Preliminary Final Report of Mincor Resources NL for the Financial Year Ended 30 June 2007

(ABN 42 072 745 692)

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period: Financial Year ending 30 June 2007

Previous Corresponding Period: Financial Year ending 30 June 2006

Results for announcement to the market

				$'000
Revenue from ordinary activities	Up	90.86%	to	334,507
Profit from ordinary activities after tax attributable to members	Up	245.73%	to	101,330
Net profit for the period attributable to members	Up	245.73%	to	101,330

Dividends	**Amount per security**	**Franked amount per security**
Financial year ended 30 June 2007		
Final dividend	6.0 cents	6.0 cents
Interim dividend	6.0 cents	6.0 cents
Financial year ended 30 June 2006		
Final dividend	3.0 cents	3.0 cents
Interim dividend	2.0 cents	2.0 cents

Dividend payments

Date the final 2007 dividend is payable	28 September 2007
Record date to determine entitlements to the dividend	3 September 2007
Date final dividend was declared	20 August 2007

Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	12.0 cents	5.0 cents

Total dividends paid or payable on all securities

	Current year $'000	Previous year $'000
Ordinary securities	23,610	9,733
Total	23,610	9,733

Net Tangible Assets

	Current year	Previous year
Net tangible assets per ordinary security	76.1 cents	36.5 cents

Details of Entities Over Which Control Has Been Gained or Lost

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A

	2007 $'000
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, from the date of gaining control.	-

	2006 $'000
Net profit/(loss) of the controlled entity (or group of entities) for the whole of the previous corresponding period.	-

Loss of control of entities

Name of entity (or group of entities)	N/A
Date control lost	N/A

	2007 $'000
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, to the date of losing control.	N/A

	2006 $'000
Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities for the whole of the previous corresponding period.	N/A

Details of Associates and Joint Venture Entities

Name of Entity	Ownership Interest		Contribution to net profit	
	2007 %	2006 %	2007 $'000	2006 $'000
Associates	-	-	-	-
Joint Venture Entities	-	-	-	-
Aggregate Share of Profits/(Losses)	-	-	-	-

Other Information

Except for the matters noted above, all the disclosure requirements pursuant to ASX Listing Rule 4.3A are contained within Mincor Resources NL's Consolidated Financial Statements for the year ended 30 June 2007 which accompany this Preliminary Final Report.

This report is based on accounts which have been audited.

Annual Meeting

The annual meeting will be held as follows:

Place	Celtic Club 48 Ord Street West Perth WA 6005
Date	12 November 2007
Time	11.00am
Approximate date the annual report will be available	Tuesday 2 October 2007

Moore.

Sign here: ______________________________
(Director)

Print name: David Moore

Date: 21st August 2007

MINCOR

RESOURCES NL

MINCOR RESOURCES NL

ABN 42 072 745 692

ANNUAL REPORT

30 June 2007

TABLE OF CONTENTS

Mincor Resources NL is a company incorporated and domiciled in Australia.
Its registered office is:

Level 1, 1 Havelock Street
West Perth, Western Australia, 6005
AUSTRALIA

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mincor Resources NL is responsible for corporate governance of the Company. The Board has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. The Company has followed each of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("**ASX Principles and Recommendations**") to the extent the Directors considered they genuinely improve the Company's internal processes and accountability to external stakeholders. The Board continually reviews its governance practices to ensure they remain consistent with the needs of the Company.

In accordance with the ASX Principles and Recommendations, the Company publishes information about its governance on the Company's website at www.mincor.com.au. This information includes charters (for the board and its sub-committees), the Company's code of conduct and other policies and procedures relating to the Board and its responsibilities such as:

- selection and appointment of new directors;
- description of the evaluation process for the board;
- its committees;
- directors and executives;
- trading in company securities;
- summary of ASX disclosure compliance requirements;
- selection appointment and rotation of external auditor;
- shareholder communication strategy; and
- summary of risk management policy.

ROLE OF THE BOARD

The Board of Directors operates pursuant to a charter which states that Mincor's goal is to develop into a diversified mining company offering shareholders participation in the global expansion in demand for minerals through profits and capital growth.

Mincor's fundamental aim is to be a profitable dividend payer while offering strong capital growth through a disciplined and focused exploration and acquisition strategy.

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.

COMPOSITION OF THE BOARD

The Board comprised 3 independent non-executive directors (including the Chairman) and 2 executive directors, including the Managing Director. Details of the Directors are set out in the Directors' Report.

In determining the independence of directors the Board has regard to the independence criteria as set out in the ASX Principles and Recommendations. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website. The Company assesses independence at the time of appointment of directors and monitors the independence of directors as and when appropriate.

Applying the independence criteria, the Board considers that Messrs DJ Humann, IF Burston and JW Gardner are independent.

CORPORATE GOVERNANCE STATEMENT (continued)

In the interests of disclosure, the Board notes that Mr Humann is a director of and minority shareholder in James Anne Holdings Pty Limited, a company which provides the services of Mr Humann to act as Director and Chairman of the Company. James Anne Holdings Pty Ltd receives consulting fees for providing the services of Mr Humann to the Company. The Directors (in the absence of Mr Humann) have ascertained the level of consulting fees paid to James Anne Holdings Pty Ltd is not material to either the Company, James Anne Holdings Pty Limited or Mr Humann and that the arrangement does not affect Mr Humann's non executive status. Furthermore, the Board notes that Mr Humann is not an executive and does not have a major shareholding in the Company. As such, the Board considers that there is limited scope for Mr Humann's personal interests to conflict with those of shareholders.

All Directors receive a written letter on their appointment to the Board which sets out in detail the expectations the Company has of the Director in discharging his duties as a Director of the Company.

The Board delegates responsibility for the Company's administration and operation to the Managing Director, who is accountable to the Board.

MEETINGS

The Board holds at least 4 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 in this financial year no such meetings occurred. At each meeting of the Board time is allocated for consideration of strategic planning issues.

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.

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. Regard is given to a candidate's background and experience which is relevant to the business needs of the Company. 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.

EVALUATION OF BOARD

The Chairman is responsible for conducting an annual review of the Boards performance. In addition he monitors his own performance and that of each of the directors at each meeting of the Board.

CONFLICT OF INTEREST

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.

REMUNERATION

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

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. 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 are there any termination or other benefits paid on retirement.

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

INDEPENDENT ADVICE

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his office 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.

BOARD COMMITTEES

The Board has three committees comprising the Audit, Nomination, and Remuneration Committees. Each committee has a separate charter which describes their role, composition, functions and responsibilities. Copies of each charter are set out on the Company's website.

Details of the number of meetings held and attendance at each committee meeting during the financial year ended 30 June 2007 are detailed below.

NOMINATION COMMITTEE MEETINGS

Name	No. of meetings held	No. of meetings attended
DJ Humann (Independent)	1	1
DCA Moore	1	1
IF Burston (Independent)	1	1

REMUNERATION COMMITTEE MEETINGS

Name	No of meetings held	No of meetings attended
DJ Humann (Independent)	1	1
DCA Moore	1	1
IF Burston (Independent)	1	1

AUDIT COMMITTEE MEETINGS

Name	No. of meetings held	No. of meetings attended
IF Burston (Chairman, Independent)	4	4
DJ Humann (Independent)	4	4
JW Gardner (Independent)	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 this committee. Mr Humann is a Chartered Accountant and therefore possesses the requisite financial literacy and expertise to participate on this committee. Mr JW Gardner is an Independent Director with requisite financial and industry knowledge.

CORPORATE GOVERNANCE STATEMENT (continued)

The main responsibilities of the Audit Committee are to:

- Review and report to the Board on the annual financial report, the half-year financial report and all other financial information published by the Company or released to the market;
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting
  - compliance with applicable laws and regulations;
- Oversee the effective operation of the risk management framework; and
- Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit.

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.

COMPANY'S REMUNERATION POLICIES

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

SHAREHOLDER INFORMATION

The Company values its relationship with shareholders and understands the importance of communication with them in accordance with the requirements of the ASX. For this purpose the Company has two policies, one for keeping shareholders up to date with Company information and one to ensure it is compliant with the continuous disclosure obligations of the ASX.

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 last three years;
- notices of meetings and explanatory materials;
- financial information for last three years; and
- annual reports for 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 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:

- identifying areas of risk for the Company;
- 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.

The Company has appointed an officer responsible for ensuring compliance with this policy.

CORPORATE GOVERNANCE STATEMENT (continued)

FINANCIAL REPORTS

In accordance with the requirements of the *Corporations Act 2001* and Principle 4 of the ASX Principles and Recommendations the Managing Director and Chief Financial Officer have given relevant declarations, statements and certifications in relation to the Company's 30 June 2007 Annual Report.

RISK MANAGEMENT

The Board is responsible for overseeing the establishment and implementation of an effective risk management system and reviewing and monitoring the Company's application of that system.

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 reporting directly to the Board on all matters associated with risk management. In fulfilling their 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.

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 programmes;
- 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.

The Company's risk management system is an on-going 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.

TRADING IN COMPANY SECURITIES

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers, employees, and consultants which prohibits dealing in Company securities when those persons possess inside information. The policy contains a blackout period for directors, officers and senior accounting employees and also prohibits short-term or speculative trading of the Company's securities.

CODE OF CONDUCT

A comprehensive code of conduct is set out in full on the Company's website. This code of conduct sets out the standard 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 Mincor Resources NL and its staff to people affected by its operations, and for responsible management of the environment.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2007

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 2007.

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, Certified Practising Accountant 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 Atomaer Holdings Pty Ltd; Braemore Resources PLC; Matrix Metals Ltd and Safe Effect Technologies Ltd. Non-executive director of Exxaro Australia Sands Pty Ltd; India Resources Ltd; Monarch Gold Mining Co. Ltd; and Rewards Group Pty Ltd. Director of James Anne Holdings Pty Ltd. *Former directorships in last 3 years* Non-executive director of Durack Estates Pty Ltd and Durack International Pty Ltd from 1985 to 2007. Non-executive director of Macmahon Holdings Ltd Group from 2000 to 2007. Non-executive director of Tethyan Copper Company Ltd from 2000 to 2006. Non-executive chairman of Jupiter Energy Ltd from 2003 to 2005.	225,000 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 lead 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 3 years* Managing director of Tethyan Copper Company Ltd from 2000 to 2006.	4,000,000 shares

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

Name	Particulars	Shareholding Interest
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 also holds a Master of Business Administration degree from Curtin University, Western Australia. After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Ltd, Comsteel Vickers/ANI, Minproc Engineers Pty Ltd and Broken Hill Metals NL between 1970 and 1990, he formed his own Engineering Consultancy. He has consulted on many gold and base metal projects both in Australia and overseas. Mr Gardner was chairman of Ghana Manganese Company from 1995 until 2000. From 1993 until 2006 he was actively involved in Canadian listed company, Guinor Gold Corporation where he was Chief Engineer, Mining Projects. Since 1996 he has developed and managed the 100,000 ounce per annum Lero gold Heap Leach Project and completed the LEFA Corridor project study and supervised the EPCM contractor constructing its 350,000 ounce per annum multiple open pit and CIP Plant project in remote Guinea, West Africa. Currently he is pursuing bauxite, uranium, copper and gold exploration projects in West Africa and Australia. *Other current directorships* Non-executive director of Vortex Minerals Pty Ltd, Mineraus Resources Pty Ltd ,Viking Metals Pty Ltd, Greenline Investments Pty Ltd, Bayfield Enterprises Pty Ltd and Aerial Holdings Pty Ltd. *Former directorships in last 3 years* Non-executive director of Norske Precious Metals from 2006 to 2007.	1,618,176 shares
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 Imdex Ltd and Broome Port Authority. Executive chairman of Cape Lambert Iron Ore Ltd. *Former directorships in last 3 years* Executive chairman of Aztec Resources Ltd from 2003 to 2007. Non-executive director of Aviva Corporation Ltd from 2003 to 2006.	50,000 shares

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

JS Reeve	*Experience and expertise* Mr Reeve was appointed an Executive Director of the Company on 12 June 2006. He joined the Company as General Manager – Operations in March 2001, after 2 years as a consultant specialising in nickel sulphides. Mr Reeve held the position of Chief Operating Officer through to June 2006. Mr Reeve graduated as a geologist with a Bachelor of Science (Hons) degree from Sydney University. Mr Reeve has spent 35 years in the mining industry in a variety of operating and exploration roles. His prior positions included Chief Geologist at WMC's Olympic Dam (Cu-U-Au) operation in South Australia, and Chief Geologist of WMC's nickel and gold operations in the Kambalda area in Western Australia. Between 1994 and 1999, Mr Reeve held the position of Geology Manager of WMC's Nickel Business Unit. He has also served on a number of industry organisations, including the Joint Ore Reserves Committee during the revision of the 1999 JORC Code for Reporting of Resources and Reserves. Mr Reeve passed away on 16 August 2007. *Other current directorships* None. *Former directorships in last 3 years* None.	Nil

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 20 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

During the year, the Company's Miitel Nickel Mine produced 254,643 dry metric tonnes at an average nickel grade of 2.26%, to produce 4,900 tonnes of nickel-in-concentrate.

The Company's Wannaway Nickel Mine produced 24,519 dry metric tonnes at an average nickel grade of 2.47%, to produce 519 tonnes of nickel-in-concentrate.

The Redross Nickel Mine produced 139,133 dry metric tonnes at an average nickel grade of 3.27%, to produce 3,891 tonnes of nickel-in-concentrate.

The Company's Mariners Nickel Mine produced 197,935 dry metric tonnes at an average nickel grade of 2.14%, to produce 3,616 tonnes of nickel-in-concentrate.

Exploration and Development Projects

During the year, the Company spent $14.6 million on both extensional and regional exploration activities.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS (continued)

Exploration and Development Projects (continued)

In August 2006 the Company approved a $24 million mine development of the South Miitel orebody based upon an initial probable ore reserve of 376,000 tonnes at 2.6% nickel grade for 9,790 tonnes of nickel metal.

In November 2006 the Company completed its earn-in into the Carnilya Hill project and now holds a vested 70% interest in the Carnilya Hill Joint Venture. The Company approved a $28 million nickel mine development at its Carnilya Hill Project in June 2007 based upon a probable ore reserve of 483,500 tonnes at 2.9% nickel grade for 14,000 tonnes of nickel metal.

In November 2006 the Company entered into an earn-in and joint venture agreement with Image Resources NL whereby Mincor Resources NL may spend up to $1.5 million over five years to earn a 70% interest in ten exploration licences in the Kambalda region.

On 4 January 2007 the Company announced an agreement with Tectonic Resources NL ("Tectonic") whereby Mincor may earn an 80% interest in the tenement holding the RAV 8 nickel mine in Western Australia by paying $700,000 to Tectonic, subscribing for 10 million Tectonic shares at a price of 13 cents per share and sole funding $5 million over 3 years.

Corporate

The Company has sold forward 4,876 tonnes of nickel to December 2009, at an average price of A$32,404.

On 14 May 2007 the Company announced the acquisition of all the shares in Goldfields Mine Management Pty Ltd for a cash consideration of $68.5 million plus a future royalty stream. A deposit of $11.75 million was paid in June 2007, $50.75 million was paid at settlement on 2 July 2007 and the remaining $6 million will be paid once various license requirements are completed.

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 twelve months to 30 June 2007, except as outlined below.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there has 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 $101,330,000 (2006 profit: $29,309,000).

DIVIDENDS

A fully franked dividend of 3 cents per share in respect of the year ended 30 June 2006 was paid on 6 October 2006. On 30 March 2007 a fully franked interim dividend of 6 cents per share in respect of the year ended 30 June 2007 was paid. On 20 August 2007 the Directors declared a fully franked final dividend of 6 cents per share in respect of the year ended 30 June 2007.

DIRECTORS' REPORT (continued)

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 2007, 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	8	8	4	4
DCA Moore	8	8	-	-
JW Gardner	8	7	4	4
IF Burston	8	7	4	4
JS Reeve	8	8	-	-

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

All compensation arrangements for Directors and key management personnel are determined at Board level after taking into account the competitive rates prevailing in the market place.

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. 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.

The information provided under headings (a) to (d) below includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in section (e) below are additional disclosures required by the *Corporations Act 2001* and the *Corporations Regulations 2001* which have not been audited.

a) Principles Used to Determine the Nature and Amount of Remuneration (audited)

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 Board ensures that the remuneration of key management personnel is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance.

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. 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.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

a) Principles Used to Determine the Nature and Amount of Remuneration (audited) (continued)

i) Directors' Fees

The current base remuneration was last reviewed with effect from 8 November 2006. The Chairman's and non-executive directors' remuneration is inclusive of committee 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.

ii) Retirement Allowances for Directors

No retirement allowances exist for non-executive directors.

iii) Remuneration of Key Management Personnel

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

- Base pay and benefits
- Short-term performance incentives
- Long-term incentives through participation in employee share option plans, including the Mincor Employee Share Option Plan and Mincor Resources Executive Share Option Scheme; and
- Other remuneration.

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

iv) Base Pay and Benefits

The base pay is inclusive of statutory superannuation and 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 pay 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 pay for key management personnel is reviewed annually to ensure the executive's 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. Key management personnel receive benefits including car allowances and provision of accommodation.

v) Short Term Incentives (STI)

The Company has established an Incentive Bonus Scheme, which is designed to encourage and reward superior performance. The Incentive Bonus Scheme has both a company performance component linked to the Company's annual result as well as an individual component linked to the employee's performance. Whilst it is the Company's intention to apply the Incentive Bonus Scheme annually, it is solely at the discretion of the Directors.

For the year ended 30 June 2007, the Incentive Bonus Scheme was linked to group, individual business and personal objectives.

vi) Long Term Incentives (LTI)

Long term incentives are 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 34 to the financial statements.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

b) Details of Remuneration (audited)

Details of the remuneration of the directors and the key management personnel of Mincor Resources NL and the consolidated entity are set out in the following tables.

The key management personnel of Mincor Resources NL and the consolidated entity (as defined in AASB 124) includes the Directors and the following executive officers who have authority and responsibility for planning, directing and controlling the activities of the consolidated and parent entity.

- ST Cowle – Chief Operating Officer
- M Hildebrand – General Manager (Kambalda Operations)
- B Lynn – Chief Financial Officer

All of the above persons were also key management personnel during the year ended 30 June 2006 except for Mr Hildebrand who was appointed on 4 July 2006.

i) Key Management Personnel of Mincor Resources NL and its Controlled Entities

2007	Short-Term Employee Benefits					Post - employment Benefits	Long-term Benefits	Share-based Payments	Total
Name	Directors Fees	Salary	Bonus	Non-monetary benefits	Other	Super-annuation	Long service leave	Options	
	$	$	$	$	$	$	$	$	$
Non-executive Directors									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	50,459	-	-	-	-	4,541	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
Sub-total	205,559	-	-	-	-	14,441	-	-	220,000
Executive Directors									
DCA Moore	-	471,726	29,100	588	-	12,686	56,949	-	571,049
JS Reeve	-	176,342	33,750	363	-	11,629	30,840	573	253,497
Other Key Management Personnel									
ST Cowle*	-	250,685	25,696	588	27,733	12,686	16,782	2,321	336,491
M Hildebrand*	-	218,726	21,120	-	-	19,685	3,786	119,025	382,342
B Lynn*	-	274,640	33,000	588	-	24,771	26,364	73,385	432,748
Total	205,559	1,392,119	142,666	2,127	27,733	95,898	134,721	195,304	2,196,127

* Denotes one of the 5 highest paid executives of the Company and the consolidated entity, as required to be disclosed under the *Corporations Act 2001*.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

b) *Details of Remuneration (audited) (continued)*

i) Key Management Personnel of Mincor Resources NL and its Controlled Entities (continued)

2006	Short-Term Employee Benefits					Post - employment Benefits	Long-term Benefits	Share-based Payments	Total
Name	Directors Fees	Salary	Bonus	Non-monetary benefits	Other	Super-annuation	Long service leave	Options	
	$	$	$	$	$	$	$		$
Non-executive Directors									
DJ Humann (Chairman)	54,600	-	-	-	-	5,400	-	-	60,000
JW Gardner	33,028	-	-	-	-	2,972	-	-	36,000
IF Burston	36,000	-	-	-	-	-	-	-	36,000
Sub-total	123,628	-	-	-	-	8,372	-	-	132,000
Executive Directors									
DCA Moore	-	427,273	180,000	588	-	12,139	45,006	-	665,006
Other Key Management Personnel									
JS Reeve*	-	257,273	18,900	588	-	12,139	21,353	802	311,055
ST Cowle*	-	227,861	15,413	-	45,937	14,538	9,820	25,672	339,241
B Lynn*	-	228,770	17,500	588	-	20,642	18,441	14,188	300,129
Total	123,628	1,141,177	231,813	1,764	45,937	67,830	94,620	40,662	1,747,431

* Denotes one of the 5 highest paid executives of the Company and the consolidated entity, as required to be disclosed under the *Corporations Act 2001*.

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

Name	Fixed Remuneration		At Risk - LTI		At Risk - STI	
	2007	2006	2007	2006	2007	2006
Directors of Mincor Resources NL						
DJ Humann (Chairman)	100%	100%	-	-	-	-
DCA Moore	95%	73%	5%	27%	-	-
JW Gardner	100%	100%	-	-	-	-
IF Burston	100%	100%	-	-	-	-
JS Reeve	87%	-	13%	-	-	-
Other Key Management Personnel of the consolidated entity						
JS Reeve	-	94%	-	6%	-	-
M Hildebrand	63%	-	6%	-	31%	-
ST Cowle	91%	87%	8%	5%	1%	8%
B Lynn	75%	89%	8%	6%	17%	5%

ii) Cash bonuses and options (unaudited)

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 or grants of options are payable in future years.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

b) Details of Remuneration (audited) (continued)

ii) Cash bonuses and options (unaudited)

Name	Cash Bonus		Options					
	Paid %	Forfeited %	Year granted	Vested %	Forfeited %	Financial years in which options may vest	Minimum total value of grant yet to vest $	Maximum total value of grant yet to vest $
DCA Moore	100	-	2007	-	-	-	-	-
JS Reeve	100	-	2007 2006	- 100%	- -	- 30/06/2007	- Nil	- -
ST Cowle	-	-	2007 2006	- -	- -	30/06/2008 -	Nil Nil	1,248 -
M Hildebrand	-	-	2007	-	-	30/06/2008	Nil	-
B Lynn	100	-	2007 2006	- 34.21%	- -	- 30/06/2008, 30/06/2009	- Nil Nil	- 17,969 25,208

c) Service Agreements (audited)

Remuneration and other terms of employment for the Managing Director and other key management personnel are formalised in employment contracts. Each of these agreements provide for the participation in the Company's Incentive Option Schemes and Incentive Bonus Scheme. Other major provisions of the agreements relating to remuneration are set out below.

DCA Moore, Managing Director

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2007 of $485,000, to be reviewed annually by the remuneration committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to three months of the base salary.

JS Reeve, Director of Exploration

- No set term of engagement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2007 of $280,000, to be reviewed annually by the remuneration committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

ST Cowle, Chief Operating Officer (from 1 July 2006)

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2007 of $260,000, to be reviewed annually by the remuneration committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.
- Costs associated with providing a private vehicle paid by the Company.

M Hildebrand, General Manager – Operations (from 4 July 2006)

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2007 of $240,000, to be reviewed annually by the remuneration committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

c) Service Agreements (audited) (continued)

B Lynn, Chief Financial Officer

- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2007 of $300,000, to be reviewed annually by the remuneration committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

d) Share-based Compensation – Options (audited)

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 5 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 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 5 trading days immediately before the options are granted.

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 5 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 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 based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

d) *Share-based Compensation – Options (audited) (continued)*

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
6 November 2003 (1)	50% after 6 November 2004; 50% after 6 November 2005	6 November 2008	$0.84	$0.286
22 December 2005 (1)	100% after 18 November 2006	25 October 2010	$0.70	$0.1834
8 May 2006 (2)	33 1/3% after 8 May 2007	7 May 2011	$0.85	$0.240
	33 1/3% after 8 May 2008	7 May 2011	$0.85	$0.230
	33 1/3% after 8 May 2009	7 May 2011	$0.85	$0.220
9 September 2006 (2)	100% after 30 June 2007	8 September 2011	$1.21	$0.4761
20 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) Options granted under the 2002 Employee Share Option Plan which was approved by shareholders at the 2003 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.

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 34 to the financial statements.

Name	Number of Options Granted during the Year		Number of Options Vested during the Year	
	2007	2006	2007	2006
Directors of Mincor Resources NL				
DJ Humann (Chairman)	-	-	-	-
DCA Moore	-	-	-	-
JW Gardner	-	-	-	-
IF Burston	-	-	-	-
JS Reeve	-	-	10,000	-
Other Key Management Personnel of the consolidated entity				
JS Reeve	-	10,000	-	-
ST Cowle	5,000	10,000	10,000	500,000
M Hildebrand	250,000	-	-	-
B Lynn	-	760,000	260,000	-

Fair Value of Options Granted Under the Plan

The assessed fair value at grant date of options granted under the 2002 Employee Share Option Plan during the year ended 30 June 2007 was 79.89 cents per option (2006: 18.34 cents). 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.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

d) *Share-based Compensation – Options (audited) (continued)*

The model inputs for the options granted during the year ended 30 June 2007 included:

a) options are granted for no consideration and are exercisable any time between 6 December 2007 and the expiry date. Vested options are exercisable for a period of four years after vesting

b) exercise price: $2.16 (2006: $0.70)

c) grant date: 6 December 2006 (2006: 22 December 2005)

d) expiry date: 5 December 2011 (2006: 25 October 2010)

e) share price at grant date: $2.24 (2006: $0.64)

f) expected price volatility of the Company's shares: 50% (2006: 35%)

g) expected dividend yield: 1.59% (2006: 0.96%)

h) risk-free interest rate: 6.0% (2006: 5.305%)

Fair Value of Options Granted Under the Scheme

The assessed fair value at grant date of options granted under the Mincor Resources Executive Option Scheme during the year ended 30 June 2007 was 47.61 cents per option for options granted on 9 September 2006 and 75.30 cents for options granted on 20 October 2006. 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 2007 included:

	2007		2006
Consideration and vesting period	Options are granted for no consideration and will vest over 10 months	Options are granted for no consideration and will vest over 3 annual instalments	Options are granted for no consideration and will vest over 3 annual instalments
Exercise price	$1.21	$1.74	$0.85
Grant date	9 September 2006	20 October 2006	8 May 2006
Expiry date	8 September 2011	19 October 2011	7 May 2011
Share price at grant date	$1.305	$1.98	$0.90
Expected price volatility of the Company's shares	50%	50%	40%
Expected dividend yield	1.59%	1.59%	5.6%
Risk-free interest rate	5.775%	6.0%	5.7%

e) *Additional Information (unaudited)*

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. Over the past 5 years, the consolidated entity's profit from ordinary activity after income tax has grown at an average rate per annum of 98.5%. During the same period, average key management personnel compensation has increased by approximately 20.7% per annum.

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.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

e) *Additional Information (unaudited) (continued)*

	2007	2006	2005	2004	2003
Net profit attributable to shareholders of Mincor Resources NL ($000)	101,330	29,309	20,302	11,309	9,079
Earnings per share (cents)	51.3	15.1	10.4	6.0	5.3
Dividends paid ($000)	17,596	7,786	4,859	2,680	-
Dividends paid per share (cents)	9.0	4.0	2.5	1.5	-
30 June share price ($)	4.70	0.95	0.63	0.71	0.39

Details of Remuneration

Further details relating to options are set out below:

Name	A Remuneration Consisting of Options	B Value at Grant Date $	C Value at Exercise Date $	D Value at Lapse Date $	E Total of Columns B-D $
JS Reeve	0.23%	-	-	-	-
ST Cowle	0.76%	$2,996	$1,770,800	-	$1,773,796
B Lynn	16.96%	-	$915,500	-	$915,500
M Hildebrand	31.13%	$119,025	-	-	$119,025

A = The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.

B = The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year, being the intrinsic value of the options at that date.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year. Lapsed options refer to options that vested but expired unexercised.

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to each Director of Mincor Resources NL and other key management personnel of the parent entity and the consolidated entity during the year ended 30 June 2007 are set out below.

Name	Date of Exercise of Options	Number of Ordinary Shares Issued on Exercise of Options During the Year	Amount Paid per Share
Other Key Management Personnel of the consolidated entity			
ST Cowle	6 November 2006	600,000	$0.84
ST Cowle	9 March 2007	400,000	$0.84
ST Cowle	15 June 2007	10,000	$0.70
B Lynn	19 December 2006	10,000	$0.70
B Lynn	17 May 2007	250,000	$0.85

During the year ended 30 June 2006 no ordinary shares in the Company were issued as a result of the exercise of options by any Director of Mincor Resources NL or key management personnel of the consolidated entity.

DIRECTORS' REPORT (continued)

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
6 November 2003	6 November 2008	$0.84	28,000
22 December 2005	25 October 2010	$0.70	122,000
8 May 2006	7 May 2011	$0.85	2,550,794
20 October 2006	19 October 2011	$1.74	850,000
6 December 2006	5 December 2011	$2.16	530,000
			4,080,794

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

The following ordinary shares of the Company were issued during and/or since the year ended 30 June 2007 and up to the date of this report on the exercise of options granted under both the 2002 Employee Share Option Plan and Executive Share Option Scheme. No amounts are unpaid on any of the shares.

Date Options Granted	Issue Price of Shares	Number of Shares Issued
6 November 2003	$0.84	1,060,800
22 December 2005	$0.70	388,000
8 May 2006	$0.85	1,199,206
9 September 2006	$1.21	250,000
		2,898,006

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 14 May 2007 the Company entered into an agreement to acquire all of the shares in Goldfields Mine Management Pty Ltd ("Goldfields") for a cash consideration of $68.5 million plus a working capital adjustment plus a future nickel royalty. Goldfield's assets include the operating Otter Juan Mine, the McMahon and Durkin Projects, surrounding exploration ground, mining equipment and surface and underground equipment and infrastructure.

The agreement was subject to a number of conditions precedent and required an initial deposit of $11.75 million to be paid in June 2007. Settlement of the purchase was completed on 2 July 2007 with a further cash payment of $50.75 million being made. The remaining $6 million will be paid once various license requirements are completed.

On 20 August 2007 the Directors declared a fully franked dividend of 6 cents per share in respect of the year ended 30 June 2007.

CORPORATE GOVERNANCE

The Company's corporate governance policies and practices are set out separately in this document.

ENVIRONMENTAL MATTERS

The consolidated entity is subject to environmental regulation on its mineral properties. 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.

DIRECTORS' REPORT (continued)

INSURANCE OF OFFICERS

During the financial year, the Company paid a premium of $25,336 to insure the Directors, secretary and senior executives of the Company and its Australian based controlled entities.

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 25 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 25, 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 Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

AUDITORS' INDEPENDENCE DECLARATION

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

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/0100, 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 21st day of August 2007 in accordance with a resolution of the Directors.

DCA Moore
Managing Director

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

QV1
250 St Georges Terrace
PERTH WA 6000
GPO Box D198
PERTH WA 6840
DX 77 Perth
Australia
www.pwc.com/au
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999

Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2007, 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 period.

John O'Connor
Partner
PricewaterhouseCoopers

Perth
21 August 2007

Liability limited by a scheme approved under Professional Standards Legislation

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT ENTITY 2007 $'000	PARENT ENTITY 2006 $'000
Revenue	2	334,507	175,261	334,507	175,156
Other income	3	-	10,285	-	10,099
Mining contractor costs		(55,266)	(59,606)	(55,266)	(59,606)
Ore tolling costs		(21,315)	(18,304)	(21,315)	(18,304)
Utilities expense		(4,607)	(3,843)	(4,607)	(3,843)
Royalty expense		(25,993)	(10,988)	(25,993)	(10,988)
Employee benefit expense		(16,563)	(9,220)	(16,563)	(9,220)
Finance costs	4	(417)	(699)	(417)	(695)
Foreign exchange loss		(5,594)	-	(5,594)	-
Exploration costs expensed	4	(10,333)	(4,982)	(10,153)	(3,500)
Depreciation and amortisation expense	4	(35,002)	(30,231)	(35,002)	(30,231)
Loss on disposal of investment in subsidiary		-	-	-	(1,234)
Other expenses from ordinary activities		(14,408)	(7,077)	(14,405)	(7,285)
Profit before income tax		145,009	40,596	145,192	40,349
Income tax expense	5	(43,679)	(11,287)	(43,679)	(11,152)
Profit attributable to the members of Mincor Resources NL		101,330	29,309	101,513	29,197
		Cents	Cents		
Earnings per share	32	51.8	15.1		
Diluted earnings per share	32	51.3	15.1		

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

BALANCE SHEETS AS AT 30 JUNE 2007

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT ENTITY 2007 $'000	PARENT ENTITY 2006 $'000
Current Assets					
Cash and cash equivalents	30	169,567	45,135	169,567	45,134
Trade and other receivables	6	57,197	58,462	57,195	58,460
Inventory	7	43	825	43	825
Derivative financial instruments	8	7,529	1,072	7,529	1,072
Other financial assets	9	11,750	-	11,750	-
Total Current Assets		246,086	105,494	246,084	105,491
Non-Current Assets					
Receivables	6	-	-	467	285
Available-for-sale financial assets	10	2,951	1,410	1,052	52
Property, plant and equipment	11	50,487	56,673	50,487	56,673
Exploration and evaluation expenditure	12	7,485	6,351	5,749	4,615
Derivative financial instruments	8	3,764	-	3,764	-
Other financial assets	9	-	-	2,047	2,047
Total Non-Current Assets		64,687	64,434	63,566	63,672
TOTAL ASSETS		310,773	169,928	309,650	169,163
Current Liabilities					
Payables	13	41,588	32,576	41,587	32,576
Interest bearing liabilities	14	971	1,116	971	1,116
Current tax liabilities	15	33,039	6,750	33,039	6,750
Provisions	16	1,222	1,128	1,222	1,128
Derivative financial instruments	8	62,208	37,858	62,208	37,858
Total Current Liabilities		139,028	79,428	139,027	79,428
Non-Current Liabilities					
Interest bearing liabilities	14	2,404	3,269	2,404	3,269
Provisions	16	1,883	1,435	1,883	1,435
Deferred tax liabilities	17	7,119	6,422	6,735	6,199
Derivative financial instruments	8	10,073	8,252	10,073	8,252
Total Non-Current Liabilities		21,479	19,378	21,095	19,155
TOTAL LIABILITIES		160,507	98,806	160,122	98,583
NET ASSETS		150,266	71,122	149,528	70,580
Equity					
Contributed equity	18	29,481	27,313	29,481	27,313
Reserves	19	(25,547)	(18,789)	(26,662)	(19,525)
Retained profits	20	146,332	62,598	146,709	62,792
TOTAL EQUITY		150,266	71,122	149,528	70,580

The above Balance Sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

		CONSOLIDATED				PARENT ENTITY			
	Note	Issued Capital $'000	Retained Earnings $'000	Other Reserves $'000	Total Equity $'000	Issued Capital $'000	Retained Earnings $'000	Other Reserves $'000	Total Equity $'000
At 1 July 2006		27,313	62,598	(18,789)	71,122	27,313	62,792	(19,525)	70,580
Gain/(loss) on available-for-sale investments, net of tax		-	-	169	169	-	-	(210)	(210)
Loss on cash flow hedges, net of tax		-	-	(7,734)	(7,734)	-	-	(7,734)	(7,734)
Total income and expense recognised directly in equity		-	-	(7,565)	(7,565)	-	-	(7,944)	(7,944)
Profit for the year		-	101,330	-	101,330	-	101,513	-	101,513
Total recognised income and expense for the year		-	101,330	(7,565)	93,765	-	101,513	(7,944)	93,569
Issue of shares on conversion of options		2,168	-	-	2,168	2,168	-	-	2,168
Payment of dividends	21	-	(17,596)	-	(17,596)	-	(17,596)	-	(17,596)
Cost of share based payment	19	-	-	807	807	-	-	807	807
At 30 June 2007		29,481	146,332	(25,547)	150,266	29,481	146,709	(26,662)	149,528
As at 1 July 2005		27,313	37,810	118	65,241	27,313	38,116	118	65,547
Adjustment on adoption of AASB 132 and AASB 139, net of tax		-	3,265	(5,929)	(2,664)	-	3,265	(6,253)	(2,988)
Restated total equity at 1 July 2005		27,313	41,075	(5,811)	62,577	27,313	41,381	(6,135)	62,559
Gain/(loss) on available-for-sale investments, net of tax		-	-	345	345	-	-	(67)	(67)
Loss on cash flow hedges, net of tax		-	-	(13,477)	(13,477)	-	-	(13,477)	(13,477)
Total income and expense recognised directly in equity		-	-	(13,132)	(13,132)	-	-	(13,544)	(13,544)
Profit for the year		-	29,309	-	29,309	-	29,197	-	29,197
Total recognised income and expense for the year		-	29,309	(13,132)	16,177	-	29,197	(13,544)	15,653
Payment of dividends	21	-	(7,786)	-	(7,786)	-	(7,786)	-	(7,786)
Cost of share based payment	19	-	-	154	154	-	-	154	154
At 30 June 2006		27,313	62,598	(18,789)	71,122	27,313	62,792	(19,525)	70,580

The above Statements of Changes on Equity should be read in conjunction with the accompanying notes.

CASH FLOWS STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT ENTITY 2007 $'000	PARENT ENTITY 2006 $'000
Cash Flows from Operating Activities					
Receipts from customers (inclusive of GST)		369,890	174,949	369,890	174,949
Payments to suppliers and employees (inclusive of GST)		(168,919)	(119,462)	(168,919)	(119,462)
		200,971	55,487	200,971	55,487
Interest received		4,757	528	4,757	528
Other revenue		423	136	423	31
Interest paid		(401)	(446)	(401)	(442)
Income tax paid		(13,592)	(3,671)	(13,592)	(3,630)
Net Cash Inflow from Operating Activities	30(a)	192,158	52,034	192,158	51,974
Cash Flows from Investing Activities					
Payments for acquisition of exploration properties		(1,135)	(150)	(1,135)	(150)
Payment of deposit on purchase of subsidiary	9	(11,750)	-	(11,750)	-
Payments for available-for-sale financial assets		(1,300)	-	(1,300)	-
Payments for property, plant and equipment		(28,769)	(28,282)	(28,769)	(28,282)
Proceeds from sale of property, plant and equipment		5	17	5	17
Payments for exploration, evaluation and development expenditure		(9,414)	(4,244)	(9,231)	(4,244)
Loans to related parties		-	-	(182)	(4)
Repayments of loans from related parties		-	-	-	64
Repayments of loans from other parties		65	200	65	200
Proceeds from sale of derivative held-for-trading		-	15,697	-	15,697
Net Cash (Outflow) from Investing Activities		(52,298)	(16,762)	(52,297)	(16,702)
Cash Flows from Financing Activities					
Proceeds from issues of shares		2,168	-	2,168	-
Dividends paid		(17,596)	(7,786)	(17,596)	(7,786)
Repayment of borrowings		-	(556)	-	(556)
Net Cash (Outflow) from Financing Activities		(15,428)	(8,342)	(15,428)	(8,342)
Net Increase in Cash Held		124,432	26,930	124,433	26,930
Cash at the Beginning of the Financial Year		45,135	18,205	45,134	18,204
Cash at the End of the Financial Year	30(b)	169,567	45,135	169,567	45,134
Non-cash financing and investing activities	31				

The above Cash Flows Statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Comparative information in the balance sheet has been reclassified with no financial impact on the income statement to enhance comparability and understanding of the financial statements. Accordingly, in the current year a comparative balance sheet amount of $12,681,000 has been reclassified from current payables to current derivative financial instruments liability to align with the 2007 presentation.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the consolidated financial statements and notes of Mincor Resources NL comply with International Financial Reporting Standards ("IFRS"). The parent entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 *Financial Instruments: Presentation and Disclosure.*

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value either through profit or loss or equity and certain classes of property, plant and equipment.

b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Mincor Resources NL ("company" or "parent entity") as at 30 June 2007 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 those entities (including special purpose entities) over which the consolidated entity has power to govern the financial and operating polices, generally accompanying a shareholder 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 purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity (refer to Note 1(s)).

c) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 despatched 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 price, assay, weight and currency between the time of delivery and the time of final settlement of sales proceeds.

Interest income is recognised as it accrues using the effective interest rate method.

e) Property, Plant and Equipment

Office property, plant and equipment are 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 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 the income statement.

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.

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 balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income Tax (continued)

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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation Legislation

Mincor Resources NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation which will be notified to the Australian Taxation Office on submission of the income tax return for the period ending 30 June 2007.

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 also 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.

Assets or liabilities arising under tax funding arrangements with the tax consolidated entities are recognised as amounts receivable from or payable to entities in the consolidated entity. Details about the funding agreement are disclosed in Note 5.

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.

g) Foreign Currency Translation

i) Functional and Presentation Currency

Items included in the financial statements of each of the consolidated entity's entities 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 the income statement, 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.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit and loss as part of the fair value gain or loss. Translation differences on non-monetary items such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign Currency Translation (continued)

iii) Group Companies

The results and financial position of all the consolidated entity's entities (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 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 as a separate component of equity.

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 taken to shareholders' equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the income statement 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 written off as incurred except 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Development Properties

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 Properties".

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

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

k) Mine Properties

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

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

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated in accordance with policy 1(e) above.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement 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.

o) 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.

p) Employee Benefits

i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii) Long Service Leave

The liability for long service leave 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 reporting date. 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 reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Share-based Payments

Share-based compensation benefits are provided to employees via the Mincor Resources NL 2002 Employee Share Option Plan and an Executive Share Option Scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Employee Benefits (continued)

iii) Share-based Payments (continued)

The fair value of options granted under both the Mincor Resources NL 2002 Employee Share Option Plan 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.

q) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes deposits at call, 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.

r) 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.

s) Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity investments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the consolidated entity's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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 flows (cash generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

u) Investments and Other Financial Assets

Classification

The consolidated entity classifies its investments into the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. The Company determines the classification of its investments at initial recognition, and in the case of assets classified as held-to-maturity re-evaluates this designation at each reporting date.

i) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is 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 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 also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They 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 balance sheet date, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

iii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Investments and Other Financial Assets (continued)

iv) Available-for-sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

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. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised 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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm’s length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer’s specific circumstances.

Impairment

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v) Derivatives

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 each reporting date. 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 19. 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 the income statement, 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.

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 equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts accumulated in equity are recycled in the income statement 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 transferred 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 the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

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 the income statement and are included in other income or other expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

w) Fair Value Estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price and the appropriate quoted market price for financial liabilities is the current ask 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. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment provision 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.

x) 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.

y) 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 financial period but not distributed at balance date.

z) Earnings per Share

i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

aa) 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.

ab) 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.

ac) 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 flow.

ad) 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(aa) and 16);
- asset carrying value and impairment charges;
- determination of ore reserves; and
- capitalisation and impairment of exploration and evaluation expenditure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ad) Critical Accounting Estimates and Judgements (continued)

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 (Note 1(v)).

ae) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2007 reporting period. The consolidated entity's and the parent entity's assessment of the impact of these standards and interpretations is set out below.

i) AASB 7 – Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The consolidated entity has not adopted the standards early. Application of the standards 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 and the parent entity's financial instruments.

ii) AASB 8 – Operating Segments

AASB 8 replaces the presentation requirements of segment reporting in AASB 114 *Segment Reporting.* AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009 and is not expected to have an impact on the financial results of the Company and the consolidated entity as the standard is concerned with disclosures.

af) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 2
REVENUE

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Revenue				
Sale of goods	329,595	174,593	329,595	174,593
Other Revenue				
Interest income	4,757	528	4,757	528
Sundry income	155	140	155	35
	334,507	175,261	334,507	175,156

NOTE 3
OTHER INCOME

	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT ENTITY 2007 $'000	PARENT ENTITY 2006 $'000
Gain on derivative held-for-trading (Note 20 (ii))	-	8,790	-	8,790
Gain on sale of available-for-sale financial assets	-	29	-	29
Net gain on disposal of subsidiary	-	186	-	-
Foreign exchange gains	-	1,280	-	1,280
	-	10,285	-	10,099

NOTE 4
EXPENSES

Profit before income tax includes the following specific expenses:

	CONSOLIDATED 2007 $'000	CONSOLIDATED 2006 $'000	PARENT ENTITY 2007 $'000	PARENT ENTITY 2006 $'000
Expenses				
Cost of sale of goods	130,316	114,740	130,316	114,740
Write off of amounts owing from subsidiary	-	-	-	210
Finance costs				
- Interest paid or due and payable to other persons	417	536	417	532
- Amortisation of borrowing costs	-	163	-	163
	417	699	417	695
Exploration expenditure written off	10,333	4,982	10,153	3,500
Rental expenses relating to operating leases	246	248	246	248
Government royalty expense	19,671	7,598	19,671	7,598
Depreciation and amortisation:				
- Mine property	24,114	23,883	24,114	23,883
- Plant and equipment	10,888	6,348	10,888	6,348
	35,002	30,231	35,002	30,231

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5
INCOME TAX EXPENSE

		CONSOLIDATED		PARENT ENTITY	
		2007 $'000	2006 $'000	2007 $'000	2006 $'000
a)	**Income tax expense**				
	Current tax	40,525	9,255	40,524	9,102
	Deferred tax	3,939	3,293	3,940	3,311
	Over provision in prior year	(785)	(1,261)	(785)	(1,261)
	Aggregate income tax expense	43,679	11,287	43,679	11,152
b)	**Numerical reconciliation of income tax expense to prima facie tax payable**				
	Profit before income tax expense	145,009	40,596	145,192	40,349
	Tax at the Australian tax rate of 30% (2006: 30%)	43,503	12,179	43,558	12,105
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
	Amortisation of property, plant and equipment	596	764	596	764
	Over provision in prior year	(785)	(1,261)	(785)	(1,261)
	Sundry items	365	(395)	310	(456)
	Income tax expense	43,679	11,287	43,679	11,152
c)	**Amounts recognised directly in equity**				
	Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity				
	Net deferred tax – debited/(credited) directly to equity (Note 19)	(3,242)	(8,172)	(3,404)	(8,485)
		(3,242)	(8,172)	(3,404)	(8,485)

Mincor Resources NL and its wholly-owned Australian controlled entities implemented the tax consolidated legislation from 1 July 2006. The accounting policy in relation to this legislation is set out in Note 1(f).

As the tax consolidated group has not entered into a tax funding agreement, no compensation has been received or paid for any current tax payable or deferred tax assets relating to tax losses assumed by the parent entity since implementation of the tax consolidation regime.

		PARENT ENTITY	
		2007 $'000	2006 $'000
d)	**Franking credits**		
	Franking credits available for subsequent financial years based on a tax rate of 30%	20,777	14,726

The above amounts represent the balance of the franking account as at the end of the financial year, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 6
TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Trade receivables	56,358	57,694	56,358	57,694
Other receivables	308	348	306	346
Prepayments	531	420	531	420
	57,197	58,462	57,195	58,460
Non-Current				
Amounts owing from controlled entities	-	-	467	285

At 30 June 2007 the consolidated entity and Company had trade receivables totalling A$38,263,000 (2006: A$7,729,000) which are denominated in US Dollars and are unhedged.

Recoverability of the Company's interest in loans to and shares in controlled entities is subject to the successful exploitation and development of the controlled entities' interests in mineral tenements or alternatively, the sale of the Company's interest in the loans and shares at amounts at least equal to the book values.

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

Impaired Receivables

The parent entity has recognised a loss of $Nil (2006: $210,000) in respect of amounts owing from controlled entities. The loss has been included in 'other expenses' in the income statement.

NOTE 7
INVENTORY

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Work in progress – at cost	43	825	43	825

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8
DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current Assets				
Forward foreign exchange contracts - cash flow hedges	6,287	347	6,287	347
Forward foreign exchange contracts - fair value hedges	1,242	725	1,242	725
Total Current Derivative Financial Instrument Assets	7,529	1,072	7,529	1,072
Non-Current Assets				
Forward foreign exchange contracts - cash flow hedges	3,764	-	3,764	-
Total Non-Current Derivative Financial Instrument Assets	3,764	-	3,764	-
Current Liabilities				
Futures commodity contracts - cash flow hedges	(39,109)	(20,178)	(39,109)	(20,178)
Futures commodity contracts - fair value hedges	(23,099)	(17,680)	(23,099)	(17,680)
Total Current Derivative Financial Instrument Liabilities	(62,208)	(37,858)	(62,208)	(37,858)
Non-Current Liabilities				
Forward foreign exchange contracts - cash flow hedges	-	(319)	-	(319)
Futures commodity contracts - cash flow hedges	(10,073)	(7,933)	(10,073)	(7,933)
Total Non-Current Derivative Financial Instrument Liabilities	(10,073)	(8,252)	(10,073)	(8,252)
Net Derivative Financial Instrument Liabilities	(60,988)	(45,038)	(60,988)	(45,038)

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 Company against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to the Income Statement 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.

Year	Weighted Average Rate		Total Value (AUD$'000)	
Sell US Dollars	2007	2006	2007	2006
30 June 2007	-	0.7365	-	53,060
30 June 2008	0.7861	0.7426	109,662	37,349
30 June 2009	0.7678	-	42,244	-
30 June 2010	0.7963	-	6,099	-
			158,005	90,409

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Company adjusts the initial measurement of the component recognised in the income statement by the related amount deferred in equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8
DERIVATIVE FINANCIAL INSTRUMENTS (continued)

a) Instruments Used by the Consolidated Entity (continued)

i) Forward Exchange Contracts – Cash Flow Hedges (continued)

For the Consolidated Entity and Parent Entity

At balance date these contracts represented assets of $10,051,000 (2006: $28,000).

During the year ended 30 June 2007 a gain of $5,520,000 (2006: gain of $5,486,000) was removed from equity and transferred to sales revenue in the income statement.

ii) Commodity Price Contracts – Cash Flow Hedges

The Company 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 2007:

Year	Nickel Tonnes		Average Price (US$/Tonne)	
	2007	2006	2007	2006
30 June 2007	-	2,919	-	13,888
30 June 2008	3,526	1,894	24,448	14,644
30 June 2009	1,200	-	27,031	-
30 June 2010	150	-	32,377	-
Total	4,876	4,813		

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Company adjusts the initial measurement of the component recognised in the income statement by the related amount deferred in equity.

For the Consolidated Entity and Parent Entity

At balance date these contracts represented liabilities of $49,182,000 (2006: $28,111,000).

During the year ended 30 June 2007 a loss of $127,814,000 (2006: loss of $27,905,000) was removed from equity and transferred to sales revenue as a reduction in the income statement.

iii) Forward Exchange Contracts - Fair Value Hedges

Certain forward exchange contracts are designated as fair value hedges as they protect the Company against changes in the fair value of recognised assets. Changes in the fair value of the fair value hedges are recorded in the Income Statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

iv) Commodity Price Contracts - Fair Value Hedges

Certain futures commodity contracts are designated as fair value hedges as they protect the Company against changes in the fair value of recognised assets. Changes in the fair value of the fair value hedges are recorded in the Income Statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 9
OTHER FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Deposit for post balance date acquisition of controlled entity (refer Note 29)	11,750	-	11,750	-
Non-Current				
Shares in subsidiaries				
At beginning of year	-	-	2,047	-
Reclassification on adoption of AASB 132 & AASB 139	-	-	-	3,280
Disposals	-	-	-	(1,233)
At end of year	-	-	2,047	2,047

These financial assets are carried at cost. Refer to Note 26.

NOTE 10
AVAILABLE-FOR-SALE FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
At beginning of year	1,410	-	52	-
Reclassification on adoption of AASB 132 and AASB 139	-	558	-	252
Re-measurement to fair value on adoption of AASB 132 and AASB 139	-	363	-	(101)
Additions	1,300	-	1,300	-
Revaluation in current year transferred to equity	241	489	(300)	(99)
At end of year	2,951	1,410	1,052	52
Represented by:				
Equity securities – listed	2,951	1,410	1,052	52

Transition to AASB 132 and AASB 139

The consolidated entity took the exemption available under AASB 1 *First-time Adoption of Australian Equivalents to International Reporting Standards* to apply AASB 132 *Financial Instrument: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005. For further information, please refer to the Company's annual report for the year ending 30 June 2006.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 11
PROPERTY, PLANT AND EQUIPMENT

Consolidated	Mine Property $'000	Plant & Equipment $'000	Leased Plant & Equipment $'000	Total $'000
At 1 July 2005				
Cost	106,666	14,693	7,049	128,408
Accumulated depreciation/amortisation	(61,735)	(6,490)	(721)	(68,946)
Net book amount	44,931	8,203	6,328	59,462
Year ended 30 June 2006				
Opening net book amount	44,931	8,203	6,328	59,462
Additions	20,190	5,527	1,826	27,543
Disposals	-	(1)	(100)	(101)
Depreciation/amortisation charge	(23,883)	(3,805)	(2,543)	(30,231)
Closing net book amount	41,238	9,924	5,511	56,673
At 30 June 2006				
Cost	126,827	20,494	8,502	155,823
Accumulated depreciation/amortisation	(85,589)	(10,570)	(2,991)	(99,150)
Net book amount	41,238	9,924	5,511	56,673
Year ended 30 June 2007				
Opening net book amount	41,238	9,924	5,511	56,673
Additions	18,192	9,815	738	28,745
Disposals	-	-	(46)	(46)
Transfers	-	14	103	117
Depreciation/amortisation charge	(24,114)	(8,055)	(2,833)	(35,002)
Closing net book amount	35,316	11,698	3,473	50,487
At 30 June 2007				
Cost	145,019	30,309	9,194	184,522
Accumulated depreciation	(109,703)	(18,611)	(5,721)	(134,035)
Net book amount	35,316	11,698	3,473	50,487

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 11
PROPERTY, PLANT AND EQUIPMENT (continued)

Parent	Mine Property $'000	Plant & Equipment $'000	Leased Plant & Equipment $'000	Total $'000
At 1 July 2005				
Cost	106,666	14,693	7,049	128,408
Accumulated depreciation/amortisation	(61,735)	(6,490)	(721)	(68,946)
Net book amount	44,931	8,203	6,328	59,462
Year ended 30 June 2006				
Opening net book amount	44,931	8,203	6,328	59,462
Additions	20,190	5,527	1,826	27,543
Disposals	-	(1)	(100)	(101)
Depreciation/amortisation charge	(23,883)	(3,805)	(2,543)	(30,231)
Closing net book amount	41,238	9,924	5,511	56,673
At 30 June 2006				
Cost	126,827	20,494	8,502	155,823
Accumulated depreciation/amortisation	(85,589)	(10,570)	(2,991)	(99,150)
Net book amount	41,238	9,924	5,511	56,673
Year ended 30 June 2007				
Opening net book amount	41,238	9,924	5,511	56,673
Additions	18,192	9,815	738	28,745
Disposals	-	-	(46)	(46)
Transfers	-	14	103	117
Depreciation/amortisation charge	(24,114)	(8,055)	(2,833)	(35,002)
Closing net book amount	35,316	11,698	3,473	50,487
At 30 June 2007				
Cost	145,019	30,309	9,194	184,522
Accumulated depreciation/amortisation	(109,703)	(18,611)	(5,721)	(134,035)
Net book amount	35,316	11,698	3,473	50,487

Refer to Note 14 for information on non-current assets pledged as security by the parent entity or its controlled entities.

NOTE 12
EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Exploration and Evaluation Expenditure				
Opening balance	6,351	7,683	4,615	4,465
Current year expenditure	10,333	3,500	10,153	3,500
Cost of acquisition	1,134	150	1,134	150
Expenditure written off in current year	(10,333)	(4,982)	(10,153)	(3,500)
Closing balance	7,485	6,351	5,749	4,615

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 13
PAYABLES

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Trade payables	12,122	3,708	12,122	3,708
Other creditors and accruals	29,466	28,868	29,465	28,868
	41,588	32,576	41,587	32,576

NOTE 14
INTEREST BEARING LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Lease liabilities (secured)	971	1,116	971	1,116
Non-Current				
Lease liabilities (secured)	2,404	3,269	2,404	3,269

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Financing Arrangements

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

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Corporate Revolver Facility – secured	-	10,000	-	10,000
Bonding Facility – secured	1,500	500	1,500	500
Less: Draw down portion	(1,100)	(500)	(1,100)	(500)
	400	10,000	400	10,000

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. The Bonding facility is repayable in December 2008. An annual performance bond fee is charged at market rates.

NOTE 15
TAX LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Income tax	33,039	6,750	33,039	6,750

The current tax liability for the Company and consolidated entity of $33,039,000 (2006: $6,750,000) represents the amount of income taxes payable in respect of current and prior financial periods.

There is no tax funding arrangement in place.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 16
PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Employee benefits	1,222	986	1,222	986
Other	-	142	-	142
	1,222	1,128	1,222	1,128
Non-Current				
Rehabilitation	1,883	1,435	1,883	1,435

As at 30 June 2007 the consolidated entity employed 146 people (2006: 92 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(aa) 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.

Movements in Provisions

Movements in each class of provision during the financial year other than employee benefits, are set out below.

	Rehabilitation $'000	Other $'000	Total $'000
Consolidated and Parent Entity – 2007			
Carrying amount at start of year	1,435	142	1,577
Amounts capitalised	448	-	448
Charged to the income statement			
- additional provisions recognised	62	-	62
Amounts used during the period	(62)	(142)	(204)
Carrying amount at end of year	1,883	-	1,883

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 17
DEFERRED TAX LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Trade receivables	19,294	12,722	19,294	12,722
Inventory	(1,495)	(1,742)	(1,495)	(1,742)
Property, plant and equipment	709	2,830	709	2,830
Evaluation and acquired exploration	1,712	1,325	1,189	803
Employee benefits	(331)	(207)	(331)	(207)
Investments in subsidiary	-	-	614	614
Rehabilitation	(565)	(431)	(565)	(431)
Other items	(791)	97	(791)	95
	18,533	14,594	18,624	14,684
Amounts recognised directly in equity				
Available-for-sale financial assets (Note 19)	325	253	(150)	(60)
Cash flow hedges (Note 19)	(11,739)	(8,425)	(11,739)	(8,425)
	(11,414)	(8,172)	(11,889)	(8,485)
Net deferred tax liabilities	7,119	6,422	6,735	6,199
Deferred tax liabilities to be settled within 12 months	6,831	4,921	6,831	4,919
Deferred tax liabilities to be settled after more than 12 months	288	1,501	(96)	1,280
	7,119	6,422	6,735	6,199

NOTE 18
CONTRIBUTED EQUITY

a) Issued and Paid-up Capital

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Fully paid 197,291,011 ordinary shares (2006: 194,663,005)	29,481	27,313	29,481	27,313

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 18
CONTRIBUTED EQUITY (continued)

b) Movements in Ordinary Share Capital

2007	No. of Shares	Issue Price	$'000
Opening balance	194,663,005		27,313
Shares issued pursuant to the exercise of options over fully paid shares	368,000	$0.70	258
Shares issued pursuant to the exercise of options over fully paid shares	1,060,800	$0.84	891
Shares issued pursuant to the exercise of options over fully paid shares	1,199,206	$0.85	1,019
	197,291,011		29,481

2006	No. of Shares	Issue Price	$'000
Opening and closing balance	194,663,005		27,313

c) Options

At 30 June 2007 options to take up shares in the parent entity are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
28,000 unlisted (1)	17 December 2003	6 November 2008	84 cents per share
142,000 unlisted (1)	22 December 2005	25 October 2010	70 cents per share
2,550,794 unlisted (2)	8 May 2006	7 May 2011	85 cents per share
250,000 unlisted (2)	9 September 2006	8 September 2011	121 cents per share
850,000 unlisted (2)	20 October 2006	19 October 2011	174 cents per share
530,000 unlisted (1)	6 December 2006	5 December 2011	216 cents per share

(1) Options have been granted under the Mincor Resources NL 2002 Employee Share Option Plan. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 19
RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Available-for-Sale Investments Revaluation Reserve	767	598	(348)	(138)
Hedging Reserve – Cash Flow Hedges	(27,393)	(19,659)	(27,393)	(19,659)
Share-based Payments Reserve	1,079	272	1,079	272
	(25,547)	(18,789)	(26,662)	(19,525)
Movements:				
Available-for-Sale Investments Revaluation Reserve				
Balance at 1 July	598	-	(138)	-
Adjustments on adoption of AASB 132 and AASB 139, net of tax (Note 9)	-	253	-	(71)
Revaluation – gross (Note 9)	241	489	(300)	(99)
Deferred tax (Note 17)	(72)	(144)	90	32
Balance at 30 June	767	598	(348)	(138)
Hedging Reserve – Cash Flow Hedges				
Balance at 1 July	(19,659)	-	(19,659)	-
Adjustments on adoption of AASB 132 and AASB 139, net of tax	-	(6,182)	-	(6,182)
Revaluation – net	(11,048)	(19,253)	(11,048)	(19,253)
Deferred tax (Note 17)	3,314	5,776	3,314	5,776
Balance at 30 June	(27,393)	(19,659)	(27,393)	(19,659)
Share-based Payments Reserve				
Balance at 1 July	272	118	272	118
Option expense (Note 34)	807	154	807	154
Balance at 30 June	1,079	272	1,079	272

Nature and Purpose of Reserves

i) Available-for-Sale Investments Revaluation Reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in Note 1(u). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

ii) Hedging Reserve – 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 directly in equity, as described in Note 1(v). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

iii) Share-based Payments Reserve

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 20
RETAINED PROFITS

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Balance 1 July	62,598	37,810	62,792	38,116
Adjustment on adoption of AASB 132 & AASB 139 (Note i)	-	3,265	-	3,265
Profit for the year	101,330	29,309	101,513	29,197
Dividends paid (Note 21)	(17,596)	(7,786)	(17,596)	(7,786)
Balance 30 June	146,332	62,598	146,709	62,792

(i) Transition to AASB 132 and AASB 139

On 1 July 2005 the consolidated entity held 12,557,566 options in Tethyan Copper Company Limited ("TCC Options"). The TCC Options had an expiry date of 30 April 2008 and an exercise price of 15 cents to convert each option into one fully paid ordinary share in Tethyan Copper Company Limited. The TCC Options met the definition of a derivative held-for-trading pursuant to AASB 139 which resulted in the change in fair value at 1 July 2005 being recognised in retained earnings. Accordingly, retained earnings at 1 July 2005 was increased by $3,265,000 to recognise the fair value adjustment (net of tax) of the TCC Options on transition.

(ii) Gain on Held-for-Trading Derivative Financial Instruments

On 9 May 2006 the Company sold 12,557,566 options in Tethyan Copper Company Limited to Antofagasta PLC for $1.40 per share following their successful off-market takeover of Tethyan, resulting in the Company receiving sale proceeds of $15.69 million (net of the option exercise price of 15 cents per share). As a result, the Company recognised a gain of $8,790,000. (Refer Note 3).

NOTE 21
DIVIDENDS

a) Ordinary Shares

	PARENT ENTITY	
	2007 $'000	2006 $'000
Final fully franked dividend for the year ended 30 June 2006 of 3 cents (2006: 2 cents) per fully paid ordinary shares paid on 6 October 2006 (2006: 30 September 2005)	5,840	3,893
Interim fully franked dividend for the year ended 30 June 2007 of 6 cents (2006: 2 cents) per fully paid ordinary share paid on 30 March 2007 (2006: 7 April 2006)	11,756	3,893
	17,596	7,786

b) Dividends Not Recognised at Year End

The Directors have recommended the payment of a final dividend of 6 cents per fully paid ordinary share, (2006: 3 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 28 September 2007 out of retained profits at 30 June 2007, but not recognised as a liability at year end is $11,854,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 22
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
- JS Reeve – 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:

- ST Cowle – Chief Operating Officer
- M Hildebrand – General Manager (Kambalda Operations)
- B Lynn – Chief Financial Officer

All the above persons are employees of Mincor Resources NL and were also key management persons during the year ended 30 June 2006, except for Mr Hildebrand who was appointed as General Manager on 4 July 2006.

c) Key Management Personnel Compensation

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Short-term employee benefits	1,770	1,543	1,770	1,543
Post-employment benefits	96	68	96	68
Long-term benefits	135	95	135	95
Share-based payments	195	41	195	41
	2,196	1,747	2,196	1,747

The Company has taken advantage of the relief provided by Corporations Regulations CR2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections (a) to (d) 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 (d) of the Remuneration Report contained in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 22
KEY MANAGEMENT PERSONNEL DISCLOSURES

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

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 parent entity and consolidated entity, including their personally-related parties, are set out below.

2007 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
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
JS Reeve	10,000	-	-	-	10,000	10,000	-
Other Key Management Personnel of the consolidated entity							
M Hildebrand	-	250,000	-	-	250,000	-	250,000
ST Cowle	1,010,000	5,000	(1,010,000)	-	5,000	-	5,000
B Lynn	760,000	-	(260,000)	-	500,000	-	500,000

2006 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
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
Other Key Management Personnel of the consolidated entity							
JS Reeve	-	10,000	-	-	10,000	-	10,000
ST Cowle	1,000,000	10,000	-	-	1,010,000	1,000,000	10,000
B Lynn	-	760,000	-	-	760,000	-	760,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 22
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 parent entity and the consolidated entity, including their personally-related parties, are set below.

2007 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
Directors of Mincor Resources NL Ordinary shares				
DJ Humann (Chairman)	200,000	-	-	200,000
DCA Moore	5,334,374	-	(1,334,374)	4,000,000
JW Gardner	4,974,276	-	(3,356,100)	1,618,176
IF Burston	50,000	-	-	50,000
JS Reeve	791,000	-	-	791,000
Other Key Management Personnel of the consolidated entity Ordinary shares				
M Hildebrand	-	-	-	-
ST Cowle	-	1,010,000	-	1,010,000
B Lynn	15,000	260,000	(205,000)	70,000

2006 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
Directors of Mincor Resources NL Ordinary shares				
DJ Humann (Chairman)	200,000	-	-	200,000
DCA Moore	5,334,374	-	-	5,334,374
JW Gardner	4,974,276	-	-	4,974,276
IF Burston	50,000	-	-	50,000
Other Key Management Personnel of the consolidated entity Ordinary shares				
JS Reeve	1,041,000	-	(250,000)	791,000
ST Cowle	-	-	-	-
B Lynn	115,000	-	(100,000)	15,000

NOTE 23
EXPENDITURE COMMITMENTS AND CONTINGENCIES

a) Exploration Expenditure Commitments

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:				
- Within one year	4,338	2,698	4,338	2,698

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 23
EXPENDITURE COMMITMENTS AND CONTINGENCIES (continued)

a) Exploration Expenditure Commitments (continued)

In order to maintain current rights of tenure to exploration tenements, the Company 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:

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Office Rental				
Within 1 year	42	252	42	252
Later than 1 year but not later than 5 years	-	42	-	42
	42	294	42	294

c) Finance Lease Commitments

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Finance and hire purchase rentals for plant and equipment are payable as follows:				
- Within 1 year	1,228	1,470	1,228	1,470
- Later than 1 year but not later than 5 years	2,667	3,794	2,667	3,794
- Minimum lease payments	3,895	5,264	3,895	5,264
- Less: Future finance charges	(520)	(879)	(520)	(879)
- Recognised as a liability	3,375	4,385	3,375	4,385
Representing interest bearing liabilities:				
- Current (Note 14)	971	1,116	971	1,116
- Non-current (Note 14)	2,404	3,269	2,404	3,269
	3,375	4,385	3,375	4,385

d) Capital Commitments

There are no capital expenditure commitments as at 30 June 2007.

e) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2007.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 24
SEGMENT INFORMATION

The consolidated entity operates in the mining industry which is its primary business segment and operates within the geographical area of Australia.

NOTE 25
REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices.

	CONSOLIDATED		PARENT ENTITY	
	2007 $	2006 $	2007 $	2006 $
(a) Audit services				
PricewaterhouseCoopers Australian firm				
- Audit and review of financial reports and other audit work under the *Corporations Act 2001*	113,000	83,775	113,000	83,775
Overseas PricewaterhouseCoopers firm	18,009	-	18,009	-
Total remuneration for audit services	131,009	83,775	131,009	83,775
(b) Non-audit services				
Audit-related services				
PricewaterhouseCoopers Australian firm				
- IFRS accounting services	-	21,410	-	21,410
Total remuneration for audit-related services	-	21,410	-	21,410
Taxation services				
PricewaterhouseCoopers Australian firm				
- Tax compliance services, including review of company income tax returns	129,953	78,655	129,953	78,655
- Tax advice on acquisitions	105,000	-	105,000	-
Overseas PricewaterhouseCoopers firm				
- Tax compliance services and international tax advice	17,855	-	17,855	-
Non-PricewaterhouseCoopers firm				
- Tax compliance services and advice on acquisitions	24,000	-	24,000	-
Total remuneration for taxation services	276,808	78,655	276,808	78,655
Other Services				
PricewaterhouseCoopers Australian firm				
- Professional services related to the 2006 Annual General Meeting	1,000	-	1,000	-
- Due diligence and accounting advice for acquisitions	20,000	-	20,000	-
Overseas PricewaterhouseCoopers firm				
- Other services	6,537	-	6,537	-
	27,537		27,537	

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 26
SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2007 (%)	2006 (%)
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

NOTE 27
INTERESTS IN JOINT VENTURES

The consolidated entity has the following joint ventures:

Name	Principal Activity	Percentage Interest	
		2007	2006
Bankole Joint Venture	Gold exploration	20	20
Minerals International Limited Farm-in and Joint Venture	Gold exploration	(earning)	(earning)
Webe Creek Farm-in and Joint Venture	Gold exploration	75	75
Carnilya Hill Farm-in and Joint Venture (1)*	Nickel exploration	70	(earning)
Image Resources Farm-in and Joint Venture (2)*	Nickel exploration	(earning)	-
Tectonic Resources NL Farm-in and Joint Venture (3)*	Nickel exploration	(earning)	-

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

(1) During the year the Company earned a 70% interest in the Carnilya Hill Project.

(2) During the year the Company entered into an agreement with Image Resources NL ("Image Resources") whereby it undertook to spend a minimum of $750,000 by 26 January 2010 to earn a 51% interest in the West Kambalda Project.

(3) During the year the Company entered into an agreement with Tectonic Resources NL ("Tectonic") whereby it agreed to pay $700,000 to Tectonic, subscribe for 10 million Tectonic shares at a price of 13 cents per share and sole funding $5 million over 3 years to earn an 80% interest in the tenement holding the RAV8 nickel mine in Western Australia.

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 controlled entities is disclosed in Note 6. These loans are on an interest free basis and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 28
RELATED PARTY TRANSACTIONS (continued)

c) Loans to Related Parties

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Loans to subsidiaries				
Beginning of the year	-	-	285	555
Write off of loan	-	-	-	(210)
Loan advanced	-	-	182	-
Loan repayments received	-	-	-	(60)
End of year	-	-	467	285

d) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 22.

NOTE 29
EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 14 May 2007 the Company entered into an agreement to acquire all of the shares in Goldfields Mine Management Pty Ltd ("Goldfields") for a cash consideration of $68.5 million plus a working capital adjustment plus a future nickel royalty. Goldfield's assets include the operating Otter Juan Mine, the McMahon and Durkin Projects, surrounding exploration ground, mining equipment and surface and underground equipment and infrastructure.

The agreement was subject to a number of conditions precedent and required an initial deposit of $11.75 million to be paid in June 2007. Settlement of the purchase was completed on 2 July 2007 (being the date on which the Company gained control of the shares in Goldfields) with a further cash payment of $50.75 million being made. The remaining $6 million will be paid once various license requirements are completed. At the date of this report, due to the timing of the acquisition, it is impracticable to reliably measure the working capital adjustment and the estimated future nickel royalty amounts.

Due to the timing of the acquisition, it is impractical to disclose the differences between the existing carrying amounts of net assets acquired and the fair values allocated to them upon acquisition. At the date of this report the Company was still performing an assessment of the differences in accounting policies between the Company and Goldfields and was also still finalising the purchase price allocation of the acquisition. Accounting for the purchase price allocation against the value of assets of Goldfields at the date of acquisition has not been disclosed due to the timing of the acquisition. The operating results and assets and liabilities of Goldfields will be consolidated from 2 July 2007.

On 20 August 2007 the Directors declared a fully franked dividend of 6 cents per share in respect of the year ended 30 June 2007.

The financial effects of these post balance date events have not been recorded in the 30 June 2007 financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 30
RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

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

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Profit for the year	101,330	29,309	101,513	29,197
Add/(Less): Non-Cash Items				
Depreciation	10,888	6,348	10,888	6,348
Amortisation	24,114	23,883	24,114	23,883
Net (gain)/loss on sale of non-current assets	19	(32)	19	(32)
Loss on disposal of investment in subsidiary	-	-	-	1,234
Gain on derivative held-for-trading	-	(8,790)	-	(8,790)
Write off of amounts owing from subsidiary	-	-	-	210
Exploration expenditure written off	10,333	4,982	10,153	3,500
Net gain on deconsolidation of former controlled entity	-	(186)	-	-
Employee benefits expense – share based payments	807	154	807	154
Change in operating assets and liabilities				
Increase in trade receivables	(13,995)	(24,016)	(13,995)	(24,016)
(Increase)/decrease in inventories	783	(208)	783	(208)
Increase in prepayments	(111)	(143)	(111)	(143)
Increase in creditors and accruals	27,525	12,488	27,522	12,485
Increase in income tax payable	26,289	3,324	26,289	3,324
Increase in deferred tax	3,940	4,291	3,940	4,198
Increase in employee entitlement provisions	236	630	236	630
Net cash inflow from operating activities	192,158	52,034	192,158	51,974

b) Cash and cash equivalents

Cash at bank and in hand	5	3	5	3
Deposits at call	169,562	45,132	169,562	45,131
	169,567	45,135	169,567	45,134

NOTE 31
NON-CASH FINANCING AND INVESTING ACTIVITIES

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Acquisition of property, plant and equipment by means of finance leases	98	1,185	98	1,185

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 32
EARNINGS PER SHARE

		CONSOLIDATED	
		2007	2006
a)	Basic earnings per share (cents)		
	Profit attributable to the ordinary equity holders of the company	51.8	15.1
b)	Diluted earnings per share (cents)		
	Profit attributable to the ordinary equity holders of the company	51.3	15.1
c)	Earnings used in calculating earnings per share ($'000)		
	Basic and Diluted earnings per share		
	Profit for the period	101,330	29,309
	Profit attributable to the ordinary equity holders of the company	101,330	29,309
d)	Weighted average number of shares used as the denominator		
	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	195,453,396	194,663,005
	Adjustments for calculation of diluted earnings per share:		
	Options on issue	2,207,461	12,043
	Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	197,660,857	194,675,048

NOTE 33
FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks including foreign exchange risk, price risk, credit risk, liquidity risk and cash flow interest rate 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 futures commodity contracts to hedge certain risk exposures.

Risk management is carried out 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 Company hedges less than 60% of its proved and probable ore reserves from its combined operations. The Company will not hedge more than 80% of its budgeted or forecast production over any 6 month period and will not enter into hedging contracts that terminate less than 6 months before planned exhaustion of ore reserves.

a) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The consolidated entity is exposed to foreign exchange risk arising from currency exposures to the US dollar as a result of transactions or sales in US dollars. Refer to Note 8(a)(i).

b) Price Risk

The consolidated entity is exposed to fluctuations in base metal prices arising from the sale of its products. Refer to Note 8(a)(ii).

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 33
FINANCIAL RISK MANAGEMENT (continued)

c) Interest Rate Risk

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:

2007	Weighted Average Interest Rate	Floating Interest Maturing in: 1 year or less $'000	Floating Interest Maturing in: Over 1 to 5 years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets					
Cash and cash equivalents	5.93%	169,567	-	-	169,567
Trade and other receivables		-	-	57,197	57,197
Available-for-sale financial assets		-	-	2,951	2,951
Derivative financial instruments		-	-	11,293	11,293
Other financial assets		-	-	11,750	11,750
		169,567	-	83,191	252,758
Financial Liabilities					
Payables		-	-	41,588	41,588
Lease liabilities	9.57%	971	2,404	-	3,375
Derivative financial instruments		-	-	72,281	72,281
		971	2,404	113,869	117,244

2006	Weighted Average Interest Rate	Floating Interest Maturing in: 1 year or less $'000	Floating Interest Maturing in: Over 1 to 5 years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets					
Cash and cash equivalents	5.14%	45,135	-	-	45,135
Trade and other receivables		-	-	58,462	58,462
Available-for-sale financial assets		-	-	1,410	1,410
Derivative financial instruments		-	-	1,072	1,072
		45,135	-	60,944	106,079
Financial Liabilities					
Payables		-	-	32,576	32,576
Lease liabilities	9.40%	1,116	3,269	-	4,385
Derivative financial instruments		-	-	46,110	46,110
		1,116	3,269	78,686	83,071

d) Credit Risk

The consolidated entity's maximum exposure to credit risk at balance date is the carrying amount of the recognised financial asset net of any provision for doubtful debts.

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises with amounts receivable from unrealised gains on derivative financial instruments.

At balance sheet date the consolidated entity has an exposure to loss in the event counterparties fail to settle on contracts which are favourable to the consolidated entity. This exposure to loss is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

e) Liquidity Risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, marketable securities and committed credit facilities to meet the consolidated entity's commitments as they arise.

Liquidity risk management covers daily, short-term and long-term liquidity needs. The appropriate levels of liquidity are determined by both the nature of the consolidated entity's business and its risk profile.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 33
FINANCIAL RISK MANAGEMENT (continued)

f) Cash Flow and Fair Value Interest Rate Risk

The consolidated entity can have significant cash and cash equivalent balances that may materially expose the consolidated entity's income and operating cash inflows to changes in market interest rates. All cash and cash equivalent balances are invested at variable market interest rates.

As the consolidated entity has no significant interest-bearing liabilities, the consolidated entity's costs and operating cash outflows are not materially exposed to changes in market interest rates.

The fair value of each class of financial assets and financial liabilities is the same as the carrying value.

NOTE 34
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 5 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 based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

Set out below are summaries of options granted under the Plan.

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted During the Year	Exercised During the Year	Forfeited During the Year	Closing Balance	Vested and Exercisable at End of the Year
			Number	Number	Number	Number	Number	Number
2007								
6 November 2003	6 November 2008	84 cents	1,088,800	-	1,060,800	-	28,000	28,000
22 December 2005	25 October 2010	70 cents	560,000	-	368,000	50,000	142,000	142,000
6 December 2006	5 December 2011	216 cents	-	530,000	-	-	530,000	-
Total			1,648,800	530,000	1,428,800	50,000	700,000	170,000
Weighted average exercise price			$0.79	$2.16	$0.80	$0.70	$1.81	$0.72

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted During the Year	Exercised During the Year	Forfeited During the Year	Closing Balance	Vested and Exercisable at End of the Year
			Number	Number	Number	Number	Number	Number
2006								
6 November 2003	6 November 2008	84 cents	1,254,000	-	-	165,200	1,088,800	1,088,800
22 December 2005	25 October 2010	70 cents	-	780,000	-	220,000	560,000	-
Total			1,254,000	780,000	-	385,200	1,648,800	1,088,800
Weighted average exercise price			$0.84	$0.70	-	$0.76	$0.79	$0.84

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 34
SHARE-BASED PAYMENTS (continued)

2002 Employee Share Option Plan (continued)

Fair Value of Options Granted

The assessed fair value at grant date of options granted under the 2002 Employee Share Option Plan during the year ended 30 June 2007 was 79.89 cents per option (2006: 18.34 cents). 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 share price at the date of exercise of options exercised during the year ended 30 June 2007 was $2.65 (2006 – not applicable).

The weighted average remaining contractual life of share options outstanding at the end of the period was 4.07 years (2006: 3.02 years).

The model inputs for the options granted during the year ended 30 June 2007 included:

a) options are granted for no consideration and are exercisable any time between 6 December 2007 and the expiry date
b) exercise price: $2.16 (2006: $0.70)
c) grant date: 6 December 2006 (2006: 22 December 2005)
d) expiry date: 5 December 2011 (2006: 25 October 2010)
e) share price at grant date: $2.24 (2006: $0.64)
f) expected price volatility of the Company's shares: 50% (2006: 35%)
g) expected dividend yield: 1.59% (2006: 0.96%)
h) risk-free interest rate: 6.0% (2006: 5.305%)

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.

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 5 years and can be exercised at any time on or after the following dates.

Grant Date	Number of Options Exercisable	Vesting and Date Exercisable
8 May 2006	$33^{1/3}$ % of options	8 May 2007
8 May 2006	$66^{2/3}$ % of options	8 May 2008
8 May 2006	100% of options	8 May 2009
9 September 2006	100% of options	1 July 2007
20 October 2006	$33^{1/3}$ % of options	19 October 2007
20 October 2006	$66^{2/3}$ % of options	19 October 2008
20 October 2006	100% of options	19 October 2009

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 based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 34
SHARE-BASED PAYMENTS (continued)

Mincor Resources Executive Option Scheme (continued)

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

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance	Vested and Exercisable at End of the Year
			Number	Number	Number	Number	Number	Number
2007								
8 May 2006	7 May 2011	85 cents	4,500,000	-	1,199,206	750,000	2,550,794	50,794
9 September 2006	8 September 2011	121 cents	-	250,000	-	-	250,000	-
20 October 2006	19 October 2011	174 cents	-	850,000	-	-	850,000	-
Total			4,500,000	1,100,000	1,199,206	750,000	3,650,794	50,794

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance	Vested and Exercisable at End of the Year
			Number	Number	Number	Number	Number	Number
2006								
8 May 2006	7 May 2011	85 cents	-	4,500,000	-	-	4,500,000	-
Total			-	4,500,000	-		4,500,000	-

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 2007 was 47.61 cents for options granted on 7 September 2006 and 75.30 cents for options granted on 23 October 2006. 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 share price at the date of exercise of options exercised during the year ended 30 June 2007 was $4.42 (2006 – not applicable).

The weighted average remaining contractual life of options outstanding at the end of the period was 3.98 years (2006:4.85 years).

The model inputs for the options granted during the year ended 30 June 2007 included:

	2007		2006
	Options are granted for no consideration and will vest over 10 months	Options are granted for no consideration and will vest over 3 annual instalments	Options are granted for no consideration and will vest over 3 annual instalments
Exercise price	$1.21	$1.74	$0.85
Grant date	9 September 2006	20 October 2006	8 May 2006
Expiry date	8 September 2011	19 October 2011	7 May 2011
Share price at grant date	$1.305	$1.98	$0.90
Expected price volatility of the Company's shares	50%	50%	40%
Expected dividend yield	1.59%	1.59%	5.6%
Risk-free interest rate	5.775%	6.0%	5.7%

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 34
SHARE-BASED PAYMENTS (continued)

Fair Value of Options Granted (continued)

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:

	CONSOLIDATED		PARENT ENTITY	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Options issued under employee option plans (refer Note 19)	807	154	807	154

DIRECTORS' DECLARATION

In the Director's opinion:

(a) the financial statements and notes set out on pages 22 to 66 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 Company's and consolidated entity's financial position as at 30 June 2007 and of their 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) the audited remuneration disclosures set out on pages 10 to 17 of the Director's Report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

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 21st day of August 2007.

DCA Moore
Managing Director

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

QV1
250 St Georges Terrace
PERTH WA 6000
GPO Box D198
PERTH WA 6840
DX 77 Perth
Australia
www.pwc.com/au
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999

Independent auditor's report

to the members of Mincor Resources NL

Report on the financial report and the AASB 124 Remuneration disclosures contained in the directors' report

We have audited the accompanying financial report of Mincor Resources NL (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Mincor Resources NL and the Mincor Resources NL Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "remuneration report" in pages 10 to 17 of the directors' report and not in the financial report.

Directors' responsibility for the financial report and the AASB 124 Remuneration disclosures contained in the directors' report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

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. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' 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 and the remuneration disclosures contained in the directors' 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 and the remuneration disclosures contained in the directors' report.

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

For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report and remuneration disclosures of Mincor Resources NL (the company) for the financial year ended 30 June 2007 included on the Mincor Resources NL web site. The company's directors are responsible for the integrity of the Mincor Resources NL web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report and remuneration disclosures identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or remuneration disclosures. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration disclosures to confirm the information included in the audited financial report and remuneration disclosures presented on this web site.

Independence

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

Auditor's opinion on the financial report

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 company's and consolidated entity's financial position as at 30 June 2007 and of their 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 consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Auditor's opinion on the AASB 124 Remuneration disclosures contained in the directors' report

In our opinion, the remuneration disclosures that are contained in pages 10 to 17 of the directors' report comply with Accounting Standard AASB 124.

PricewaterhouseCoopers

PricewaterhouseCoopers

John O'Connor
Partner

Perth
21 August 2007