

# Preliminary Half Year Report of Mincor Resources NL for the Half Year Ended 31 December 2007

(ABN 42 072 745 692)

*This Preliminary Half Year Report is provided to the Australian Stock Exchange (ASX) under  
ASX Listing Rule 4.2A*

Current Reporting Period: Half Year ending 31 December 2007  
Previous Corresponding Period: Half Year ending 31 December 2006

The information set out in this Preliminary Half Year Report should be read in conjunction with the  
annual report for the year ended 30 June 2007

**Results for announcement to the market**

				\$'000
<b>Revenue from ordinary activities</b>	Up	12.1%	to	164, 871
<b>Profit from ordinary activities after tax attributable to members</b>	Down	15.8%	to	31,310
<b>Net profit for the period attributable to members</b>	Down	15.8%	to	31,310
<b>Dividends</b>	<b>Amount per security</b>		<b>Franked amount per security</b>	
<b>Half year ended 31 December 2007</b>				
Final dividend	N/A		N/A	
Interim dividend	6 cents		6 cents	
<b>Half year ended 31 December 2006</b>				
Final dividend	N/A		N/A	
Interim dividend	6 cents		6 cents	

**Dividend payments / Distributions**

On 28 September 2007 the Company paid a final fully franked dividend of \$11,854,000 for the year ended 30 June 2007, comprising 6 cents per share.

On 18 February 2008 the Directors declared a fully franked interim dividend of 6 cents per share for the year ended 30 June 2008.

Date the interim 2008 dividend is payable

31 March 2008

Record date to determine entitlements to the dividend

29 February 2008

Date interim dividend was declared

18 February 2008

**Total dividend per security (interim)**

	Current period	Previous corresponding period
Ordinary securities – Interim dividend	6 cents	6 cents

**Total dividends paid or payable on all securities**

	Current period \$'000	Previous period \$'000
Ordinary securities (payable on 31 March 2008)	11,869	11,757
<b>Total</b>	<b>11,869</b>	<b>11,757</b>

**Net Tangible Assets**

	Current period	Previous period
Net tangible assets per ordinary security	104.00 ¢	41.51 ¢

**Details of Entities Over Which Control Has Been Gained or Lost****Control gained over entities**

Name of entity (or group of entities)

Goldfields Mine Management Pty Ltd

Date control gained

2 July 2007

Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities before tax during the period, from the date of gaining control.

**2007  
\$'000**

37.1

Net profit/(loss) of the controlled entity (or group of entities) for the whole of the previous corresponding period.

**2006  
\$'000**

N/A

**Loss of control of entities**

Name of entity (or group of entities)

N/A

Date control lost

N/A

Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities during the period, up to the date of losing control.

**2007  
\$'000**

-

Contribution of the controlled entity (or group of entities) to profit/(loss) from ordinary activities for the whole of the previous corresponding period.

**2006  
\$'000**

-

**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 4.2A are contained within Mincor Resources NL's Half Year Financial Report for the period ended 31 December 2007 which accompanies this Preliminary Half Year Report.



Sign here: \_\_\_\_\_  
(Director)

Print name: David Moore

Date: 19 February 2008



**M I N C O R**

R E S O U R C E S N L

MINCOR RESOURCES NL

(ACN 072 745 692)

HALF YEAR FINANCIAL REPORT

31 December 2007

## TABLE OF CONTENTS

DIRECTORS' REPORT .....	1
AUDITORS' INDEPENDENCE DECLARATION.....	4
CONSOLIDATED INCOME STATEMENT.....	5
CONSOLIDATED BALANCE SHEET .....	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	7
CONSOLIDATED CASH FLOW STATEMENT.....	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	9
DIRECTORS' DECLARATION.....	12
INDEPENDENT REVIEW REPORT .....	13

---

## DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Mincor Resources NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2007.

### DIRECTORS

The following persons were Directors of Mincor Resources NL ("the Company") during the whole of the half-year and up to the date of this report:

<u>Name</u>	<u>Particulars</u>
DJ Humann	Non-Executive Director and Chairman
DCA Moore	Managing Director
JW Gardner	Non-Executive Director
IF Burston	Non-Executive Director

### REVIEW OF OPERATIONS

#### Mining Operations

The Company produced 8,196 tonnes of nickel in concentrate for the half year to 31 December 2007 (2006: 6,888 tonnes of nickel in concentrate).

During the period, the Company's Miitel Nickel Mine produced 85,079 dry metric tonnes at an average nickel grade of 2.49%, to produce 1,820 tonnes of nickel in concentrate (2006: 144,218 dry metric tonnes at 2.33% for 2,892 tonnes of nickel in concentrate).

The Company's Redross Nickel Mine produced 66,531 dry metric tonnes at an average nickel grade of 3.14% for 1,802 tonnes of nickel in concentrate (2006: 65,627 dry metric tonnes at 3.22% for 1,823 tonnes of nickel in concentrate).

The Company's Mariners Nickel Mine produced 76,352 dry metric tonnes at an average nickel grade of 2.16% for 1,417 tonnes of nickel in concentrate (2006: 97,500 dry metric tonnes at 2.30% for 1,933 tonnes of nickel in concentrate).

The Company's Wannaway Nickel Mine produced 11,268 dry metric tonnes of ore at an average grade of 2.76% for 271 tonnes of nickel in concentrate (2006: 12,646 dry metric tonnes at 2.24% for 241 tonnes of nickel in concentrate).

Effective 2 July 2007, the Company assumed operations of the Otter Juan and Coronet Mines following the acquisition of Goldfields Mine Management Pty Ltd. The two mines produced 69,289 dry metric tonnes of ore at an average grade of 3.97% for 2,560 tonnes of nickel in concentrate.

#### Exploration and Development Projects

Exploration and development drilling continued throughout the period, with considerable success. The Company has committed to an aggressive exploration drilling programme targeting nickel and other base metals on its tenements throughout Australia.

In June 2007 the Company approved the development of the Carnilya Hill Project with an ore reserve of 483,500 tonnes @ 2.9% nickel for 14,000 tonnes of contained nickel metal. The Carnilya Hill Project commenced production in January 2008.

In November 2007 the Company approved the development of the McMahon Nickel Mine based upon a probable ore reserve of 322,251 tonnes @ 2.4% nickel grade for 7,734 tonnes of nickel metal.

In November 2007 the Company reached agreement with BHP Billiton Limited to acquire a major package of highly prospective nickel sulphide exploration tenements in the Kambalda nickel district known as the Bluebush Line. The Bluebush Line contains numerous higher grade nickel occurrences extending over a 40 kilometre strike length.

### **Corporate Matters**

During the period the Company paid \$51.75 million to the former shareholders of Goldfields Mine Management Pty Ltd as part of the \$68.5 million acquisition of that company. A deposit of \$11.75 million was paid in June 2007 and the remaining \$5 million will be paid once certain conditions pertaining to tenement licences are satisfied.

On 28 September 2007 the Company paid its fifth fully franked annual dividend of 6.0 cents per share to shareholders, bringing the Company's total dividend payments to date to \$44.8 million.

On 18 February 2008 the Directors declared a fully franked interim dividend of 6 cents per share in respect of the year ending 30 June 2008.

During the half-year ended 31 December 2007, 493,999 ordinary shares were issued following the exercise of 42,000 employee options at an exercise price of 70 cents per share, 250,000 employee options at an exercise price of \$1.21 per share, 149,999 employee options at an exercise price of \$1.74 per share and 52,000 employee options at an exercise price of \$2.16 per share.

### **Events Subsequent to 31 December 2007**

On 8 January 2008 the Company reached agreement to acquire View Resources Ltd's ("View") 30% interest in the Carnilya Hill Joint Venture, subject to the satisfaction of certain conditions precedent. These conditions precedent were not satisfied by the required date and accordingly the agreement lapsed on 8 February 2008.

On 18 February 2008 the Directors declared a fully franked interim dividend of 6 cents per share in respect of the year ending 30 June 2008.

### **Auditor Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.



## 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 directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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



---

**DCA Moore**  
**Director**  
PERTH

19 February 2008

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](http://www.pwc.com/au)  
Telephone +61 8 9238 3000  
Facsimile +61 8 9238 3999

## Auditor's Independence Declaration

As lead auditor for the review of Mincor Resources NL for the half year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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



John O'Connor  
Partner  
PricewaterhouseCoopers

Perth  
19 February 2008

**CONSOLIDATED INCOME STATEMENT**  
For the half-year ended 31 December 2007

	<b>CONSOLIDATED</b>	
	31 December 2007 \$'000	31 December 2006 \$'000
Revenue	164,871	147,054
Mining contractor costs	(30,528)	(30,334)
Ore tolling costs	(12,387)	(10,897)
Energy and utilities expense	(4,632)	(2,285)
Royalty expense	(6,970)	(12,397)
Employee benefits expense	(18,141)	(7,635)
Finance costs	(175)	(209)
Exploration costs expensed	(6,258)	(5,918)
Depreciation and amortisation expense	(30,413)	(16,650)
Other expenses from ordinary activities	(10,360)	(8,105)
<b>Profit before income tax</b>	45,007	52,624
Income tax expense	(13,697)	(15,442)
<b>Profit attributable to the members of Mincor Resources NL</b>	31,310	37,182
	<u>Cents</u>	<u>Cents</u>
Earnings per share	15.9	19.1
Diluted earnings per share	15.6	19.0

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

**CONSOLIDATED BALANCE SHEET**  
As at 31 December 2007

	CONSOLIDATED	
	31 December 2007 \$'000	30 June 2007 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	110,839	169,567
Trade and other receivables	39,724	57,197
Inventory	2,839	43
Derivative financial instruments	11,101	7,529
Other financial assets	-	11,750
<b>Total Current Assets</b>	164,503	246,086
<b>Non-Current Assets</b>		
Available-for-sale financial assets	2,444	2,951
Property, plant and equipment	94,090	50,487
Exploration and evaluation expenditure	39,906	7,485
Derivative financial instruments	2,148	3,764
<b>Total Non-Current Assets</b>	138,588	64,687
<b>TOTAL ASSETS</b>	303,091	310,773
<b>Current Liabilities</b>		
Payables	50,638	41,588
Interest bearing liabilities	897	971
Current tax liabilities	7,214	33,039
Provisions	3,928	1,222
Derivative financial instruments	5,378	62,208
<b>Total Current Liabilities</b>	68,055	139,028
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	1,983	2,404
Provisions	2,968	1,883
Deferred tax liabilities	24,381	7,119
Derivative financial instruments	-	10,073
<b>Total Non-Current Liabilities</b>	29,332	21,479
<b>TOTAL LIABILITIES</b>	97,387	160,507
<b>NET ASSETS</b>	205,704	150,266
<b>Equity</b>		
Contributed equity	30,186	29,481
Reserves	9,729	(25,547)
Retained profits	165,789	146,332
<b>TOTAL EQUITY</b>	205,704	150,266

*The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the half-year ended 31 December 2007

	<b>CONSOLIDATED</b>	
	31 December 2007 \$'000	31 December 2006 \$'000
Total equity at the beginning of the half-year	150,266	71,122
Changes in the fair value of cash flow hedges, net of tax	35,340	(22,701)
Changes in the fair value of available-for-sale financial assets, net of tax	(355)	399
<b>Net income/(expense) recognised directly in equity</b>	34,985	(22,302)
<b>Profit for the half-year</b>	31,310	37,182
<b>Total recognised income and expense for the period</b>	66,295	14,880
Transactions with equity holders in their capacity as equity holders:		
- Contributions of equity, net of transaction costs (Note 4)	705	609
- Dividends provided for or paid (Note 3)	(11,853)	(5,840)
- Employee share options	291	347
	(10,857)	(4,884)
<b>Total equity at the end of the half-year</b>	<b>205,704</b>	<b>81,118</b>

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

## CONSOLIDATED CASH FLOW STATEMENT

For the half-year ended 31 December 2007

	CONSOLIDATED	
	31 December 2007 \$'000	31 December 2006 \$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from customers (inclusive of GST)	167,721	159,206
Payments to suppliers and employees (inclusive of GST)	(101,398)	(85,537)
	66,323	73,669
Interest received	4,276	1,593
Other revenue	778	29
Interest paid	(146)	(196)
Income tax paid	(37,109)	(8,385)
<b>Net Cash Inflow from Operating Activities</b>	34,122	66,710
<b>Cash Flows from Investing Activities</b>		
Payment for purchase of subsidiary, net of cash acquired	(50,323)	-
Payments for acquisition of exploration properties	-	(60)
Payments for property, plant and equipment	(25,455)	(13,690)
Payments for exploration, evaluation and development expenditure	(5,428)	(5,532)
Repayment of loans	-	65
Proceeds from sale of property, plant and equipment	-	5
<b>Net Cash Outflow from Investing Activities</b>	(81,206)	(19,212)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	705	609
Dividends paid	(11,854)	(5,840)
Repayment of borrowings	(495)	-
<b>Net Cash Outflow from Financing Activities</b>	(11,644)	(5,231)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(58,728)	42,267
Cash and Cash Equivalents at the Beginning of the Half-Year	169,567	45,135
<b>Cash and Cash Equivalents at the End of the Half-Year</b>	110,839	87,402

*The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the half-year ended 31 December 2007

**NOTE 1**

**Summary of significant accounting policies**

This general purpose financial report for the interim half-year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by Mincor Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

**NOTE 2**

**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 3**

**Dividends**

	<b>CONSOLIDATED</b>	
	31 December 2007 \$'000	31 December 2006 \$'000
Dividends provided for or paid during the half-year	11,853	5,840
<b>Dividends not recognised at the end of the half-year</b>		
Since the end of the half-year the Directors declared a fully franked interim dividend of 6 cents (2006: 6 cents) per fully paid ordinary share.		
Interim dividend expected to be paid out of retained profits at the end of the half-year, but not recognised as a liability	11,869	11,732

**NOTE 4**  
**Equity Securities Issued**

	2007 Shares	2006 Shares	2007 \$'000	2006 \$'000
Issues of ordinary shares during the half-year				
Exercise of options issued over fully paid ordinary shares	493,999	744,800	705	609

**NOTE 5**  
**Business Combinations**

**a) Summary of Acquisition**

On 2 July 2007 the Company acquired all the issued shares in Goldfields Mine Management Pty Ltd (GMM) for a cash consideration of \$68.5 million plus a working capital adjustment and a future nickel royalty.

GMM's assets include the operating Otter Juan and Coronet Mines, the McMahon and Durkin exploration projects and surrounding exploration ground.

The acquired business contributed revenues of \$63.1 million and a profit before tax of \$37.1 million to the Group for the period 1 July 2007 to 31 December 2007.

Details of net assets acquired are as follows:

	2007 \$'000
Purchase consideration	
Cash paid	68,500
Direct costs relating to the acquisition	3,616
Working capital payment	33,800
Future royalty payment	5,679
<b>Total purchase consideration</b>	<b>111,595</b>
Fair value of net identifiable assets acquired (refer to page 11)	111,595

**b) Purchase Consideration**

**Outflow of cash to acquire subsidiary, net of cash acquired**

Cash consideration	(51,750)
Direct costs relating to the acquisition	(398)
Working capital payment	(33,800)
Payments for liabilities assumed	(19,662)
Less: Cash balances acquired	55,287
<b>Outflow of cash</b>	<b>(50,323)</b>



**NOTE 5 (continued)**

**c) Assets and Liabilities Acquired**

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's Carrying Amount \$'000	Fair Value \$'000
Cash	55,287	55,287
Trade and other receivables	1,691	1,691
Inventories	1,600	1,600
Property, plant and equipment	4,506	44,341
Exploration and evaluation expenditure	-	32,593
Deferred tax asset	997	146
Trade and other payables	(2,256)	(2,256)
Provisions	(2,410)	(2,410)
Tax liabilities	(19,397)	(19,397)
<b>Net identifiable assets acquired</b>	<b>40,018</b>	<b>111,595</b>

**NOTE 6**

**Contingent Liabilities**

There has been no change in contingent liabilities since the last annual reporting date.

**NOTE 7**

**Events Subsequent to Reporting Date**

On 8 January 2008 the Company reached agreement to acquire View Resources Ltd's ("View") 30% interest in the Carnilya Hill Joint Venture, subject to the satisfaction of certain conditions precedent. These conditions precedent were not satisfied by the required date and accordingly the agreement lapsed on 8 February 2008.

On 18 February 2008 the Directors declared a fully franked interim dividend of 6 cents per share in respect of the year ending 30 June 2008.

**Independent review report to the members of  
Mincor Resources NL**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Mincor Resources NL, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Mincor Resources NL Group (the consolidated entity). The consolidated entity comprises both Mincor Resources NL (the company) and the entities it controlled during that half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year 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 half-year 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.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mincor Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

*Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of Mincor Resources NL (the company) for the half-year ended 31 December 2007 included on Mincor Resources NL's 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 review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. 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 reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

*Independence*

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

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mincor Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

  
PricewaterhouseCoopers



John O'Connor  
Partner

Perth  
19 February 2008

## DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Mincor Resources NL will be able to pay its debts as and when they become due and payable.

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



---

**DCA Moore**  
Director

PERTH

19 February 2008