

MINCOR DELIVERS 246% INCREASE IN ANNUAL NET PROFIT TO RECORD \$101.3 MILLION

Fully Franked Annual Dividends Rise 140% to 12 cents per share

Kambalda nickel mining company Mincor Resources NL (**ASX: MCR**) has delivered its fifth straight year of strong earnings growth, today announcing a record net profit after tax of **\$101.3 million** for the 12 months to 30 June 2007. The outstanding result – the Company’s best ever financial performance – has enabled it to declare a final fully franked dividend of **6 cents**, lifting the full-year payout by **140% to 12 cents**.

The record earnings result, which represents a 246% increase over last year’s record \$29.3 million profit, was struck on gross revenues of \$329.6 million (2006: \$174.6 million) and earnings before interest, tax, depreciation and amortisation of \$175.7 million (2006: \$70.6 million). The result translates into earnings per share of 51.3 cents, up 240% compared with last year’s figure of 15.1 cents.

The bottom line result is net of \$10.3 million in exploration costs which have been written off, and also includes a hefty \$26 million royalty cost generated by the high nickel prices. Royalty costs for the year are estimated to have added A\$0.83 per pound to Mincor’s cash costs compared to the previous year.

The strong financial performance was achieved on solid production from Mincor’s four Kambalda nickel operations of 12,927 tonnes of nickel-in-concentrate. This was sold into an exceptionally strong nickel price environment, with an average selling price (net of hedging) of A\$17.28 per pound payable nickel achieved for the year.

With average cash costs of A\$6.59 per pound payable nickel for the year, Mincor generated a cash margin A\$10.69 for every pound of payable nickel sold.

The strong earnings performance has enabled the Company to continue its outstanding record of returning profits to shareholders, with its dividends having now increased by 700% since 2004. The final dividend of 6 cents per share, which is payable on 28 September, increases the full-year payout to 12 cents – which at yesterday’s closing price represents a fully franked dividend yield of 4%.

Mincor’s balance sheet remains strong, with a return on equity of 57% achieved for the year and a cash balance at 30 June 2007 of \$169.6 million. After settlement of the GMM acquisition on 2 July 2007, Mincor’s cash and receivables, net of creditors and accruals, stood at \$77.3 million. Apart from minor leasing commitments, the Company is free of debt.

Mincor’s Managing Director, David Moore, said the record profit reflected the benefits of an aggressive but disciplined growth strategy which had positioned the Company second only to BHP Billiton in terms of nickel sulphide production from Australian listed companies.

“This has enabled us to benefit fully from the strong nickel prices realized during the year,” Mr Moore said. “But the real message is that we have used the last 12 months to establish an exceptionally strong foundation for further growth, with production likely to rise strongly over at least the next two years as a number of new mines come on stream.”

“We already now have production from our newly acquired Otter Juan Mine and from early next year we will have production from our new Carnilya Hill Mine, which is currently under construction,” he continued.

“In addition we are carrying out feasibility studies on two new projects, McMahon and Durkin, and we are drilling out what looks like a major new discovery at Mariners,” Mr Moore said.

Mincor announced last month that it was targeting a 28% increase in nickel-in-concentrate production for 2007/08 to between 16,000 and 17,000 tonnes, equating to nearly 19,000 tonnes of nickel metal contained in ore.

“So the message is that we are entering another period of sustained production growth, and with our very strong balance sheet, strong cash flows, and rising production, we believe Mincor is well-placed to continue to deliver outstanding shareholder returns,” Mr Moore added.

Mincor owns and operates five nickel mines in the Kambalda Nickel District of Western Australia, and is developing a sixth. The Company has an aggressive multi-pronged growth strategy in nickel and is pursuing a pipeline of new development opportunities and exploration projects, targeting a sustainable production rate of 20,000 tonnes per annum of nickel metal contained in ore.

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Released by:

Nicholas Read/Kate Bell
Read Corporate
Tel: (08) 9388 1474

On Behalf of:

Mr David Moore, Managing Director
Mincor Resources NL
Tel: (08) 9321 7125 www.mincor.com.au