares will not be approved for quotation on an unconditional basis (and ASX not indicating that approval would be granted on a conditional basis where such condition would, in the reasonable opinion of the JLMs, have a material adverse effect on the Placement); and</li> <li>• in respect of the Conditional Placement only, obtaining the approval of the Issuer's shareholders at a general meeting of the Issuer's shareholders to be convened for these purposes (among other things).</li> </ul>
<p><b>Termination events</b></p>	<p>The JLMs are entitled to terminate their obligations under the Placement Underwriting Agreement if any one or more of a number of specified events occurs before 4.00 pm on 10 August 2020. These termination events are not uncommon for an arrangement of this nature.</p> <p>The termination events which are common for an arrangement of this nature include: removal of the Issuer from the official list of ASX; a breach by the Issuer of, or failure by the Issuer to perform, its obligations under the Placement Underwriting Agreement (including in respect of an undertaking given by the Issuer); an omission or misstatement in relation to the completed due diligence questionnaire provided by the Issuer pursuant to the Placement Underwriting Agreement; materials issued by the Issuer (or on its behalf) in connection with the Placement containing content which is or becomes misleading or deceptive (including by omission); commencement of proceedings in connection with the Placement by a governmental agency; ASIC making an application for an order, commencing an investigation or issuing proceedings in connection with the Placement; prosecution of a director or senior manager of the Issuer; change in law; delay of more than one business day in connection with certain events related to the Placement caused by the Issuer; forecasts, beliefs, expressions of opinion or intentions contained in materials issued by the Issuer in connection with the Placement being based on unreasonable grounds or becoming incapable of being met; a change to the chief executive officer or chief financial officer of the Issuer; the occurrence of fraudulent conduct on behalf of the Issuer or its directors or officers; withdrawal of the Placement by the Issuer; failure by the Issuer to provide any certificates required to be provided by the Issuer under the Placement Underwriting Agreement, or a statement contained in such certificate</p>

being untrue or incorrect; the Issuer (or its related bodies corporate) becoming insolvent, having a liquidator appointed in relation to it, or being wound up or dissolved or anything analogous occurring; non-compliance by the Issuer with any law; non-compliance of any aspect of the Placement with the Corporations Act or the ASX Listing Rules; an adverse change in the financial position, results, condition, operations or prospects of the Issuer (and its related bodies corporate) other than as disclosed by the Issuer to ASX before the date of the Placement Agreement; a material disruption in banking or a suspension or limitation in trading in Australia, New Zealand, the United States, Singapore, Hong Kong or the United Kingdom; a change to the board of directors of the Issuer; the commencement or escalation of hostilities, a major terrorist act, or the declaration of a national emergency involving any one of Australia, New Zealand, the United States of America, the Peoples Republic of China, North Korea, Hong Kong or the United Kingdom; a change of control of the Issuer being announced or occurring; the and ASX not granting, or stating that it will not grant, official quotation of the Shares issued via the Initial Placement or the Conditional Placement unconditionally (or on a conditional basis where such condition would, in the JLMs' reasonable opinion, have a material adverse effect on the Placement), by 1 July 2020 or 10 August 2020, respectively.

The ability of the JLMs to rely on some of the termination events is subject to a "materiality" requirement. Additional termination events include:

- Between the date of the Placement Underwriting Agreement and (subject to the date of the close of the bookbuild conducted by the JLMs pursuant to the Placement Underwriting Agreement) either:
  - o 12:00 pm on Friday, 26 June 2020; or
  - o 12:00 pm on Monday, 29 June 2020,

(the applicable date being the Initial Index Fall Period),

the occurrence of a fall in the S&P/ASX 200 Index or the S&P/ASX 200 SPI Futures Index, or the London Metal Exchange Nickel price, to a level that is 10% lower than the level of the relevant index immediately prior to entry into the Placement Underwriting Agreement;

- At any time after the Initial Index Fall Period up until 4.00 pm on 10 August 2020, the occurrence of a fall in the S&P/ASX 200 Index or the S&P/ASX 200 SPI Futures Index, or a fall in the London Metal Exchange Nickel price, to a level that is either 12.5% or more (in the case of the S&P/ASX 200 Index or the S&P/ASX 200 SPI Futures Index) or 20% or more (in the case of the London Metal Exchange Nickel price), respectively, below the level of the relevant index immediately prior to entry into the Placement Underwriting Agreement, and the relevant index has remained at that level:
  - o for two consecutive trading days; or
  - o at the most recent close prior to 1 July 2020 or 10 August 2020 (as applicable).

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