



# Annual Report 2007



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# Company Profile

Mincor is a profitable nickel mining company with outstanding growth prospects. Mincor owns and operates five mines in the world famous Kambalda Nickel District of Western Australia, is developing a sixth, and carrying out feasibility studies on two more. The Company also maintains an aggressive and highly successful exploration program.

Mincor is by far the largest single producer in the Kambalda District, and has been in production since early 2001. In the 6 years since 2001, Mincor has produced over 2.6 million tonnes of ore containing more than 82,000 tonnes of nickel metal, generated more than \$182 million in profits and paid or declared over \$44 million in dividends. The Company has contributed more than \$83 million in federal income taxes and \$42 million in state royalties.

Mincor maintains a strong community focus, and has donated substantial sums to causes in Kambalda and the Regional Goldfields area since 2001.

Mincor employs 230 people and has a further 237 contractor personnel at its mine sites. The Company operates from a small head office in West Perth.

Mincor maintains an unrelenting focus on the safety of its operations, and over the past year achieved a 12-month moving average Lost Time Injury Frequency Rate of 2.6, substantially below all industry benchmarks.

Mincor is pursuing a **GROWTH AND EXPANSION STRATEGY**. This focuses on growing the Company's core nickel business, with an initial target of 20,000 tonnes of nickel metal in ore per annum on a sustainable basis. In parallel, Mincor is seeking to expand into other mineral commodities and is exploring targets throughout Australia for copper, lead, zinc, tungsten and uranium.

Mincor is focused on **TOTAL SHAREHOLDER RETURNS** through aggressive production growth that will in turn drive growth in earnings and dividends per share.



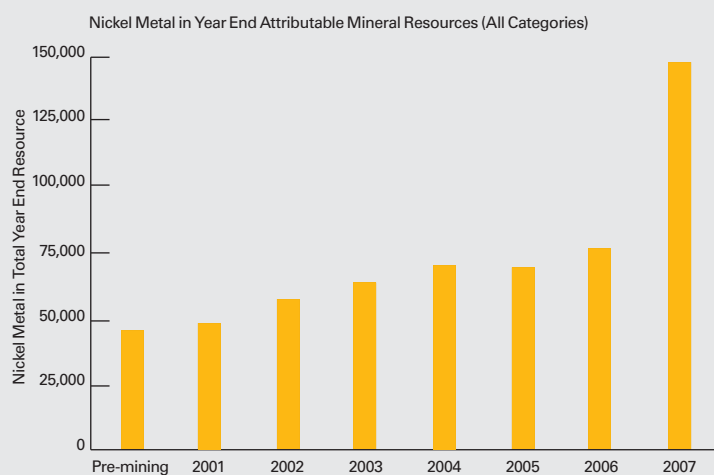
Airleg mining at the Mittel Nickel Mine

# Highlights of the Financial Year 2006/07

Mincor enters **S&P/ASX 200 INDEX** and ends the year as its best performer for 2006/07

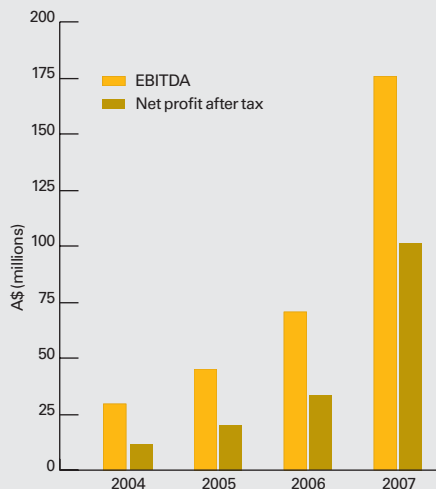
## Major increases in MINERAL RESOURCES AND ORE RESERVES achieved

- Ore Reserves up 40% to new record of 62,700 tonnes nickel
- Mineral Resources up 93% to new record of 146,300 tonnes nickel



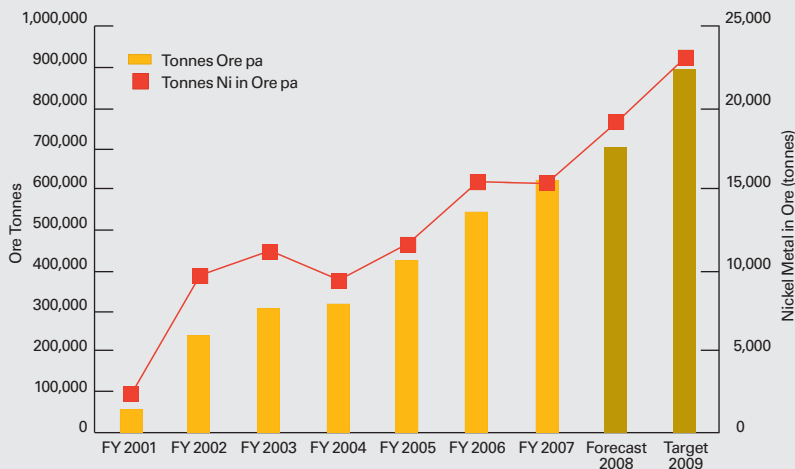
## Mincor delivers RECORD FINANCIAL RESULTS for the fourth year in a row

- Profits up 246% to \$101 million
- Earnings Per Share up 240% to 51.3 cents per share
- EBITDA up 149% to \$176 million
- Dividends up 140% to 12 cents per share
- Outstanding Return on Equity: 57% year on year

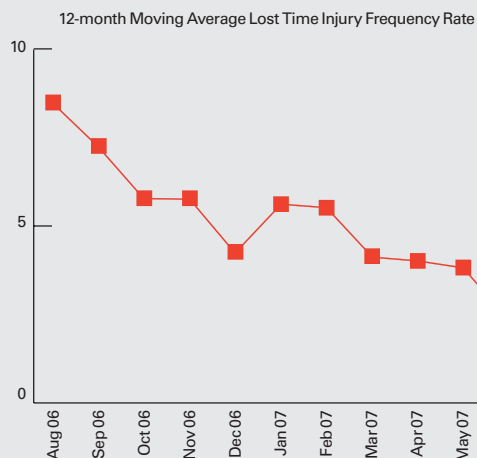


## A strong foundation established for FURTHER PRODUCTION GROWTH

- Otter Juan mine acquired 2 July 2007 – now in production
- Carnilya Hill mine discovered – now under development
- McMahon and Durkin Projects acquired – feasibility studies underway
- Major new ore body discovered beneath the Mariners Mine
- Significant exploration success at North Miitel



## Mincor achieves OUTSTANDING SAFETY RECORD





Twin boom jumbo in development decline at the Miitel Nickel Mine

# Chairman's Report

## To Our Shareholders

Your Company continued its record of success in every respect of its operations.

I said last year that shareholders could expect excellent conditions to continue. Our expectations were met and I believe we will again show very good results in the current financial year.

We have secured our future with the continuing development of our four Kambalda mines and through the new nickel mine development underway at Carnilya Hill in Kambalda. We have added to this the purchase, in July 2007, of a suite of advanced nickel exploration and feasibility-level nickel projects at McMahon and Durkin Deeps, as well as the operating Otter Juan Nickel Mine – all located in the Kambalda Dome.

These strategically important acquisitions should allow us to reach an increased production target for the Company of between 16,000 and 17,000 tonnes of nickel-in-concentrate in the current financial year (up 28% on 2006/07).

These acquisitions and developments are estimated to be highly profitable and the additional increased production is coming on stream in stages during the current financial year.

We continue to acquire and discover nickel reserves at a faster rate than we mine them.

As previously reported, our net profit after tax increased by 246% to a record A\$101 million.

Accordingly, with strong markets for our product, a strong balance sheet and strong operating margins of profit, no debt and increased mineral reserves and resources, your Directors have been able to declare a final fully franked dividend of 6 cents per share. This increases the full year dividend payout to 12 cents a share, an increase of 140% over last year.

We will continue our intensive and relentless exploration program and our search for economic base metal ore bodies. This policy ensures our sustainability as a leading producer, profit maker and dividend payer and will support our position as the second, only to BHP Billiton, nickel sulphide producer in Australia.

Our selective hedging policy is designed to protect our sales revenue in Australian dollar terms and we believe we have adequate coverage to protect our revenues and profit for the next 2 years. Further hedging will be conducted on a consistent basis in accordance with our stated policy regarding revenue protection.

Rising costs in general and in the mining industry in particular, together with the difficulty in recruiting and retaining skilled people remains a concern. However, we can say that our conditions of employment, location, training and development programs make our Company a destination of first choice for people who can contribute to our ongoing success and to their own future. Such a team is clearly the best resource to contain costs and increase production and profits.

Our team of people, management, staff and contractors have produced excellent safety, health, environmental, community and operating outcomes during the year. This has been achieved through the application of a wide range of high level skills and an intense level of focused hard work. Our suppliers and customers have added greatly to our business and cooperated in winning the best results for all stakeholders.

World growth continues at a strong pace, supported by the very high growth in industrial production in China and India. In the USA exports are performing very well and their trade deficits seem to be abating for the global good.

Your Board has encouraged management and set challenges for the achievement of high levels of growth and profitability for the future. As our history shows, I am sure we will meet and probably exceed the current vision.

Last year we welcomed Mr Jim Reeve to our Board. Sadly, Jim passed away on Thursday 16 August and we mourn his passing. We have expressed our support and condolences to his family and friends. Jim made an enormous contribution to the Company and was highly respected throughout the Company and the mining industry. He knew more about nickel in Western Australia than can be imagined. The loss in his passing will be long felt by all who came into contact with him.

The Board and Management welcome the attendance of as many shareholders as possible at the Annual General Meeting to be held on Monday 12 November, 11am at the Celtic Club, 48 Ord Street, West Perth.



David J Humann  
Chairman



# Managing Director's Report



## Dear Fellow Shareholders

Mincor has enjoyed another year of very strong growth, with record financial figures that demonstrate how well positioned we were for the strong nickel prices experienced during the year. It is therefore very pleasing to be able to report that we are still only at the beginning of our journey, and that we have laid the foundations for a further period of strong and sustained growth.

Those foundations include our acquisition of Goldfields Mine Management Pty Ltd, which gives us strong production from the Otter Juan Mine plus massive exploration upside as well as potential production from the feasibility-level McMahon and Durkin Projects. The foundations also include the discovery and drill-out of our next new mine at Carnilya Hill, which is now under development; the discovery of a major new ore body below our Mariners Mine; the drill-out of extensive mineralisation at North Miitel, and the collection of a range of new exploration projects and joint venture enterprises.

This heavy focus on exploration and the acquisition of new opportunities was part of a deliberate strategy designed to increase our interests in the Kambalda Nickel District. The strategy is driven by our belief that the District will continue to yield profitable nickel production for many decades to come, and that ownership of a sufficient portion of the District will allow sustainable, long-term production via the continuous discovery of new ore bodies. We believe that Mincor now controls approximately 60% of the productive capacity of the Kambalda Nickel District, and that given reasonable long-term nickel prices this will allow us to sustain a long-term production rate of 20,000 tonnes of nickel metal in ore per annum. It is worth noting that, with one interruption, the Kambalda District as a whole has consistently generated around 35,000 tonnes of nickel metal in ore per annum for nearly 40 years.

In addition to our strategy for growth in our core nickel business, we are vigorously pursuing a strategy of expansion into other mineral commodities. The main focus is exploration, and Mincor has work underway on prospects ranging from copper in New South Wales to lead and zinc in Ireland. Most of our tenements are 100% held, and any success from these early stage exploration projects will be rapidly turned to account, and is likely to be rapidly reflected in our share price.

Through all the very busy production, exploration and business development activities of the past several years, during which time we have grown very rapidly, Mincor has continued to display certain enduring characteristics. These include an exceptionally strong and stable management team, a very strong focus on the general job satisfaction and well-being of our employees, a rigorous approach to the evaluation of investment decisions, a determination to reward shareholders and to allocate capital in a rational fashion, support for the local communities in which we operate, and, most importantly, an exceptionally strong focus on the safety of our operations.

In regard to the safety of our operations, I am very pleased to report that we had an excellent year. Our lost time injury frequency rate is among the lowest in the industry, and we maintain and continuously expand a strong, well-funded, multi-faceted and well-staffed safety program across all our mine sites. However safety requires constant vigilance and we can never be complacent. I congratulate all our employees on their successful safety efforts over the past year.

Although the nickel price has now come well off its recent highs, it remains at a very strong level. My own view is that it will remain strong for the foreseeable future, and that the current commodity cycle is only in its infancy. Mincor thus enters the new year with lots of optimism. We have never been stronger financially, we have never had more ore reserves, more mines, or a higher production rate than we have today. The Company is in rude good health with an outstanding growth trajectory ahead of it.

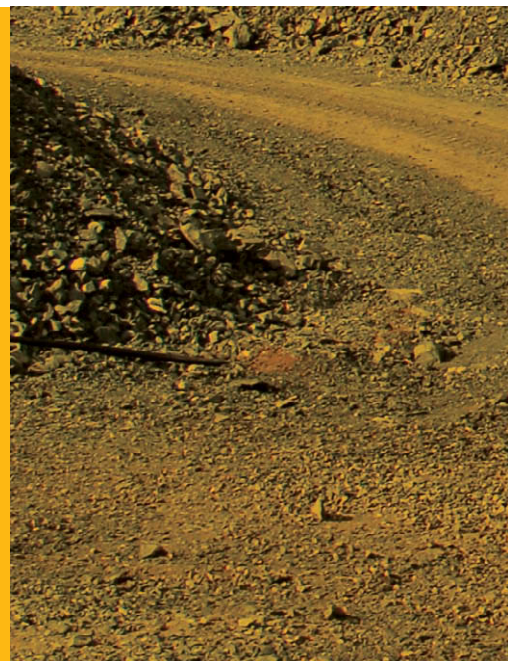
On a very sad note, I wish here to pay tribute to my valued colleague and good friend, Mr Jim Reeve, whose sudden death on 16 August 2007 came as a great shock to us all. Jim was a well-known and highly respected member of the West Australian mining community, and one of the finest men I have ever known, and his passing is a great loss. Jim played a key role in the growth and success of Mincor from its earliest days. His knowledge of and passion for the Kambalda Nickel District were unsurpassed, and his genial good humour and love of life were always a ready tonic. All of us in Mincor will miss Jim tremendously, and we extend our sincerest condolences to his family and to his many friends.

I wish to thank our shareholders for their support through the year. We will work to ensure that the future is even more rewarding than the past has been. Thanks also to our many contractors and sub-contractors, and most particularly to Barmenco, who continue to provide Mincor with an excellent service despite the many constraints of the current mining boom. Thanks also to my fellow directors for their unwavering support and advice throughout the year. Finally, my deepest thanks to all our employees, Mincor as it stands today is a tribute to their skill, dedication and unrelenting hard work, and they are our greatest asset by far.

A handwritten signature in black ink, appearing to read 'David Moore'.

David Moore  
Managing Director

# Mincor's Kambalda Nickel Business



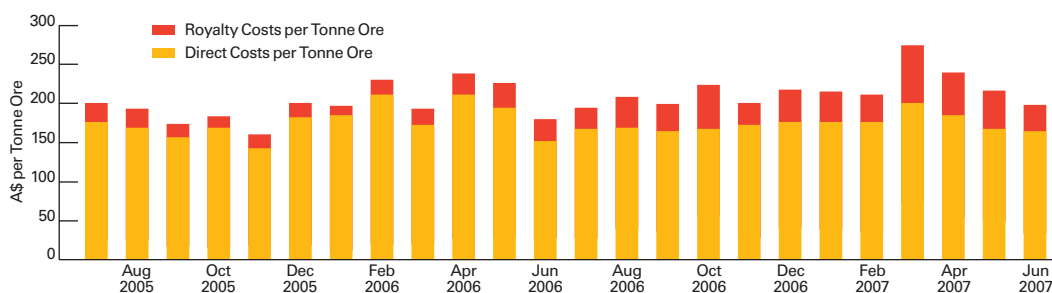
## OVERVIEW

During the year Mincor's four Kambalda nickel mines operated well, with exceptionally strong production tonnes compensating for generally lower head grades. Late in the year development of the small North Dordie open pit nickel mine commenced, with ore to be delivered during the new financial year.

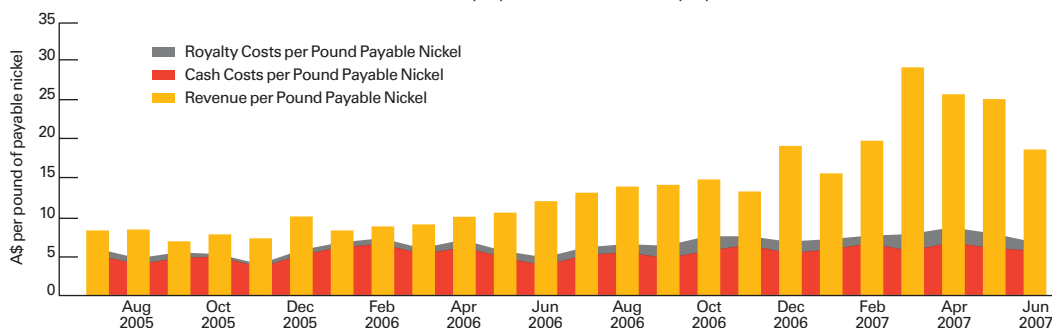
Also late in the year Mincor gave the go-ahead for the development of its new discovery at Carnilya Hill, and surface works commenced during July 2007. First production is expected in January 2008. Right at the end of the financial year an acquisition process that had been underway since November 2006 reached fruition, with Mincor's purchase of Goldfields Mine Management Pty Ltd. As a result, Mincor's production for the coming financial year will be bolstered by production from the high-grade Otter Juan Mine, while feasibility studies will be concluded on the McMahon and Durkin Projects and an aggressive exploration program will be carried out over the new tenements.

Thus by January 2008 Mincor will have six operating mines in the Kambalda Nickel District, with the potential for two more within the next 12-18 months.

Cost Performance: Costs per Tonne Ore



Cost Performance: Cash Costs per pound Nickel vs Revenue per pound Nickel







## Safety

Mincor places the highest priority on the safety and well-being of its employees and contractors. During the year our extensive, well-staffed and well-funded safety program continued, and by year-end our 12-month moving average Lost Time Injury Frequency Rate had been brought down to 2.6, well below all industry benchmarks.

Mincor's safety program included, among many other things, the following key elements:

- Safety-linked remuneration for key managers
- Safety-linked bonus/penalty systems for key contractors
- Supervisor Training and Enhancement Program
- Documentation of Mincor's Safety Management System for inclusion on the intranet
- Improvement to Fitness for Work testing systems
- First aid training
- Continual improvement of the Ground Control Management Plan
- Ongoing documentation of the Major Hazard Standards
- Audits of maintenance standards for Mobile Equipment
- Continued development of the safe work procedures for underground operations

Safety requires an unrelenting focus and Mincor intends to continue to enhance its safety systems and processes with the ultimate goal of achieving a perfect safety record.

## Ownership and Operation

All of Mincor's mines and tenements in the Kambalda Nickel District are owned 100% by Mincor, with the sole exception of Carnilya Hill, which is owned 70% by Mincor and 30% by View Resources Ltd. Mincor is the operator of the Carnilya Hill Joint Venture.

Mincor has restructured its operations to reflect its growth. The Company now recognises three operating sub-divisions, all of which report through to Mincor's Chief Operating Officer, Steve Cowle.

These consist of the following:

- Mincor's Widgiemooltha Operations, comprising the Miitel, Mariners, Redross and Wannaway Nickel Mines, under Mike Hildebrand as General Manager;
- Mincor's North Kambalda Operations, comprising the Otter Juan and Coronet Mines, and to include (subject to successful feasibility studies) the McMahon and Durkin Mines, under Peter Teasdale as General Manager;
- Mincor's Carnilya Hill Joint Venture, comprising the Carnilya Hill Mine, under Brad Valiukas/Tony Wallace as Resident Manager.

## Mining Contracts

During the year, and following a competitive tender process, Mincor awarded the mining contract for Miitel and Mariners to the incumbent, Barminco. A later competitive tender process resulted in the award of the Carnilya Hill mining contract to RUC Mining Contractors Pty Ltd. In October 2006 Mincor successfully moved its Redross Mine from contract-mining to owner-mining, incurring approximately \$8 million in capital to do so.

Mincor is now in a strategically strong and well-balanced position with regard to its contracting structure, with two different contracting companies at three of its mines, while the other three mines are operated solely by Mincor.

## Sales

Mincor's Ore Tolling and Concentrate Purchase Agreement with BHP Billiton (Nickel West) continued to operate satisfactorily during the year. Under this long-term agreement, ore produced at each of Mincor's nickel mines is transported to Nickel West's mill at Kambalda, where it is toll-treated by Nickel West. Ore trucks arriving at the mill are weighed before the ore is dumped on the ore pad. A random selection procedure is used to divert an average of 1 in 5 truckloads to a sample stockpile, and the accumulated ore is sampled according to an agreed procedure. This allows average grades for nickel, copper and cobalt to be determined, and assigned to the entire delivery. The moisture content is also determined and a correction applied to arrive at a total dry tonnage.

The ore is milled through the Kambalda Mill and the resulting concentrate is sold to Nickel West. Payment is made to Mincor in US dollars, based on the average spot nickel price during the third month after the month of delivery.

## Metal Prices

Mincor was in a position to benefit very strongly from the record nickel prices experienced during the year. The average price realised by Mincor, net of hedging, was A\$17.28 per pound payable nickel. With average cash costs of A\$6.59 per pound across all the mines this produced an average cash margin of 162% (or A\$10.69 per pound of payable nickel).

As in previous years, Mincor derived approximately 2.8% of its gross revenue from the sale of by-product copper and cobalt.

The very strong nickel prices resulted in exceptionally high royalty costs, which had a marked impact on Mincor's cash costs. Royalty costs for the year totalled \$25.993 million, or \$1.40 per pound payable nickel (21% of Mincor's cash costs).

## Hedging

Mincor delivered into its hedge positions throughout the year. At the end of June 2007 Mincor's hedge position was strong, with 4,876 tonnes of payable nickel sold forward to August 2009 at an average price of A\$32,404 per tonne. This represents less than 19% of Mincor's forecast production over that period.

## OPERATING RESULTS

Table 1 | Production Summary | Financial Year 2006/07

	Miitel <sup>(1)</sup>	Redross	Mariners	Wannaway	Total
Ore Tonnes Treated (DMT)	254,643	139,133	197,935	24,519	616,230
Average Nickel Grade (%)	2.26	3.27	2.14	2.47	
Nickel-in-Concentrate Sold	4,900.4	3,891.1	3,616.4	519.3	12,927.20
Copper-in-Concentrate Sold	497.4	260.2	366.3	50.8	1,174.7
Cobalt-in-Concentrate Sold	101.7	74.0	69.0	11.3	255.9
Sales Revenue* (A\$)	122.01m	96.71m	88.44m	16.84m	324.00m
Direct Operating Costs** (A\$)	40.64m	23.09m	35.31m	6.43m	105.47m
Indirect Costs*** (A\$)	10.79m	8.52m	5.51m	1.17m	25.99m
Operating Surplus**** (A\$)	70.58m	65.10m	47.62m	9.24m	192.54m
Capital and Development Costs (A\$)	8.89m	8.21m	5.30m	0.48m	22.88m
<b>Costs Per Pound Payable Nickel</b>					
Payable Nickel Produced (lbs)	7,022,341	5,575,996	5,182,247	744,190	18,524,774
Mining Costs (A\$/lb)	3.42	2.23	4.14	4.29	3.30
Milling Costs (A\$/lb)	1.24	0.87	1.33	1.13	1.15
Ore Haulage Costs (A\$/lb)	0.26	0.22	0.33	0.37	0.28
Other Mining/Administration (A\$/lb)	0.86	0.82	1.01	2.85	0.97
Royalty Cost (A\$/lb)	1.54	1.53	1.06	1.57	1.40
By-product Credits (A\$/lb)	(0.55)	(0.43)	(0.52)	(0.57)	(0.51)
Cash Costs (A\$/lb Ni) – Full Year	6.77	5.24	7.35	9.64	6.59

(1) "Miitel" includes North Miitel.

\* Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price.

\*\* Direct Operating Costs – mining, milling, ore haulage, administration.

\*\*\* Indirect Costs – royalties and net finance costs.

\*\*\*\* Operating Surplus – project only – provisional and unaudited, excludes corporate overheads and other corporate costs, excludes regional exploration costs, excludes depreciation, amortisation and tax.

MINCOR'S KAMBALDA NICKEL BUSINESS



# Current Mining Operations



## MIITEL NICKEL MINE (Mincor 100%)

### Production

The Miitel Mine had another successful year, with production tonnages near record highs and some 6.7% higher than the previous financial year, albeit at generally lower grades. The high production tonnage was the result of the progressive move from Central Miitel to North Miitel as the primary source of production. Production was also enhanced through the use of more productive equipment and mining methods. The overall lower grades were partly the result of a deliberate strategy to maximise production during a period of exceptional nickel prices, and partly the result of mining in generally lower grade portions of the ore body.

During the year Miitel's total production since start of mining passed the 40,000 tonnes of nickel-in-concentrate mark, confirming it as one of the more significant producers in the Kambalda Nickel District.

Table 2 | Production for 2006/07 | Miitel Nickel Mine (including North Miitel tonnage)

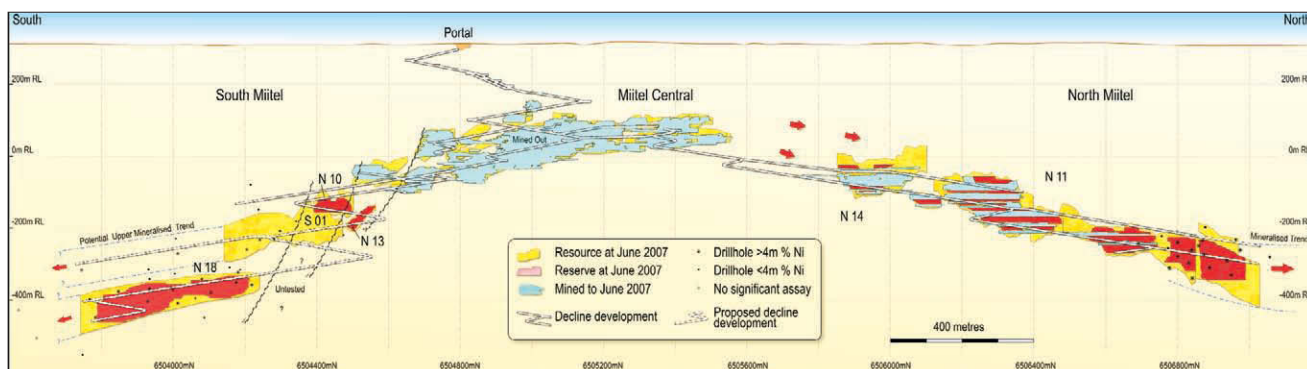
Total Ore Tonnage Mined (dry)	250,124
Total Ore Tonnage Delivered (dry)	254,643
Nickel (%) Grade	2.26
Copper (%) Grade	0.22
Cobalt (%) Grade	0.05

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the finalisation of tonnages and grades at the Kambalda Mill. The above figures are final.)

Mining progressed throughout all areas of the North Miitel ore body. Ore was won from development, mechanised flat back cut and fill and long-hole stoping in the N11, N14, N19 and N25 ore bodies.

The development of the twin declines at North Miitel continued, providing access into the northern sections of the North Miitel trend. At times the decline was put on hold to allow drilling beyond the northern limit of the published ore reserves. This drilling successfully located substantial additional mineral resources.

Figure 1 | Miitel long section showing channel structures





Head-frame of the old  
Otter Juan Haulage Shaft

As at 30 June 2007, approximately 419,000 tonnes @ 2.6% nickel for 10,800 tonnes of nickel in ore had been mined from North Miitel. Approximately 535,000 tonnes @ 2.5% nickel for 13,600 tonnes of nickel in ore remain in reserves. This compares to the original reserve calculated in the North Miitel feasibility of 464,000 tonnes @ 2.7% nickel for 12,300 tonnes of nickel in ore.

Figure 1 illustrates the current interpretation of the ore body in long section with Resources, Reserves and mined areas as at 30 June 2007.

## Costs

Cash costs per pound nickel are presented in Table 1 (page 8). Cash costs per pound nickel increased from last year due to higher input costs, higher royalties due to higher nickel prices and lower grades as outlined above. Direct costs per tonne of ore averaged \$160 per tonne (mining, administration, trucking, milling, excluding royalties), a rise of around 9% on comparable figures for the previous year. This rise reflects across-the-board increases to all inputs, especially in fuel and contractor mining costs. Increases in the cost per tonne were partially mitigated by employing higher productivity equipment and mining methods.

## Drilling

An ongoing program of underground drilling continued throughout the year. Much of this was carried out at the northern extremity of North Miitel and beyond the northern boundary of the North Miitel reserve. This work produced a substantial extension to the mineral resource and ore reserves. The resource remains open to the north and down-plunge, as well as to the south.

## Resources and Reserves

Resources and Reserves were recalculated for Miitel as at 30 June 2007, and these figures are shown in Tables 6 and 7 (pages 22-23).

The original ore reserve at Miitel (on which the project was evaluated, acquired and financed) was 844,000 tonnes @ 3.96% nickel containing 33,422 tonnes of nickel. At the end of June 2007, a total of 1,461,466 tonnes @ 3.29% nickel containing 48,028 tonnes of nickel in ore had been mined and delivered to the Kambalda Mill from Miitel/North Miitel. As at the end of June 2007, Miitel's ore reserve is estimated at 983,000 tonnes @ 2.5% nickel containing 24,800 tonnes of nickel in ore. When added to ore already mined, this brings the total of mined and unmined ore reserves to 2,444,000 tonnes @ 3.0% nickel containing 72,800 tonnes of nickel in ore, an 118% increase over the original ore reserve.

## Future Developments

In the coming year, effort will focus on stoping the already developed N11 ore surface, developing and stoping the N25 ore surface, and developing the N26 ore surface. The decline will be extended to the north in order to access the northern extremities of the current reserve and to allow drilling beyond this to explore for additional mineralisation. Development will also continue towards the South Miitel ore body, with access to and production from that ore source scheduled for the last quarter of the financial year.

## OTTER JUAN NICKEL MINE (Mincor 100%)

### Overview

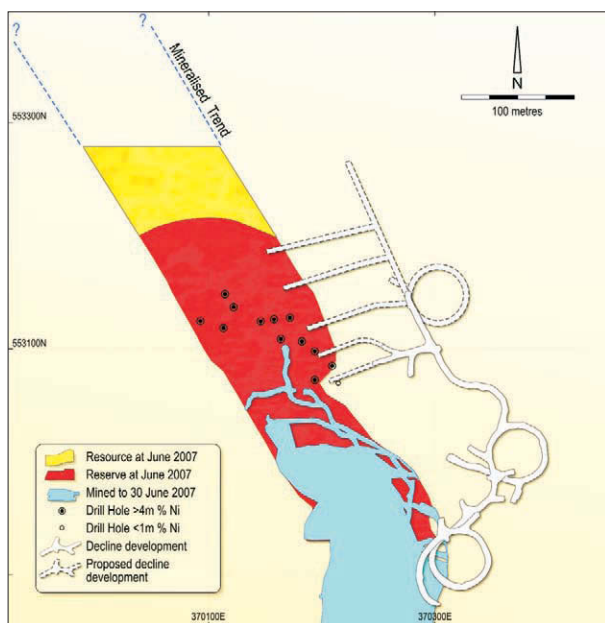
During the year Mincor entered an agreement with the shareholders of Goldfields Mine Management Pty Ltd ('GMM') to purchase 100% of their interest in GMM. This acquisition was effective 2 July 2007. The acquisition of GMM brings to Mincor the operating Otter Juan and Coronet Nickel Mines and associated mining equipment, all surface and underground infrastructure, and substantial unmined mineral resources at the historic McMahon and Durkin Mines.

The Otter Juan Mine has operated continuously (except for a brief period in 2000) since 1969 and is the largest producer of ore tonnes and nickel metal in the Kambalda field. Otter Juan has produced approximately 8.4 million tonnes of ore @ 3.6% nickel for nearly 300,000 tonnes of contained nickel. Last year (under its previous ownership) Otter Juan produced approximately 116,000 tonnes @ 4.0% nickel for 4,622 tonnes nickel.

Otter Juan's operations consist of mechanised jumbo level development with airleg mining of room and pillar slot stopes. Mincor expects that over the coming year Otter Juan will produce approximately 100,000 tonnes @ 3.6% nickel for 3,600 tonnes of contained nickel. Additional production of approximately 13,000 tonnes @ 3.0% nickel for 400 tonnes of contained nickel is expected from Coronet and McCloy after which, unless additional reserves are located, these ore sources will be depleted.

The transition of the Otter Juan Mine from the previous owners to Mincor was accomplished smoothly with no disruption to production and no loss of personnel. Otter Juan has a highly experienced, skilled and stable workforce in place, which adds greatly to the value of this newly acquired asset.

Figure 2 | Otter Juan plan projection



### Drilling

Recent drilling below the lowermost level in the mine (45 level) has confirmed the continuation of high-grade mineralisation some 37 metres below the current workings. Drilling in this area is ongoing.

### Resources and Reserves

As a privately held and unlisted company, GMM previously had little incentive to drill-out extensive ore reserves. Consequently, on Mincor's purchase of GMM there were no JORC standard (publishable) ore reserves for Otter Juan. However, from recent drilling Mincor has estimated an initial mineral resource and ore reserve. Mincor believes this resource and reserve are limited only by drilling, in that the very strong ore channel (historically the strongest and most consistent ore channel in Kambalda) remains open and undrilled below approximately 37 metres beyond current development.

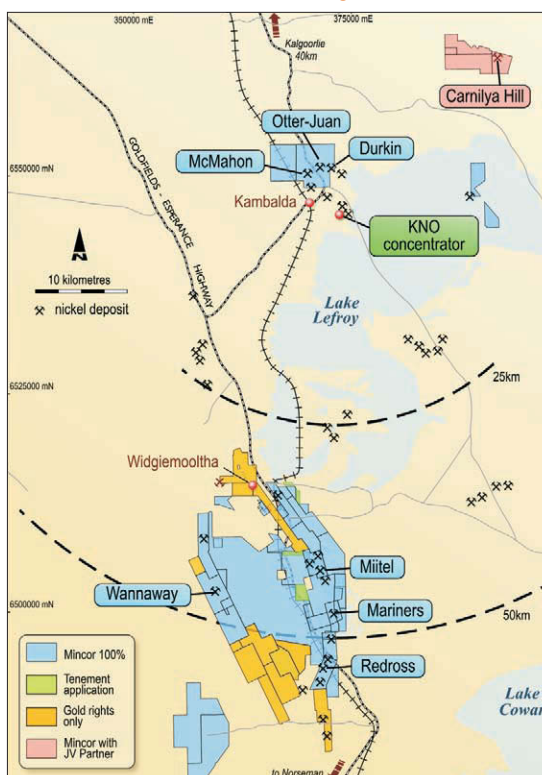
The Resources and Reserves are shown in Tables 6 and 7 (pages 22-23).

### Future Developments

Mining operations at Otter Juan and Coronet will continue as they have in the past. There are no plans to change the organisation or mining systems at these mines. However, Mincor believes that there is great potential to discover additional ore in and around the Otter Juan and Coronet ore bodies, and the Company intends to immediately and substantially increase the exploration effort in these areas. This will include using new technologies to drill down-plunge along the main ore channel at Otter Juan, and to explore for the many high-grade lenses, sub-parallel to the main ore shoot, that have traditionally added important additional production tonnes.

Mincor has also commenced evaluating the potential for a remnant mining operation at Otter Juan.

Figure 3 | Kambalda District Map showing Mincor tenement holdings



## REDROSS NICKEL MINE (Mincor 100%)

### Production

The Redross Mine performed exceptionally well, delivering 139,133 tonnes of ore at an average grade of 3.27% nickel. This was a record for Redross, outperforming last year's production by approximately 8%. Production came principally from airleg stoping and long-hole open stoping with a minor contribution from level development (most of which had been completed the previous year).

Airleg stoping of the ore panels continued satisfactorily during the year, commencing at the extremities of the ore body in a carefully orchestrated sequence that ensures maximum extraction. Airleg mining productivities were very high compared to industry standards, reflecting the quality of the miners themselves and the highly productive nature of the mining method. In the lower and northern parts of the ore zone, where the ore profile is contained within a basalt/basalt pinch-out structure and hanging wall conditions are excellent, the ore was extracted by short long-hole stoping techniques.

Further investigations of the lower grade N10 ore surface were undertaken but much of this was found to be sub-grade and has been excluded from future mining plans.

On 1 October 2006, Redross was moved from contract-mining to owner-mining operations. This was done with the assistance of the incumbent mining contractor, Barmenco. Mincor purchased equipment from Barmenco and offered employment to existing Barmenco personnel at Redross. The transition to owner-mining was successful, with minimal disruption to operations and record tonnages were achieved in December, March, May and June. The capital costs of the transition came in under budget and operating costs from October to year-end were in line with expectations.

Table 3 | Production for 2006/07 | Redross Nickel Mine

Total Ore Tonnage Mined (dry)	138,618
Total Ore Tonnage Delivered (dry)	139,133
Nickel (%) Grade	3.27
Copper (%) Grade	0.21
Cobalt (%) Grade	0.07

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are finalised.)

### Costs

Cash costs are given in Table 1 (page 8). Direct costs per tonne of ore (mining, milling, trucking and administration, excluding royalties) were \$163 per tonne. Despite an inflationary cost environment, these costs are substantially lower than the previous year due to the reduction in high cost split-fired level development and the move to owner-mining operations. Despite the lower cost per tonne, the total cash cost per pound was \$5.25, some 12% higher than the previous year. This is largely attributable to the high royalty costs generated by high nickel prices. Excluding royalties the cash cost per pound was \$3.72/lb, some 9% lower than last year.

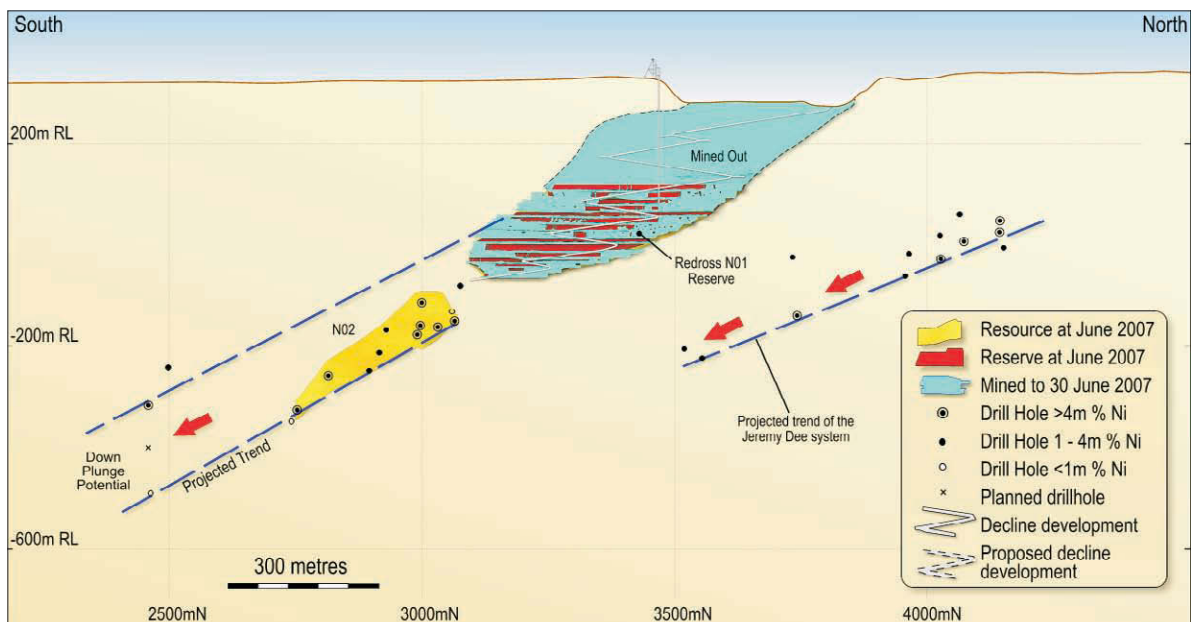
### Drilling

Drilling during the year focused principally on exploration of the mineralised trend down-plunge of the N01 ore surface, below the published resources and reserves. This drilling was successful and confirmed the existence of a mineralised trough that had been previously identified from surface drilling. A feasibility study investigating the economics of mining this mineralisation has commenced and drilling is continuing.

Some drilling was also carried out on the west vein ore surface to the south and west of the main ore body. This drilling did not return significant results but exploration potential remains.

An economic evaluation of the Jeremy Dee mineralisation was carried out, with negative results due to the low tonnes per vertical metre and high capital development costs. Further drilling down-plunge of this trend is scheduled for the coming year.

Figure 4 | Redross long section



## Resources and Reserves

The Resources and Reserves are shown in Tables 6 and 7 (pages 22-23).

At start of mining by Mincor (June 2004) Redross had an ore reserve of 529,000 tonnes @ 2.9% nickel containing 14,712 tonnes of nickel. To the end of June 2007, Mincor had mined and delivered 324,676 tonnes @ 3.35% nickel containing 10,874 tonnes of nickel. Ore reserves at the end of June 2007 stand at 182,000 tonnes at 2.9% nickel for 5,300 tonnes of nickel.

## Future Developments

The known Redross ore body is now fully developed, and will be progressively mined out over the next 18 months. During this time an aggressive exploration program will be continued to find additional reserves.

During the past year rehabilitation and limited development was commenced to access remnant ore positions around and above the 6 level. This will provide additional production in the coming year.

Exploration has confirmed the presence of a mineralised trough down-plunge of the main Redross ore surface. This mineralisation is the subject of a current feasibility study and further drilling. If the evaluation is successful the existing Redross decline will be developed down to this position.

Exploration of the West Vein and Jeremy Dee will continue.

## MARINERS NICKEL MINE (Mincor 100%)

### Production

The Mariners Mine continued to operate satisfactorily with the majority of production coming from the N08 ore surface. Mining of the N07 surface accounted for approximately 38,760 tonnes @ 2.28% nickel for 882 tonnes of nickel-in-concentrate, while the N08 surface contributed 148,751 tonnes @ 2.10% nickel for 3,122 tonnes of nickel-in-concentrate. Production was substantially higher than the previous financial year with ore tonnes up 30% and nickel-in-concentrate up 33%.

The strong production performance was partly due to the successful implementation of high productivity long-hole avoca stoping techniques. Production was sourced from the completion of the long-hole open stopes in the N07 ore surface, and development, mechanised flat back cut and fill stoping and long-hole avoca stoping of the N08 surface. Production was also supplemented by the processing of approximately 9,000 tonnes of low-grade stocks (approximately 0.9% nickel) which were built up while mining the N07 ore surface.

Development of the main decline continued during the year, providing access to the lower half of the N08 ore body. The N08 ore body has now been developed on all but the last level. Development of the decline was at times suspended to allow diamond drilling to more accurately define the position of the ore body to ensure optimal development. It also provided a platform to drill below the N08 ore body. This drilling resulted in the discovery of the new N09 ore body, containing in excess of 20,000 tonnes of nickel metal in inferred and indicated resources.

Figure 5 illustrates the current interpretation of the ore body in long section with Resources, Reserves and mined areas as at the end of June 2007.

Table 4 | Production for 2006/07 | Mariners Nickel Mine

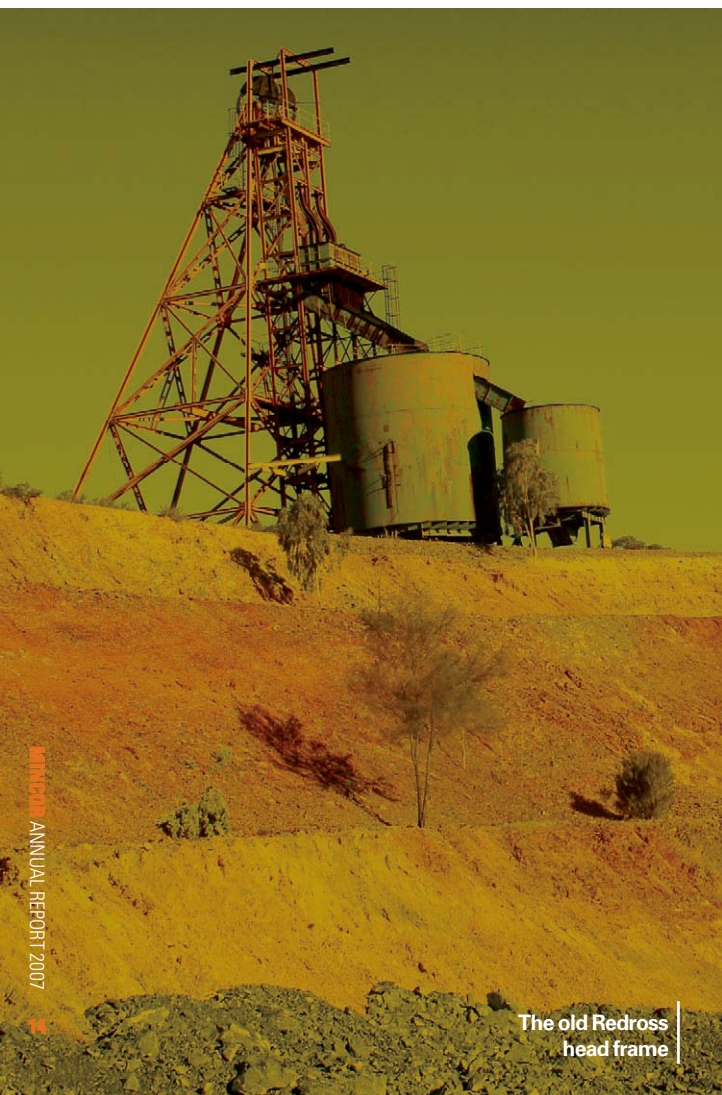
Total Ore Tonnage Mined (dry)	188,941
Total Ore Tonnage Delivered (dry)	197,935
Nickel (%) Grade	2.14
Copper (%) Grade	0.21
Cobalt (%) Grade	0.04

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are finalised.)

### Costs

Cash costs are shown in Table 1 (page 8). Cash costs per pound of nickel (including royalties and by-product credits) were A\$7.38/lb. This is \$0.15/lb higher than the previous year, the increase being entirely due to higher royalty costs generated by the strong nickel price. Excluding royalties, the cash costs per pound of nickel were 8% lower than the previous year (A\$6.31 in 2006/07 compared to A\$6.83 in 2005/06).

Despite the inflationary cost environment and deeper mining, the direct cash cost per tonne of ore (mining, administration, cartage and processing but excluding royalties) was also lower than the previous year and averaged \$179 per tonne. This is attributable to the completion of high cost mining in the N07 ore body and the successful implementation of high productivity mining methods in the N08 ore body.



The old Redross head frame



### Drilling

A considerable amount of underground diamond drilling was carried out at Mariners over the past year. This work led to the discovery of the N09 ore body, close below the N08 ore body. By year-end a substantial new mineral resource had been delineated (see Figure 5). The resource remains entirely open to the south and down-plunge. Drilling at this exciting new discovery is continuing with the highest priority.

### Resources and Reserves

Resources and Reserves were recalculated for Mariners as at 30 June 2007, and these figures are shown in Tables 6 and 7 (pages 22-23). The tables show the addition this year of the new N09 discovery.

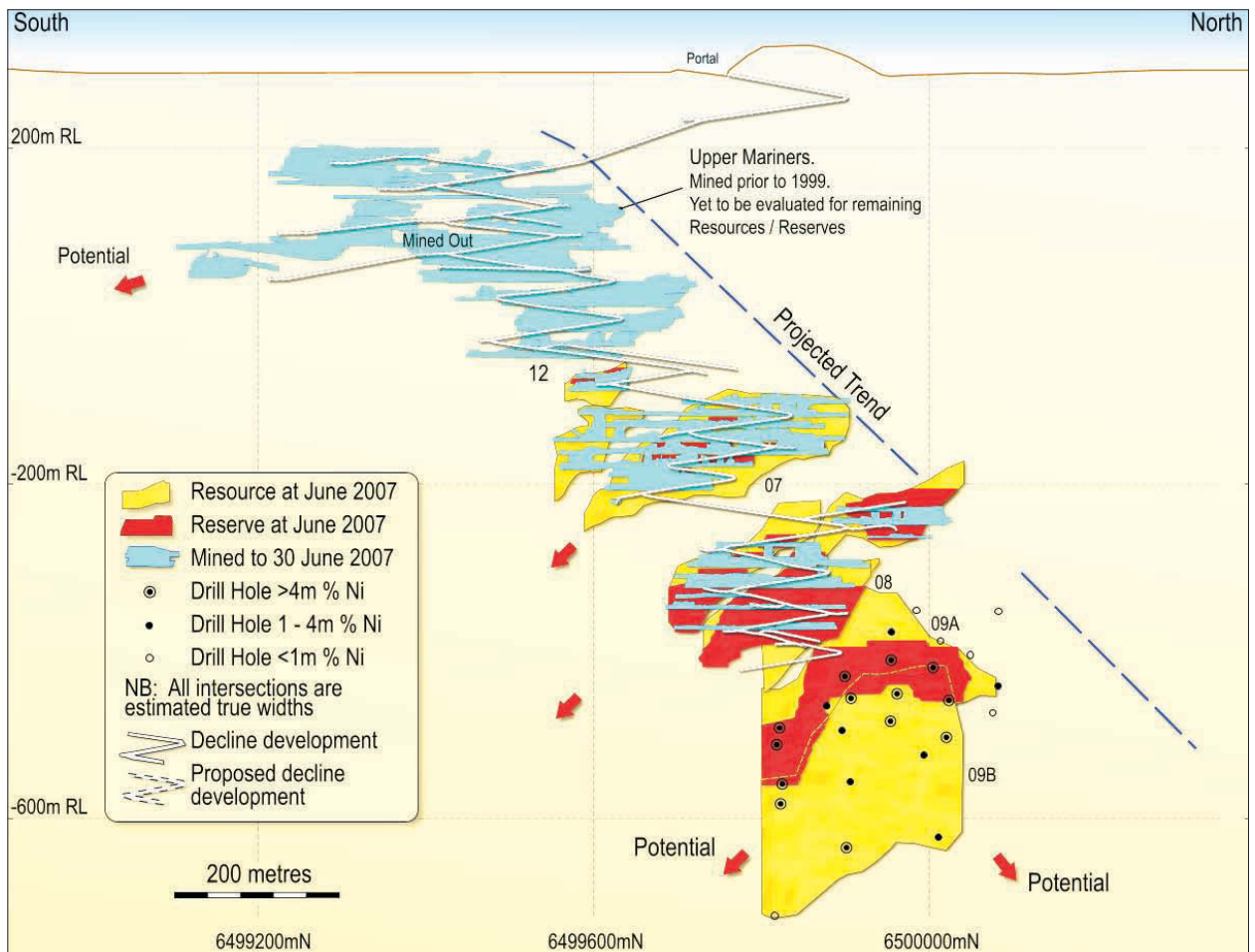
At the start of mining by Mincor (June 2004), Mariners had a reserve of 511,000 tonnes @ 2.7% nickel containing 13,630 tonnes of nickel. This reserve was in the N07 and N08 ore bodies. To the end of June 2007, Mincor had mined and delivered 388,012 tonnes @ 2.11% nickel containing 8,198 tonnes of nickel from the N07 and N08 ore surfaces. Ore reserves in the N07 and N08 ore bodies at the end of June 2007 stand at 146,000 tonnes @ 2.5% nickel containing 3,700 tonnes of nickel, with a further 236,000 tonnes @ 2.9% nickel containing 6,800 tonnes of nickel in the N09 ore body, giving a total mined and unmined ore reserve to date of 770,000 tonnes @ 2.4% nickel containing 18,700 tonnes of nickel in ore.

### Future Developments

Mining will continue in the N08 body, while development will be extended down to the N09 ore body. The top of the N09 ore body is likely to be accessed during the second half of the financial year.

There are a great number of other exploration targets in the immediate vicinity of Mariners. These will be explored during the year. In addition, Mincor will undertake a geological evaluation of the remnant mining opportunities in the upper, previously mined, levels of Mariners.

Figure 5 | Mariners long section



## WANNAWAY NICKEL MINE (Mincor 100%)

### Production

The Wannaway Mine continued to mine remnant ore via owner-mining operations, and produced its 500,000th tonne of ore under Mincor's ownership late in the year. The mine operated satisfactorily throughout the year, at an average rate of about 2,000 tonnes per month. About 50% of the tonnage came from the upper N02 area ('Southern Lobe'), and 50% from remnants in the lower N01 area. While additional remnant ore continues to be found, the inventory is declining and production levels from these sources reduced compared to the previous year.

**Table 5: Production for 2006/07 | Wannaway Nickel Mine**

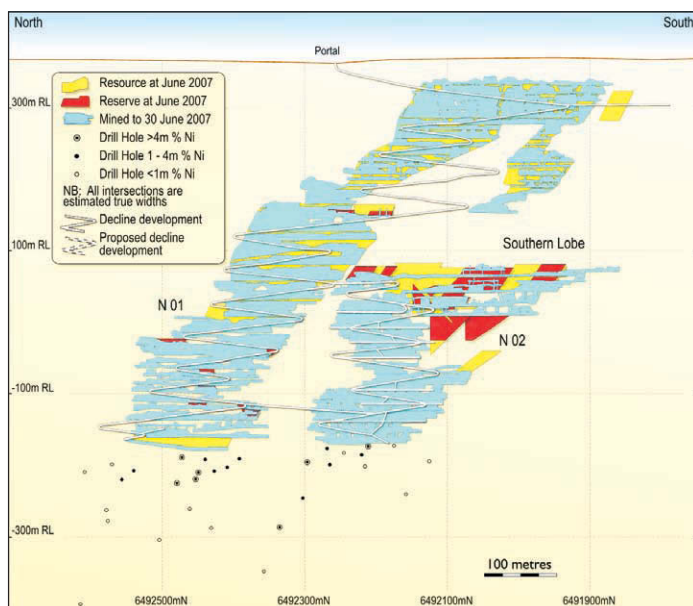
Total Ore Tonnage Mined (dry)	23,903
Total Ore Tonnage Delivered (dry)	24,519
Nickel (%) Grade	2.47
Copper (%) Grade	0.23
Cobalt (%) Grade	0.06

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are finalised.)

### Costs

Cash costs are given in Table 1 (page 8). Wannaway's cash costs are high because of the small scale and remnant nature of the operation. Mining costs per tonne rose by about 22% compared to the previous year. This is consistent with the inflationary environment. It is also in part due to lower productivities and lower production levels as the remnant ore positions are depleted. Mincor continued to examine opportunities to expand production through discovery and development of larger and higher grade ore blocks. This work successfully identified the opportunity to develop an ore block below the 490 southern lobe level. The development of this position will commence in the first quarter of 2007/08 and should improve overall productivities and significantly extend Wannaway's remaining life.

**Figure 6 | Wannaway long section**



### Drilling

During the year, limited drilling was undertaken to explore for ore below the N01 and N02 ore surfaces outside of published resources and reserves. Several ore-grade intersections were achieved. Interpretation and evaluation is underway and further drilling will be undertaken early in the financial year.

### Resources and Reserves

The Resources and Reserves are shown in Tables 6 and 7 (pages 22-23).

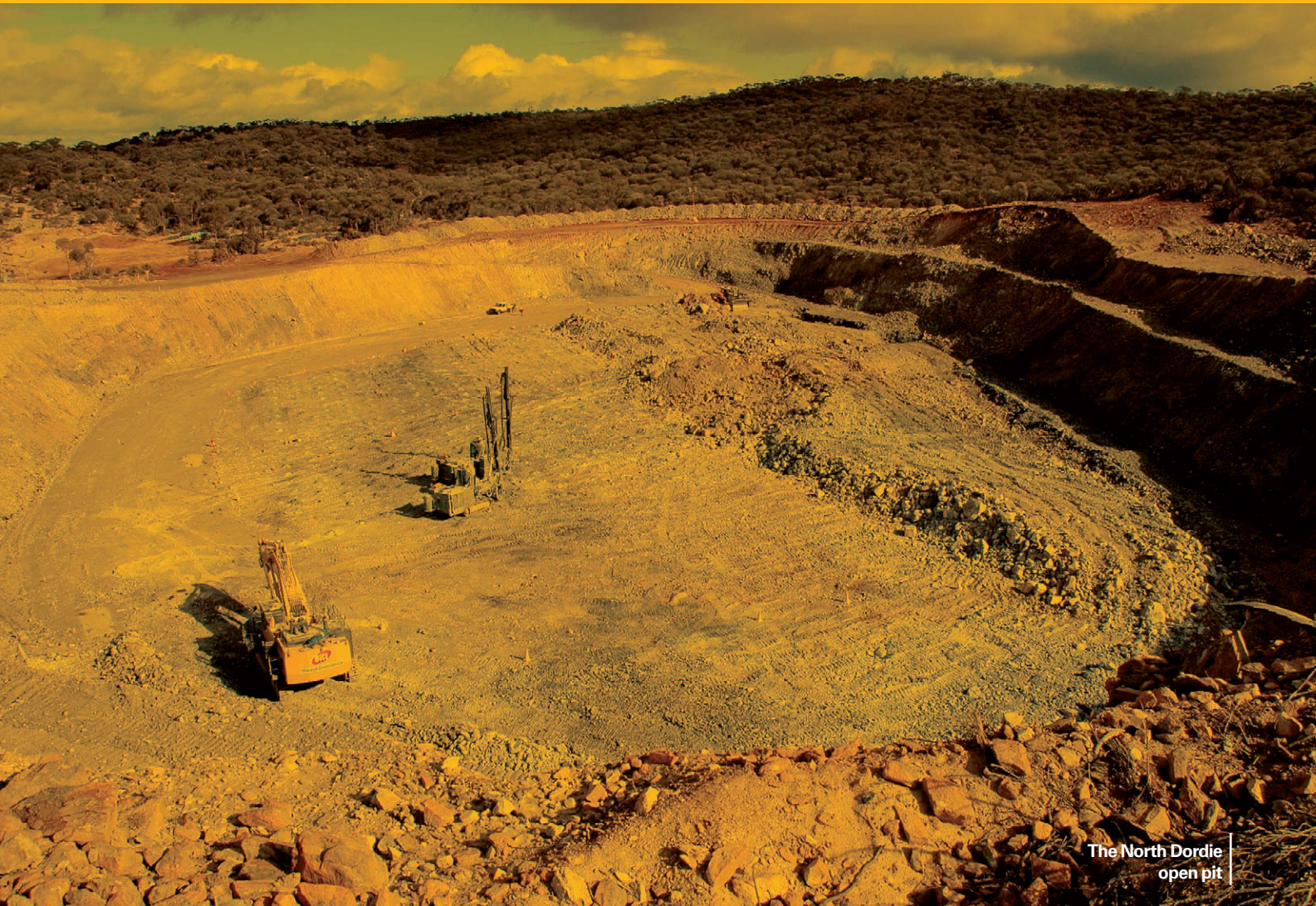
Wannaway's total production since start of mining by Mincor is 501,231 tonnes @ 3.05% nickel containing 15,296 tonnes of nickel. This compares with the original ore reserve, on which the project was evaluated and acquired, of 290,000 tonnes @ 3.56% nickel containing 10,324 tonnes of nickel at commencement.

Because Wannaway is now largely a remnant operation, Mincor has taken a conservative view on ore reserves. The Reserves given in Table 7 represent Mincor's best estimate of the remaining remnant ore that may be extractable, as well the new ore reserve estimated for the area between the southern lobe and the N02 ore body. This area is currently under development.

### Future Developments

Remnant mining operations will continue at Wannaway. In addition, new capital development is being undertaken to access stoping blocks identified between the 490 level in the southern lobe and the 392 in the N02 ore body. This development is expected to provide sufficient additional ore to allow for a further 12-18 months of profitable small-scale mining.

As noted above, drilling beneath the N01 and N02 ore surface has identified several ore-grade intersections. These results are being evaluated and further follow up drilling is planned. Success could result in a substantial upgrading of reserve, production and mine life for Wannaway.



## NORTH DORDIE NICKEL MINE (Mincor 100%)

### Overview

The North Dordie ore body was discovered in the late 1960's. It is located approximately one kilometre west of the Miitel Mine, on the western edge of Lake Zot.

A feasibility study was undertaken by Mincor in 2003 but the project was found to be uneconomic at the then nickel price. With the escalation of the nickel price during the year, the economics of the pit were re-evaluated and found to be positive. The total life of the mining project was estimated at 5 months. Tenders for the open pit mining contract were issued and awarded to Mining and Civil Australia. A variation to Mincor's off-take agreement was negotiated with BHP Billiton. Statutory approvals were secured and pre-stripping of the waste commenced in April 2007.

### Production

By 30 June 2007, approximately 380,000 bulk cubic metres of material had been mined from the pit and the top of the ore body exposed, with some 1,700 tonnes of ore at 0.9% nickel excavated and stockpiled. No ore was delivered to the concentrator in the 2006/07 financial year. Mining of the pit will continue through the first quarter of 2006/07 and all ore is expected to be delivered to the concentrator in the first half of 2007/08.

### Costs

The predevelopment costs to set up the mine and to undertake the pre-strip were in line with the feasibility study.

### Resources and Reserves

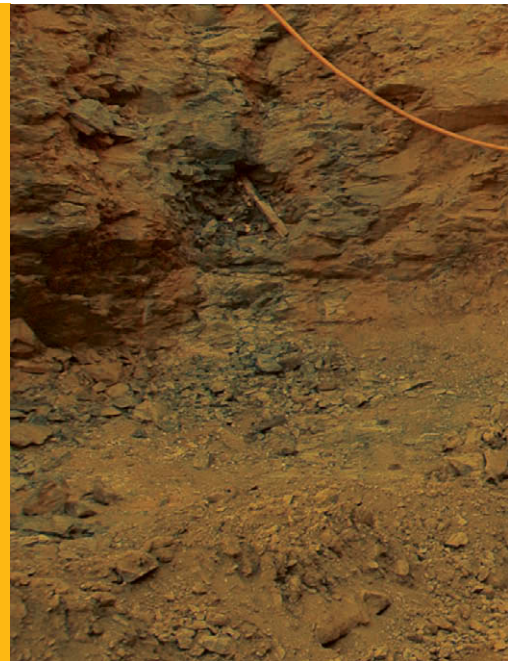
The Resources and Reserves are shown in Tables 6 and 7 (pages 22-23).

### Future Developments

The open pit mining operations are expected to be completed by the end of the first quarter 2007/08. The ore will be delivered during the first half of 2007/08.

Evaluation of the potential for mining of the underground resource will be undertaken.

# Mines Under Development



### SOUTH MIITEL EXPANSION PROJECT (Mincor 100%)

During the year Mincor undertook a feasibility study on the economic viability of the South Miitel ore body, discovered by Mincor during the previous year. The feasibility study identified a Probable Reserve of 376,000 tonnes @ 2.6% nickel for 9,790 tonnes of contained nickel. Life of mine capital development costs are estimated at \$24 million.

In August 2006, Mincor approved the development of the project and work commenced in November 2006. The capital development is progressing satisfactorily and to 30 June 2007, approximately 900 metres had been completed, including development for the primary ventilation circuit. Long lead items, such as the primary ventilation fan, have been ordered and preparations made for the excavation of a new ventilation shaft to surface.

First ore from South Miitel is expected late in the 2007/08 financial year. The ore channel remains open in the down-plunge direction and further exploration drilling will take place in due course.

### CARNILYA HILL NICKEL PROJECT (Mincor 70%)

During the year Mincor discovered a significant new ore body beneath the old Carnilya Hill Nickel Mine. The original Carnilya Hill ore body was discovered in 1974 and was mined from 1980 as a joint venture between WMC Resources Ltd and BHP Ltd. It closed once known reserves were exhausted in 1999. View Resources carried out limited remnant mining between 2004 and 2005.

Mincor negotiated a joint venture with View Resources in late 2005 and commenced drilling in March 2006. The discovery hole (10.70 metres @ 6.95% nickel) was drilled in late June 2006 and over the following 10 months a major drilling program successfully delineated a resource containing more than 16,000 tonnes of nickel metal. The new resource is located down-plunge and to the west of the old mine.

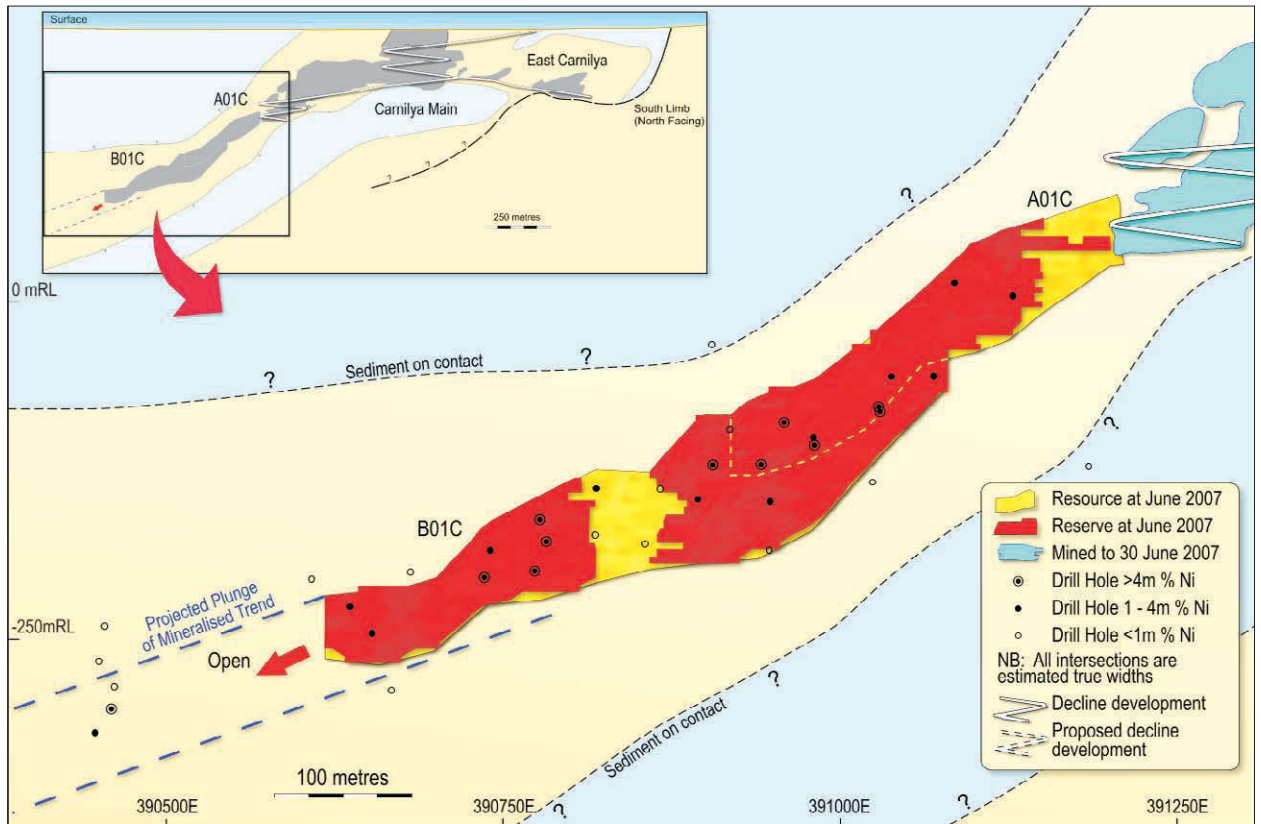
Feasibility studies commenced late in calendar 2006 and were completed in June 2007, when Mincor announced its decision to proceed to mine development.

The feasibility study identified a Probable Reserve of 483,500 tonnes @ 2.9% nickel for 14,000 tonnes of contained nickel. Start-up and life of mine capital costs are estimated at \$28 million. The project is expected to generate approximately 15,000 tonnes of ore per month over an initial period of 3 years. The mineralised channel structure remains open at depth and Mincor believes that substantial additional ore reserves will be discovered over time at Carnilya Hill.

Following a competitive tender process, the mining contract was awarded to RUC Mining Contractors Pty Ltd. Mobilisation commenced in June 2007. As at 30 June 2007 refurbishment of the mine infrastructure including offices, workshops, electrical power, fuel facilities and mine water had commenced. Rehabilitation, including check scaling and bolting of the existing decline, commenced in July 2007 and is expected to be complete by the end of August 2007. This will allow the commencement of underground development, which will involve extending the existing decline down-plunge to the west in order to provide access to the new ore body. First production is expected in January 2008.



Figure 7 | Carnilya Hill | long section



# Nickel Projects Undergoing Feasibility Studies



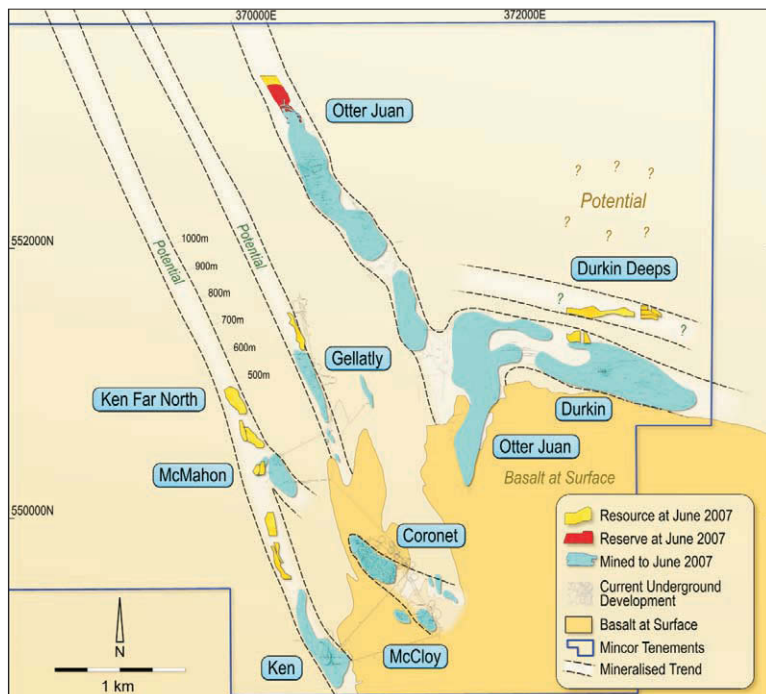
## MCMAHON NICKEL PROJECT (Mincor 100%)

Mincor acquired the McMahon Nickel Project as part of its acquisition of Goldfields Mine Management Pty Ltd, which was finalised on 2 July 2007.

The Ken and McMahon Nickel Mines are located 5 kilometres northwest of Kambalda. WMC Resources Ltd mined the McMahon and Ken nickel deposits from 1972 to 1986, producing 1.2 million tonnes @ 2.86% nickel. The bottom of the decline that access these deposits is approximately 250 metres from the Ken Far North mineralisation. WMC drilled the Ken Far North deposits in the 1970's to 1990's and conducted a pre-feasibility study on the Ken Far North mineralisation in 1996 and a feasibility study in 1998. Mincor is currently carrying out extensive further drill-testing of the area.

For the sake of convenience, Mincor has chosen to refer to the ore bodies that comprise the Ken Far North and McMahon Deeps ore bodies as the McMahon Project (the decline through which they are accessed has always been known as the McMahon Decline).

Figure 8 | North Kambalda plan projection of ore bodies





Otter Juan  
Mine portal

The Ken Far North mineral resources are broadly divided into two groups. The Southern group, consisting of four ore shoots, starts approximately 120 metres north of the Ken Decline and extends 500 metres northward. The Northern group, consisting of five ore shoots, starts below the McMahon workings and extends for a further 500 metres to the northwest. Three of the latter ore shoots are interpreted as the McMahon ore body extension and the remaining two are interpreted as an extension of the Ken ore body. The Southern ore shoots are interpreted to be the down-dip continuation of the Ken shoot. The whole of the Northern area was previously also interpreted to be an extension of the McMahon ore body, and was known as McMahon Deeps. Both groups of ore bodies are located along the shallow northwest plunging keel of the Kambalda Dome. The feasibility study currently underway contemplates the mining of the Northern resource area only.

Mincor's pre-feasibility study on the McMahon nickel project defined a resource of 342,954 tonnes @ 3.74% nickel (12,816 nickel tonnes) for these five Northern ore shoots. The pre-feasibility study plan requires the existing McMahon decline and ventilation system to be extended downward from the base of existing mine workings.

Mincor is currently carrying out resource confirmation drilling at McMahon and working on the completion of the final feasibility study.

## DURKIN DEEPS NICKEL PROJECT (Mincor 100%)

WMC Resources Ltd mined the Durkin nickel deposits from 1969 to 1984, producing 3.1 million tonnes @ 3.26% nickel. Additional mineralisation, the Durkin Deeps ore bodies, were discovered by WMC but never mined. The Durkin Deeps mineralisation lies approximately 450 metres from the existing Otter Juan decline.

Mincor has completed a pre-feasibility study on the Durkin Deeps nickel project. This work defined a resource of 292,035 tonnes @ 4.72% nickel (13,772 nickel tonnes). The pre-feasibility plan requires the existing Otter Juan decline and the Durkin mine ventilation system to be extended from the base of existing mine workings.

Further resource drilling is required to allow the completion of the final feasibility study. This drilling will be undertaken during the first half of the 2007/08 financial year.

# Resources and Reserves



When Mincor started mining in early 2001, the Company had a total of 45,550 tonnes of nickel in attributable mineral resources and 25,420 tonnes of nickel in attributable ore reserves. By the end of June 2007, Mincor's total attributable production since start of mining was 74,992 tonnes of nickel. Notwithstanding this production, the Company's total nickel in mineral resources and ore reserves at the end of June 2007 were higher than they had ever been, at 146,300 tonnes in resource and 62,700 tonnes in reserve.

These figures demonstrate that Mincor has multiplied its original ore reserve by more than 5 times since it started mining in 2001. The Company has not only replaced the reserves that it has mined, but has replaced *more* than it has mined, so that reserves today are 2.4 times higher than they were in 2001. This is an outstanding record of growth that Mincor believes it can maintain for the long term.

Table 6 | Resources as at 30 June 2007

RESOURCE		MEASURED		INDICATED		INFERRED		TOTAL		Ni TONNES
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Mariners	2007	212,000	4.4	188,000	4.5	384,000	3.5	784,000	4.0	31,100
	2006	105,000	4.0	240,000	4.8	-	-	346,000	4.5	15,700
Redross	2007	86,000	5.8	123,000	2.7	67,000	2.9	276,000	3.7	10,300
	2006	136,000	6.3	69,000	2.9	92,000	2.1	297,000	4.2	12,453
North Dordie	2007	-	-	75,000	1.5	76,000	1.5	151,000	1.5	2,200
	2006	-	-	73,000	1.5	68,000	1.6	141,000	1.5	2,171
Mittel	2007	356,000	3.7	612,000	3.6	128,000	3.5	1,096,000	3.6	39,900
	2006	481,000	3.5	550,000	3.8	62,000	5.7	1,093,000	3.8	41,072
Wannaway	2007	57,000	2.5	16,000	2.8	-	-	73,000	2.6	1,900
	2006	140,000	3.2	-	-	-	-	140,000	3.2	4,435
Carnilya Hill	2007	-	-	230,000	4.9	-	-	230,000	4.9	11,300
	2006	-	-	-	-	-	-	-	-	-
Otter Juan	2007	182,000	4.7	150,000	5.1	72,000	4.8	404,000	4.9	19,800
	2006	-	-	-	-	-	-	-	-	-
McMahon/Ken	2007	-	-	311,000	3.3	81,000	6.6	392,000	4.0	15,700
	2006	-	-	-	-	-	-	-	-	-
Durkin	2007	-	-	140,000	4.8	145,000	4.4	285,000	4.6	13,200
	2006	-	-	-	-	-	-	-	-	-
Gellatly	2007	-	-	29,000	3.4	-	-	29,000	3.4	1,000
	2006	-	-	-	-	-	-	-	-	-
GRAND TOTAL	June 2007	892,000	4.2	1,874,000	3.9	953,000	3.8	3,720,000	3.9	146,300
	June 2006	863,000	4.0	932,000	3.8	221,000	2.9	2,016,000	3.8	75,831

NB: Resources are inclusive of Reserves





Massive nickel sulphides  
in drill core

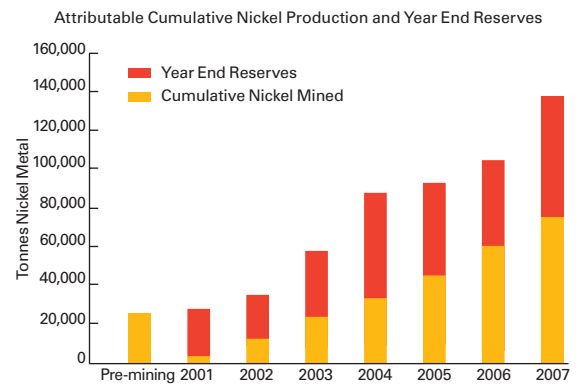
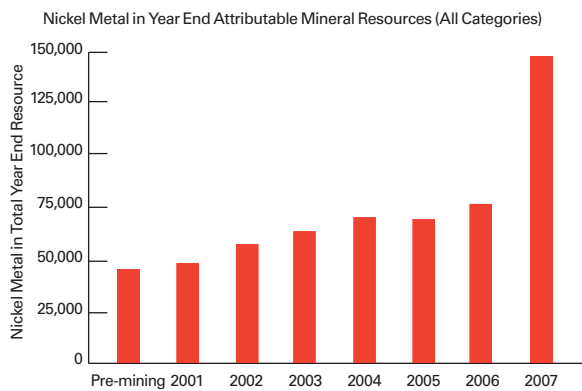


Table 7 | Ore Reserves as at 30 June 2007

RESERVE		PROVED		PROBABLE		TOTAL		Ni TONNES
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Mariners	2007	149,000	2.5	241,000	2.8	390,000	2.7	10,600
	2006	33,000	2.8	374,000	2.7	406,000	2.7	10,852
Redross	2007	163,000	3.0	19,000	2.6	182,000	2.9	5,300
	2006	237,000	3.2	37,000	2.2	274,000	3.0	8,289
Miitel	2007	307,000	2.5	667,000	2.6	974,000	2.5	24,700
	2006	363,000	2.6	589,000	2.6	952,000	2.6	24,597
Wannaway	2007	11,000	2.8	23,000	2.1	34,000	2.3	800
	2006	36,000	2.7	-	-	36,000	2.7	957
North Dordie	2007	-	-	38,000	1.2	38,000	1.2	500
	2006	-	-	-	-	-	-	-
Carnilya Hill	2007	-	-	338,000	2.9	338,000	2.9	9,800
	2006	-	-	-	-	-	-	-
Otter Juan	2007	159,000	3.7	127,000	4.0	286,000	3.9	11,100
	2006	-	-	-	-	-	-	-
GRAND TOTAL	June 2007	791,000	2.8	1,453,000	2.8	2,243,000	2.8	62,700
	June 2006	668,000	2.8	1,000,000	2.6	1,668,000	2.7	44,695

NB: Carnilya Hill tonnage figures shown above are 70% of the total (reflecting Mincor's 70% share of this project)

Otter Juan Measured Resources is calculated on a mining width of 1.9 metres as opposed to a 1.0% cut-off

The calculation of the above Resource and Reserve figures was carried out, or supervised by, or reviewed by, Rob Hartley, Craig Gwatkin, Michael Hildebrand, Michael Poepjes, Peter Teasdale, Steven Hill, Dean Will and Bradley Valiukas. These people are employees of Mincor Operations Pty Ltd, or Mincor Resources NL, except for Bradley Valiukas who is employed by BV Mining Pty Ltd, and Steven Hill who is employed by Western Venture Services Pty Ltd. Each person is a member of The Australian Institute of Mining and Metallurgy. Each has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. All of those listed above consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

# Nickel Exploration



## MINCOR'S NICKEL EXPLORATION STRATEGY

Mincor has achieved success through an aggressive approach to exploration, but within specific guidelines. Mincor emphasises near-mine exploration, as well as regional exploration in the wider Kambalda mine environment, where success can be rapidly translated into increased production, building on our established expertise.

Mincor's first commitment is to supporting and enhancing its existing mining operations. At each mine, Mincor aims firstly to replace the ore that is mined each year and secondly to continuously expand the ore reserves. To date Mincor has been successful at both endeavours.

Mincor's Exploration Strategy dovetails closely with its Business Development approach, which aims to procure exposure to a continuous pipeline of new high-potential projects.

Mincor's nickel exploration effort achieved success in three major areas during the year:

- At Carnilya Hill (Mincor 70%) we were able to build on the early-stage indicators of success that were reported last year, and a substantial new discovery was delineated through a major drilling effort in the first half of the year. This culminated in a new Resource announced in December, a Reserve in March, and the go-ahead for a new mine development in June.
- At Mariners, we successfully outlined a new ore zone immediately down-plunge from previously delineated reserves. Known as the Mariners O9, this new ore zone has a significant high-grade component, and is still open down-plunge and along-strike. Discovered and delineated since December, this zone is included in our Resource and Reserve figures for this year. Drilling is continuing.
- At North Miitel, continued underground drilling has added considerably to Reserves, converting a large proportion of last year's Inferred Resource. Significantly, this work has also recently demonstrated a greater down-dip potential at the northern end. This extension is still being evaluated, as suitable underground drill-sites become available.

## NEAR MINE EXPLORATION (Mincor 100%)

### Mariners N09

Until recently, Mincor's main thrust at Mariners was to get the mine up to planned production rates, and to ensure that the full potential of the N07 and N08 ore zones was realised. However, the longer term aim of Mincor's exploration effort was to continue to test the down-plunge extent of this strongly mineralised north-plunging system. With the completion of development access into the lower parts of the N08 ore zone earlier in the year, it became possible to gain access to suitable drilling sites to test this area with underground drill rigs.

Mincor's first drilling campaign achieved early success. All drill holes intersected mineralisation on the contact, with some holes showing particularly good intersections of coarse-grained pentlandite-rich ore. All holes were drilled from the footwall, drilling in a northerly and down-plunge direction. As a result, drill intersections are at an acute angle to the contact, and these have been corrected to a true-width equivalent.



The following are some of the more significant intersections:

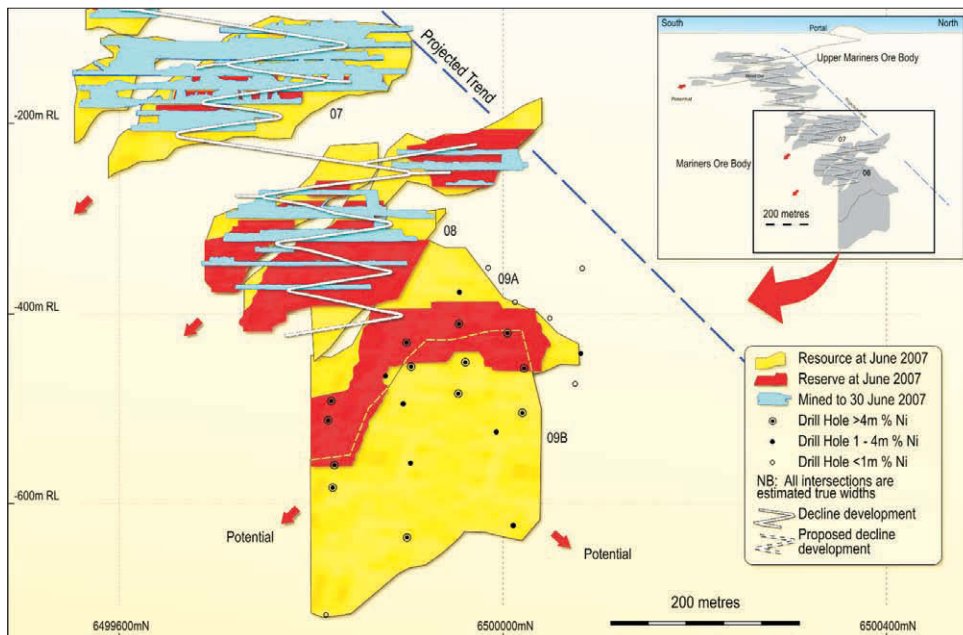
MRDH0199:	0.6 metres @ 9.1% nickel and
MRDH0199:	2.8 metres @ 2.3% nickel
MRDH0200:	4.6 metres @ 7.8% nickel
MRDH0204:	3.0 metres @ 2.3% nickel
MRDH0218:	1.6 metres @ 5.5% nickel
MRDH0219:	7.3 metres @ 5.9% nickel
MRDH0220:	3.3 metres @ 4.8% nickel
MRDH0224:	1.5 metres @ 2.3% nickel
MRDH0225:	1.4 metres @ 3.1% nickel
MRDH0227:	5.8 metres @ 3.5% nickel
MRDH0230:	0.7 metres @ 4.5% nickel
MRDH0234:	3.0 metres @ 7.2% nickel and
MRDH0234:	2.4 metres @ 7.2% nickel

(NB: All results are reported as estimated true widths.)

The results to date suggest a large, well mineralised 45 degree easterly-dipping surface. Although the broad orientation of the mineralisation appears to follow the mine-scale northerly plunge, there are some interpreted south-plunging structures which cause overlapping within the ore zone, and which appear to control the higher grade shoots of massive sulphide. The overall structure has not yet been delineated in detail, and is still open to the north, to the south and down-plunge.

The significance of these higher grades indicates an increased proportion of massive sulphide in the ore profile, and thus the possibility of higher mining grades. Until this point, Mincor's mining at Mariners has been largely confined to the N07 and N08 ore zones. Relatively modest production grades have been achieved, because these ore zones are made up largely of matrix and disseminated ore types, with little massive sulphide. The increased thicknesses of massive sulphides seen in the N09 drilling to date may herald a return to the higher production grades seen historically in the upper part of the Mariners ore body.

Figure 9 | Mariners long section showing N08 and N09 ore bodies



## North Miitel

As underground development at Miitel extended further into the northern end of the known ore trend, Mincor has been able to drill-out the large area that was outlined as an Inferred Resource after the deep surface drilling program of 2 years ago.

The results of this underground drilling have strongly confirmed this zone of mineralisation, and it has now been largely converted from Inferred to Indicated category, and a substantial portion has been placed in ore reserves.

The following are recent drill results for this area:

UMI-07-003:	6.3 metres @ 4.3% nickel
UMI-07-004:	3.1 metres @ 1.9% nickel
UMI-07-006:	5.0 metres @ 3.9% nickel
UMI-07-007:	5.5 metres @ 5.2% nickel
UMI-07-012:	4.5 metres @ 3.7% nickel
UMI-07-013:	1.7 metres @ 6.3% nickel
UMI-07-014:	0.2 metres @ 9.7% nickel
UMI-07-015:	0.5 metres @ 5.8% nickel
UMI-07-049:	3.6 metres @ 3.0% nickel and
UMI-07-049:	4.3 metres @ 2.3% nickel
UMI-07-051:	4.8 metres @ 3.2% nickel
UMI-07-052:	3.1 metres @ 4.0% nickel

(NB: All results are reported as estimated true widths.)

Drill holes UMI-07-051 and 052 intersected the contact very close to the previously interpreted lower boundary of the mineralisation. Both of these holes intersected thick, strong mineralisation. Consequently the lower boundary to this ore body is now interpreted to be some further distance down-dip throughout this area, giving considerable upside tonnage potential. Further drilling of this extension, as well as testing along-strike to the north, will continue as suitable drill-site positions become available.

## Redross

Drilling to test the down-plunge potential of the Redross ore channel continued. Results to date are modest. However, work is continuing and the mineralisation outlined to date is being evaluated for mining. Such development would also provide better access for future drilling to test additional areas of potential.

Some recent drill hole results include:

RUD-058A:	1.9 metres @ 5.7% nickel
RUD-059:	0.5 metres @ 10.0% nickel
RUD-064:	0.1 metres @ 4.0% nickel

(NB: All results are reported as estimated true widths.)

## Wannaway

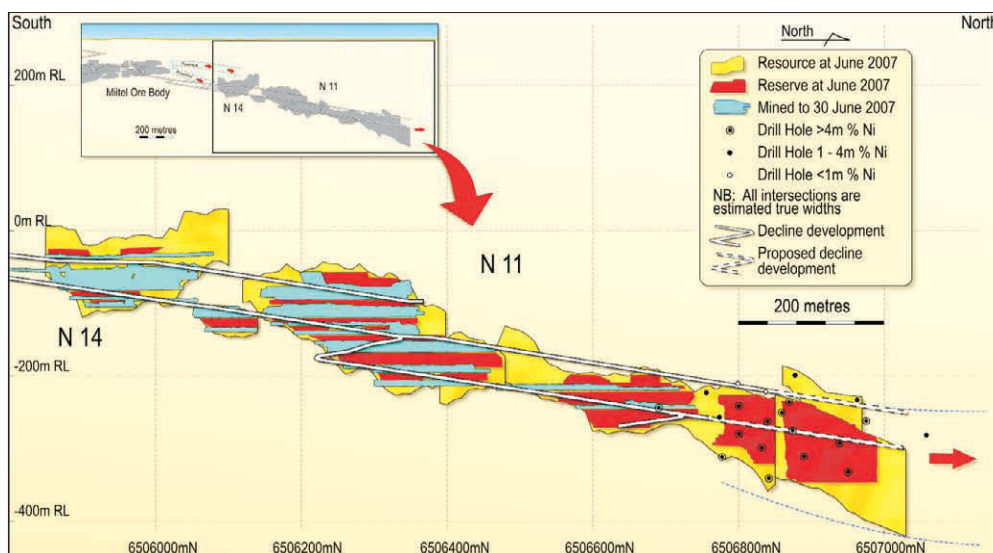
A number of drill holes have been targeted at the down-plunge extension of Wannaway over the past few years. Generally, both the N01 and N02 ore zones appear to grade down-plunge into a sediment-covered contact, with only sparse mineralisation present. However, there are some drill holes that have intersected stronger mineralisation, with no sediment present. Over the past few months, additional drill holes have been aimed at testing the down-plunge of the N02 ore zone. Drill holes UWA-07-001 and 005 returned significant intersections that will be followed up with further drilling.

UWA-07-001:	2.0 metres @ 1.9% nickel
UWA-07-005:	1.4 metres @ 7.9% nickel

(NB: All results are reported as estimated true widths.)

These results may indicate a recurrence of economic sulphide mineralisation in a sediment-free area of contact. Further drilling is required to evaluate this area.

Figure 10 | North Miitel long section



## Otter Juan

At the time Mincor took possession of the Otter-Juan mine at the start of July 2007, an underground drilling program was in progress to test the area immediately down-plunge of current mining. Several drill holes have been completed as part of this program, which will continue into the future. These holes are detailed below:

JS44-021	1.95 metres @ 4.92% nickel
JS44-022	1.43 metres @ 5.14% nickel
JS44-031	1.90 metres @ 3.30% nickel
JS44-046	5.52 metres @ 4.05% nickel
JS44-047	4.26 metres @ 4.07% nickel
JS44-051	0.75 metres @ 12.22% nickel

(NB: All results are reported as estimated true widths.)

These results clearly demonstrate that the mineralised channel that has provided the bulk of ore production at Otter Juan over the past few years continues down-plunge as a strongly-mineralised ore zone.

Deeper drilling to test further down-plunge is hindered by the lack of suitable drill sites. However, investigations, including the employment of new drilling technologies, are in progress to attempt to overcome this constraint.

## WIDGIEMOOLTHA REGIONAL EXPLORATION (Mincor 100%)

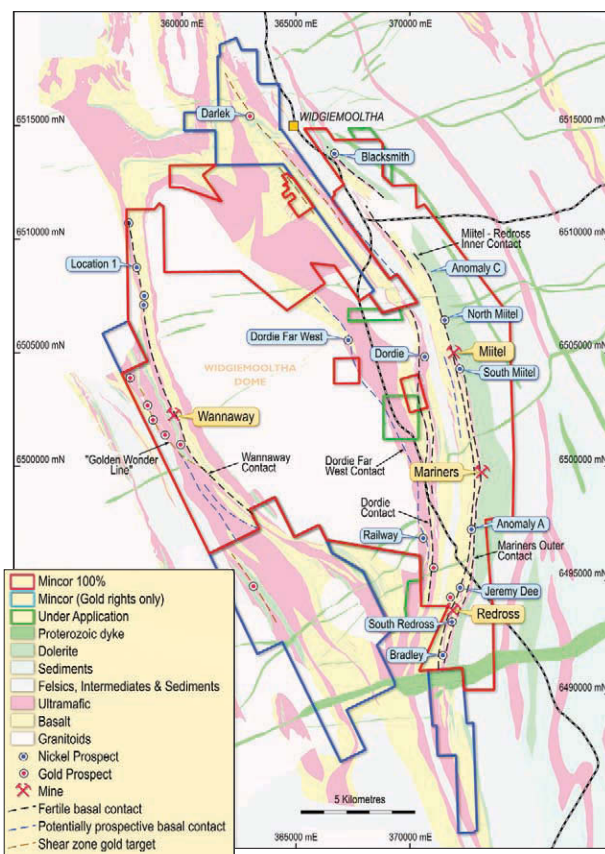
Mincor controls a cumulative total of approximately 60 kilometres of the strike of the all-important ultramafic-basalt (basal) contact in the Widgiemooltha area. This is the stratigraphic position along which all Kambalda's significant nickel ore deposits are developed. Along the Miitel-Mariners-Redross trend, the basal contact is structurally duplicated, forming two parallel zones, both equally prospective. Mariners Mine is situated on the outer (Mariners) contact, and the Miitel and Redross Mines are situated on the inner (Miitel) contact. Known fertile basal contacts are also present approximately one kilometre to the west of Miitel (the Dordie contact) and on the western side of the Widgiemooltha Dome (the Wannaway contact).

Generative work, including surface mapping, aeromagnetic interpretation and initial drill results, has highlighted the potential for a new prospective basal contact called Dordie Far West.

Mincor's Widgiemooltha nickel tenements have produced a total of approximately 5 million tonnes of ore containing 142,000 tonnes of nickel. When this is added to current, as yet unmined, reserves, it is clear that the area under Mincor's ownership is a very significant part of the Kambalda Nickel District. The prospectivity of the area may be illustrated by the distribution of nickel grades around the Dome. The fertility is unquestioned and Mincor considers the exploration potential to be outstanding.

Mincor's current regional program at Widgiemooltha is designed to test the promising Dordie Far West basal contact, drilling a number of poorly tested magnetic highs along known basal contacts and testing down-plunge for remakes along established prospects.

Figure 11 | Widgiemooltha Exploration Targets



## Dordie Far West

Generative surface mapping and aeromagnetic interpretation has indicated the presence of a preserved ultramafic and footwall basalt contact on the newly granted exploration leases E15/809, E15/812 and E15/721. This is the innermost basal contact zone on the eastern side of the Widgiemooltha Dome. The contact has a total strike length of 13 kilometres. Approximately 5 kilometres is interpreted to be under transported cover. A major soil program was undertaken with two significant anomalies identified over residual areas, Railways (750 x 500 metres; maximum nickel 700ppm) and Dordie Far West (1200 x 500 metres; maximum nickel 2700ppm).

Two RC holes (MRC151 and MRC152) were drilled below the Dordie Far West soil anomaly and into the coincident aeromagnetic high. MRC151 returned 16 metres @ 1.11% nickel from 20 metres depth in ultramafics, immediately above the basal contact, and 30 metres down-dip from MRC152, which returned 2 metres @ 1.75% nickel from 12 metres in weathered ultramafic. Both intersections have anomalous copper, indicating that they may be sulphide-related. The results are considered highly encouraging and follow up drilling is planned to test the contact below the weathering. These intersections are open in all directions.

The soil anomaly at the Railways prospect also sits over a discreet magnetic high. A surface SQUiD electromagnetic survey has been completed and highlights a coincident electromagnetic conductor. This multi-layered anomaly is a high priority target and will be tested once all the native title approvals are obtained.

Mincor's exploration program on the Dordie Far West Contact is still in its initial stages, but the early indications are most promising.

Figure 12 | Railways aeromagnetic image

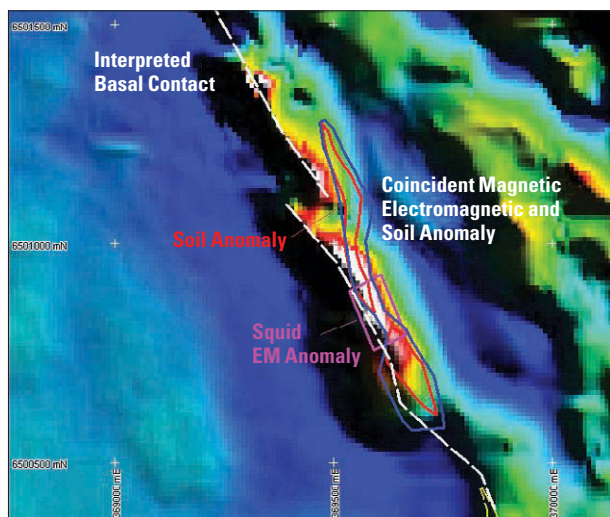
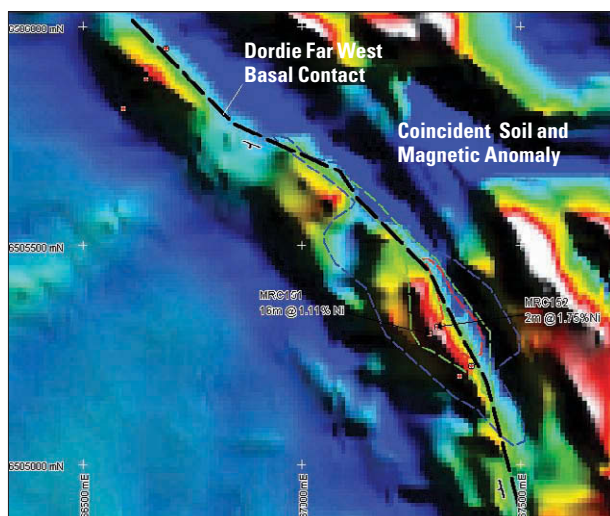


Figure 13 | Dordie Far West aeromagnetic image



## Location 1/Anomaly A/North Mariners

Location 1, Anomaly A and North Mariners are prospects with interpreted shallow plunging channels that host a number of economic ore-grade intersections. The long-plunge potential of these channels, and the grade and thickness variability down-plunge, is well known from the Miitel, Mariners and Redross ore bodies. Drilling to date on these regional prospects has focused on a tight grid for resource definition and with only limited testing of the down-plunge potential. Further step-out drilling is planned.

## Turner

This prospect is situated 2 kilometres north of the Redross Mine. Drilling targeted a well defined magnetic anomaly which is concealed by transported cover. Mincor drilled 10 diamond drill holes into this target with the best intersections including:

- MDD096: 1.8 metres @ 2.1% nickel from 189 metres
- MDD139: 2.2 metres @ 1.7% nickel from 133.66 metres
- MDD143: 2.9 metres @ 2.3% nickel from 274.5 metres
- MDD146: 3.8 metres @ 1.0% nickel from 299.96 metres

Light matrix to disseminated mineralisation occurs near or just off the basal contact. The footwall contact is structurally deformed and a cross section interpretation on 649 5900N indicates a possible preserved trough morphology.

Although no high-grade ore intersections have been returned, the early drilling is encouraging. This greenfields target is a newly discovered mineralised system and appears to have volcanological features typical of nickel deposits around the Widgiemooltha Dome. The plunge is interpreted to be southwards and relatively shallow. Follow up testing is planned.

## NORTH KAMBALDA EXPLORATION (Mincor 100%)

At the beginning of July 2007, Mincor took possession of the McMahon, Durkin and Otter Juan areas at the north end of the Kambalda Dome, following the acquisition of Goldfields Mine Management Pty Ltd.

This acquisition provides Mincor with access to a large area of highly prospective ground, which has produced a large proportion of the total ore mined in the Kambalda district over the past 40 years. Historically, there have been three separate mines on this ground-holding: Otter Juan (total past production 8.4 million tonnes @ 3.6% nickel), Durkin (3.1 million tonnes @ 3.3% nickel), and McMahon (1.7 million tonnes @ 2.9% nickel).

Mincor is currently re-evaluating the known Resources at the north end of the McMahon/Ken trend. Further evaluation of data has started at Durkin, and confirmatory drilling will soon commence within and around the existing Durkin Resource.

Mincor's intention is to carry out a sustained and aggressive long-term exploration program over these tenements.

## CARNILYA HILL EXPLORATION (Mincor 70%)

A concerted two-rig drilling program was carried out at Carnilya Hill during the year. This led to the discovery and delineation of over 16,000 tonnes of nickel metal in mineral resources, as reported elsewhere. A feasibility study produced positive results, and this project is now under development, with first ore production planned for January 2008.

## RAV 8 PROSPECT (Mincor Right to Earn 80%)

In January 2007, Mincor announced an agreement with Tectonic Resources NL to farm-in to the Rav 8 nickel property at Ravensthorpe. Under this agreement, Mincor may earn an 80% interest in the property by reaching specified expenditure hurdles. The Rav 8 ore body was discovered in the early 1970's, and the mine was operated by Tectonic between 2000 and 2005, and produced a total of 0.46 million tonnes of ore at an average grade of 3.46% nickel. The ore was mined from four shallow ore shoots, by both open pit and underground operations. There had been only limited testing of the down-plunge ore environment, and Mincor's target is the potential remake of mineralisation down-plunge of the previously mined ore body.

From the known mineralisation, a clear trend was interpreted in a south-southeast plunge direction. Available geophysics and additional SQUID survey were used to target areas within the overall interpreted trend, and drilling commenced in the fourth quarter. Two holes were drilled testing the western side of the trend, a third hole tested a geophysical target in the middle of the trend, further south. This hole intersected sulphide stringers returning 0.32 metres @ 1.9% nickel in favourable ultramafics.

A further 3 holes were drilled across the interpreted trend, but did not intersect economic mineralisation. Assays were not available at the time of writing.

Further work is planned, once all results have been returned and interpreted. Although favourable high-MgO serpentinised ultramafics are present, economically significant mineralisation has not yet been discovered.

## WEST KAMBALDA REGIONAL EXPLORATION (Mincor earning 70%)

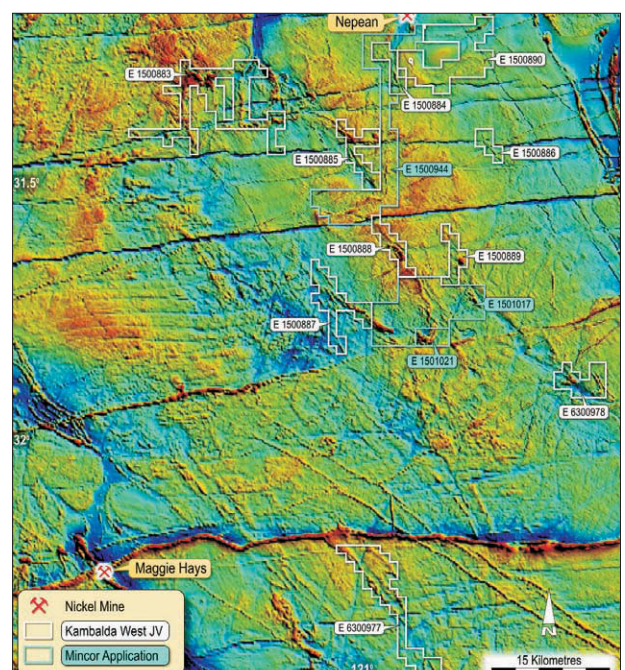
In November 2006, Mincor negotiated a farm-in agreement with Image Resources Ltd covering a suite of tenements south of Coolgardie and west of Mincor's Widgiemooltha leases. These areas cover identified aeromagnetic trends that are believed to reflect ultramafic rocks, generally on ground that is covered and has received little nickel exploration in the past. Mincor's work is aimed at discovering totally new mineralised ultramafic belts. Mincor has the right to earn up to a 70% interest, in a staged earn-in process.

Work to date has focused on tenement E15/884, approximately 25 kilometres south of the old Nepean Nickel Mine, which produced more than 30,000 tonnes of nickel during the 1970's and 1980's. Magnetic survey data highlights a trend that is believed to reflect the extension of the ultramafic rocks trending south from Nepean.

Mincor drilled a total of 73 RAB and air-core drill holes totalling 3,010 metres to test this trend. Drilling focused on the magnetic anomaly, with drill density varying from 400 x 80 metres over the best developed sections, to a coarser 800 x 80 metre grid in other areas.

The drilling intersected a variable package of ultramafic and mafic rocks, intruded by later felsics. This stratigraphy is interpreted to be similar to that seen at Nepean, and is interpreted to contain the important footwall contact on a number of sections. Nickel assay results indicated elevated values, including 6 metres @ 1.84% nickel in NRB048. This result is interpreted as lateritic enrichment in the surface weathered environment. This area will be further tested with a helicopter-borne Versatile Time Domain Electromagnetic survey, as well as litho-geochemical interpretation of all drill hole assay data.

Figure 14 | West Kambalda Map showing underlying aeromagnetics



# Other Base Metal Exploration



## TOTTENHAM COPPER PROJECT

Mincor's Tottenham Copper Project is located 120 kilometres south of Girilambone in the highly prospective Lachlan Fold Belt of New South Wales. The project comprises a series of historic copper workings associated with massive sulphides within silica and magnetite altered Girilambone sedimentary and volcanic rocks. Mincor controls a collective total of approximately 35 kilometres of strike of these mineralised units. Only minimal exploration work has been carried out in the past and this has focused on potential near-surface oxide ore.

Shallow drilling carried out by previous explorers during the late 1990's and early 2000 returned significant results including 20 metres @ 2.1% copper (from 10 metres) at the Caroline Prospect, and 7 metres @ 1.5% copper (from 29 metres), and 10 metres @ 1.4% copper (from 43 metres) at the Orange Plains Prospect (Figure 15). Mincor is focusing on both the near-surface oxide ore potential and the potential for deeper and larger sulphide systems. In this, Mincor has the advantage of owning the project 100% during a period of sustained high copper prices.

As at the date of this report, Mincor had completed a program of infill and extensional drilling on the Mount Royal, Orange Plains and Carolina oxide deposits with a total of 49 holes (2,960 metres) comprising 18 diamond holes and 31 reverse circulation percussion holes. Samples are being submitted for both aqua-regia and sequential copper analyses (to determine the solubility of the oxide ore) and this will be reported once all results have been received.

Regionally, there is potential for new sulphide-copper discoveries at depth as well as potential for additional oxide deposits. Due to the common association of magnetite with the known mineralisation, a detailed helicopter borne aeromagnetic survey (25 metre line spacing) has been completed over the entire prospective strike length. This work will be augmented by a corresponding Versatile Time Domain Electromagnetic survey, due to be flown during the September quarter. This combination of modern magnetic and electromagnetic data, together with follow up ground work, is expected to generate a number of new high quality targets for drilling.

Figure 15 | The geological setting of the Tottenham Project

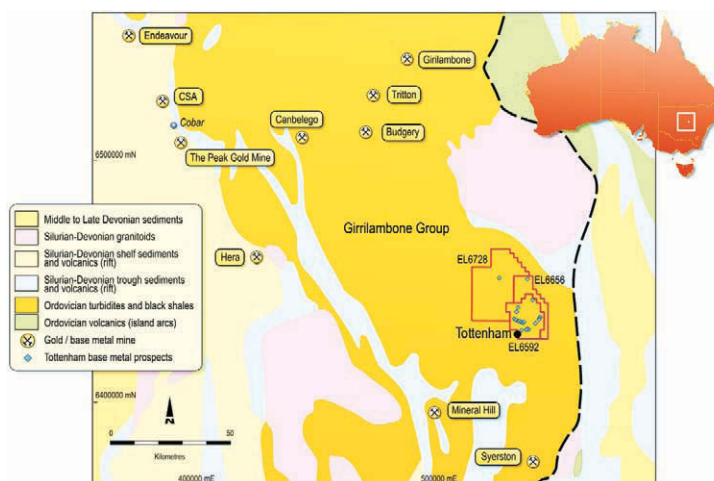
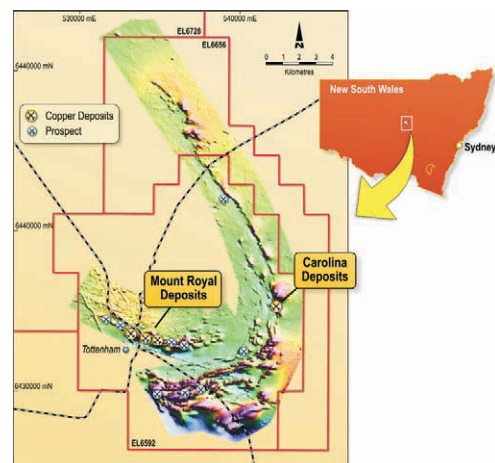
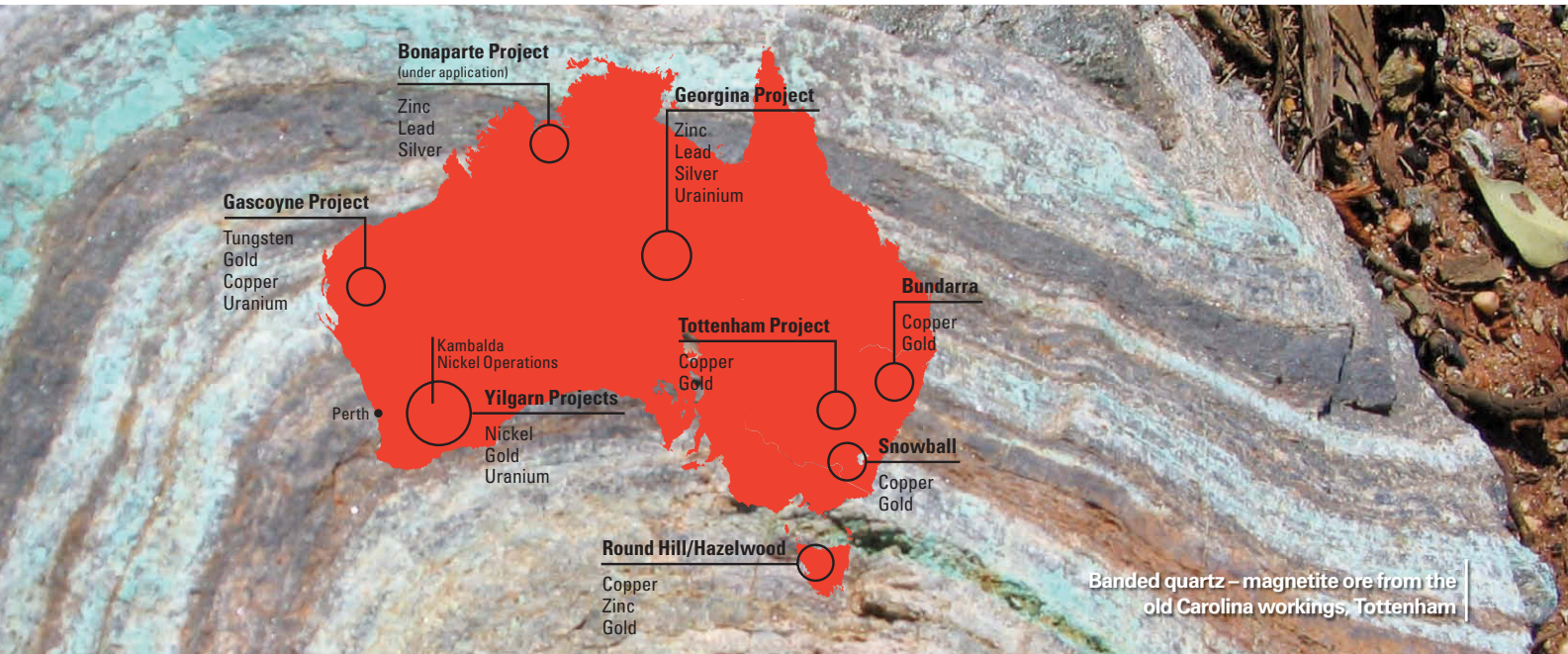


Figure 16 | Aeromagnetic map showing known occurrences at Tottenham







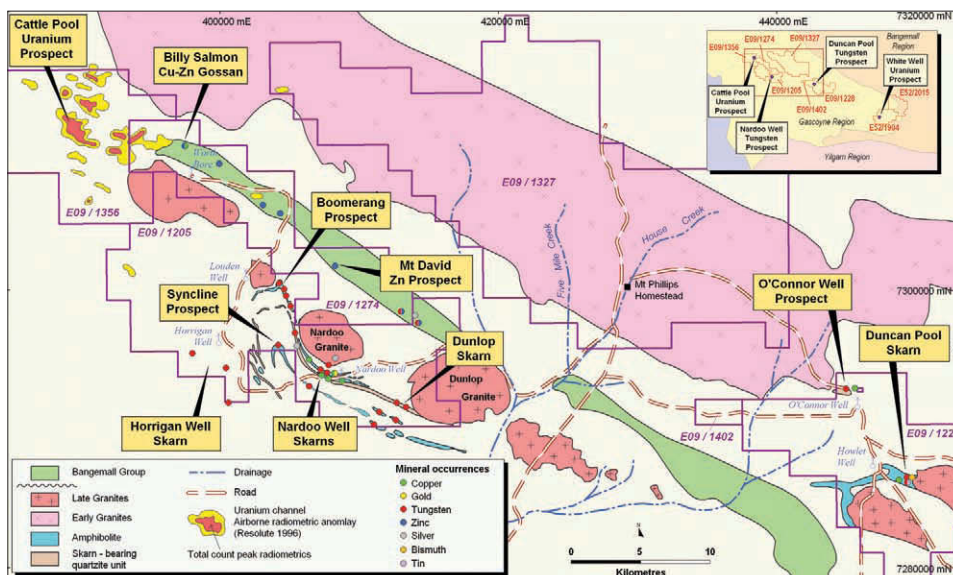
## GASCOYNE TUNGSTEN PROSPECT

At Nardoo Well, Mincor is targeting outcropping high-grade tungsten mineralisation associated with shallowly dipping contact metamorphosed Palaeo- and Mesoproterozoic sediments. The tungsten occurs as scheelite (CaWO<sub>4</sub>) hosted within contact metamorphosed sediments, mainly garnet-diopside-vesuvianite skarns (an altered calcareous sediment) and para-amphibolites (metamorphosed sediments).

Following several programs of field mapping and geochemical sampling, Mincor carried out a shallow drilling program during the year. A total of 51 reverse circulation holes for 1,333 metres were drilled, focusing on four outcropping skarns along the Nardoo Well trend. Rig availability curtailed the drilling program but all four skarns were tested with at least one hole along each of the originally planned sections. Results were disappointing however with drill intersections failing to confirm the potential suggested by surface sampling and mapping. A small program of re-sampling and diamond drilling is being considered to test the effectiveness of the reverse circulation drilling in evaluating this style of mineralisation.

Regional fieldwork is continuing across the wider Gascoyne Prospect, of which Nardoo Well is only a small part. Other metals targeted by Mincor include copper, molybdenum, bismuth, gold, zinc and uranium. Field work is underway to examine the uranium potential as the project area is prospective for both unconformity vein-type mineralisation in Palaeoproterozoic metasediments as well as Cainozoic palaeochannel calccrete hosted deposits.

Figure 17 | Gascoyne Prospect

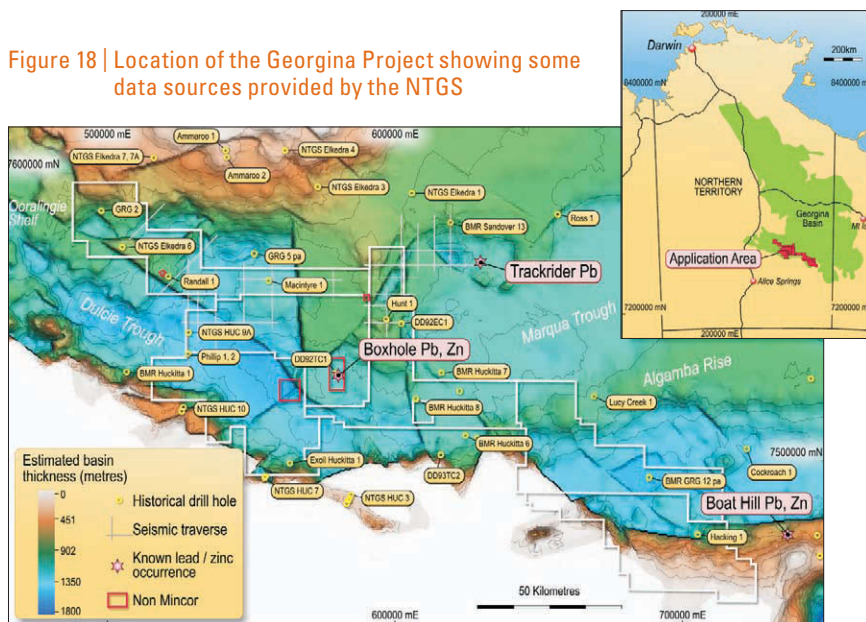


### GEORGINA ZINC AND LEAD PROJECT

This is a major conceptual play targeting the discovery of a new zinc province in the Northern Territory. Based on excellent new work by the Northern Territory Geological Survey ('NTGS'), the geological interpretation of the southern Georgina Basin has been greatly revised. The depth to prospective stratigraphy is shallower than previously thought and this, together with a revised structural framework and link to the Alice Springs Orogeny, suggests that carbonates of the Arrinthunga and Arthur Creek Formations may host zinc deposits similar to those of the Lennard Shelf in Western Australia.

Field work has yet to commence as land access negotiations with the representative bodies for traditional landowners was ongoing for most of the year. These negotiations have recently been concluded however, and in the meantime, CSA Australia Pty Ltd has been engaged to assist in the area selection and target generation process. Figure 18 shows the location of the project area, which occupies approximately 9,000 square kilometres in its current form.

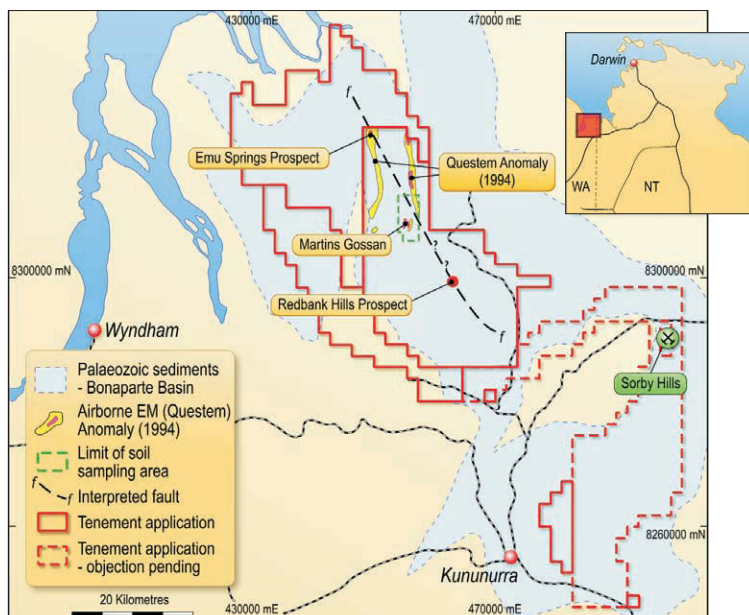
Figure 18 | Location of the Georgina Project showing some data sources provided by the NTGS



### BONAPARTE ZINC AND LEAD PROSPECT

In the far north of Western Australia, Mincor has exploration licence applications covering 1,700 square kilometres of the Bonaparte Basin. This area is also prospective for Mississippi Valley-type zinc and lead deposits and contains geochemical and geophysical targets identified by previous explorers that were never drill-tested. These constitute immediate drill targets for Mincor once land access negotiations are completed and the tenements are granted.

Figure 19 | Bonaparte Prospect tenement map



## TIPPERARY ZINC AND LEAD PROJECT, IRELAND

During the year, Mincor acquired an exploration interest in one of the major zinc producing regions of the world through a Heads of Agreement with private company, Fractore Pty Ltd. Mincor may acquire a 51% interest in Fractore's tenement (PL3782), as well as all new tenements within a 30 kilometre radius of PL3782 through the expenditure of A\$200,000. This interest may be increased to 85% by sole funding to the commencement of a bankable feasibility study. At the time of writing, an additional seven tenements had been granted and a further three very important licences remain under application and subject to a competitive process in which Mincor is one of a number of applicants.

The eastern end of Mincor's 'Tipperary Block' is situated 30 kilometres from the Lisheen and Galmoy ore bodies, along the strike of the Rathdowney trend and in what appears to be a similar geological setting. The Rathdowney Trend is a linear northeast-southwest striking zone that is visible in gravity data and corresponds with a zone of preferential dolomitisation of Walsortian limestones – the host rocks for Lisheen, Galmoy and a number of other Irish zinc deposits. It appears to represent a zone along which the interaction of favourable stratigraphy with fault structures may have produced the conditions that generated the economic ore bodies at Lisheen and Galmoy.

Mincor has already completed one drill hole, FM-3782-1, a 588 metre deep stratigraphic hole within PL3782. The drill hole successfully confirmed the presence of dolomitised Walsortian limestones at shallower depth than previously thought. The base of this unit was intersected at 541.1 metres. Further geophysical surveys and a significant drilling program are being planned.

## ALCASTON JOINT VENTURE (SOUTH PACIFIC)

### Sabeto Project, Fiji

Mincor's Sabeto project is located 25 kilometres from Nadi on the main island of Viti Levu in Fiji and is prospective for epithermal gold mineralisation similar in style to the +10 million ounce Vatukola gold mine 50 kilometres to the northeast and adjacent to the 0.45 million ounce Tuvatu deposit. Copper mineralisation is also present in the old Kingston workings located near the centre of the licence.

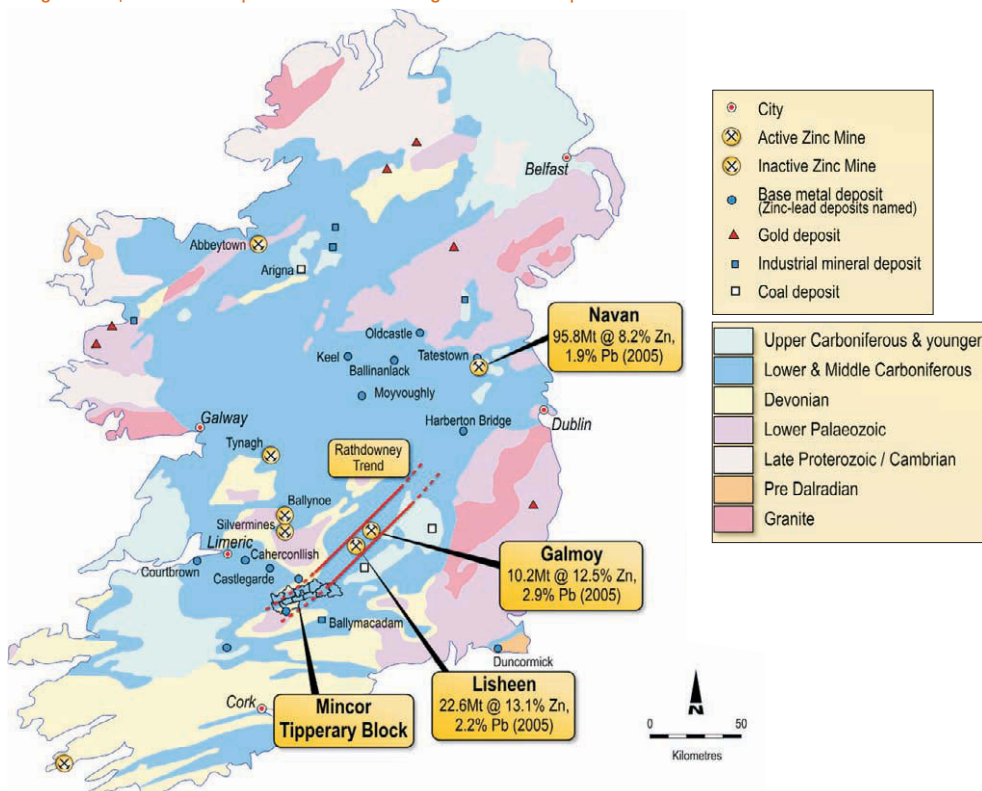
The project is the subject of an exploration and farm-in agreement with Alcaston Mining NL, now Golden Rim Resources. During the year Golden Rim Resources completed rock chip sampling of newly discovered epithermal veins within a shear zone at Tuvatu North. Drilling is currently testing an Induced Polarisation chargeability anomaly which extends southwards into the area of the Tuvatu gold deposit, located just over the southern tenement boundary.

Two additional diamond holes were drilled at the Central Ridge prospect and planning is underway to commence exploration in the vicinity of high-grade gold veins at the Banana Creek prospect.

### Vanuatu Projects

Mincor's Vanuatu projects are subject to the same agreement with Alcaston (Golden Rim Resources) as Sabeto, and comprise the Webe Creek and Tafuse Projects on the northern island of Espiritu Santo. Work conducted by Golden Rim included geological mapping and rock chip sampling followed by a 5 hole (720 metres) diamond drilling program at the Laonasmata prospect (Webe Creek). No significant results were reported, however the program was hampered by wet weather and had to be abandoned until after the wet season. Several priority gold target areas at the Laonasmata prospect remain poorly tested and Golden Rim is currently looking at options to continue drilling.

Figure 20 | Mineral map of Ireland showing main zinc deposits



# Statement of Health, Safety & Environmental Policies

## VISION AND MISSION

### Vision

Mincor's stakeholders include its shareholders, employees, local residents and the wider community. Mincor recognises its responsibilities to all its stakeholders and will ensure that its Health, Safety and Environmental standards are second to none.

### Mission

- Mincor will carry out its business in a responsible manner, and will protect and cherish the natural environment.
- Mincor will ensure that its employees are protected from all occupational injuries and diseases.
- Mincor will provide a safe working environment for its employees, will ensure that Health and Safety are management's top priority and that its workforce is fully trained in Health and Safety matters.

## POLICY STATEMENT

Mincor attaches the greatest value to the health and safety of its employees; it is every manager's and supervisor's duty to do everything in his or her power to avert damage, occupational injuries and occupational diseases, and it is also everyone's personal duty to avert damage and occupational injuries and occupational diseases, both in respect of himself or herself and of his or her fellow-workers.

## PRINCIPLES AND VALUES

Mincor subscribes to the following eleven self-explanatory principles and values:

- All injuries, occupational diseases and damage can be prevented.
- Preventing injuries, occupational diseases and damage makes good business sense.
- Everybody occupying a managerial or supervisory position is personally responsible for the safety and health of those working under him.
- Everybody in Mincor's employment carries personal responsibility for his or her own and his or her fellow workers' health and safety.
- Training is an essential element in ensuring the safety and health of employees.
- Safety and health audits are carried out regularly, participatively and meaningfully, with the emphasis on the modification of attitudes.
- Every shortcoming in the field of occupational health and safety is rectified immediately and permanently.
- All injuries, occupational diseases and damage are investigated thoroughly and participatively, not only to determine the direct causes but also to uncover underlying causes.
- People are the most important element of Mincor's occupational health and safety programme.
- Following best practices elsewhere in the world, supervisors spend at least 20% of their time on matters directly related to the protection of their subordinates' health and safety.
- Contractor's personnel are viewed as Mincor employees for health and safety purposes. Mincor's safety principles and values apply equally to contractor's personnel.

Deviations from these principles and values and from required conduct are unacceptable.

## OBJECTIVES

- Elimination of unsafe environments and unsafe working conditions.
- Elimination of unsafe acts.
- Maintenance of high safety awareness among all employees.
- Continual safety training at all levels.
- Comprehensive induction of part-time and casual employees.
- Insistence on similar safety standards from contractors.





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# 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](http://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

During the year, 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.

In the interests of disclosure, the Board notes that Mr Humann is a director of and minority shareholder in James Anne Holdings Pty Ltd, 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 Ltd 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 3 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 Board's 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.

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

# CORPORATE GOVERNANCE STATEMENT

## BOARD COMMITTEES (CONTINUED)

### 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.

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](http://www.mincor.com.au), on which the Company makes the following information available:

- Company announcements for the last 3 years;
- Information briefings to media and analysts for the last 3 years;
- Notices of meetings and explanatory materials;
- Financial information for the last 3 years; and
- Annual reports for the last 3 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.

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

The Company's risk management system is an ongoing process. It is recognised that the level and extent of the risk management system will evolve commensurate with the evolution and growth of the Company's activities.

## 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)	<p><b>Experience and expertise</b></p> <p>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.</p> <p>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.</p> <p><b>Other current directorships</b></p> <p>Non-executive chairman of Atomaer Holdings Pty Ltd; Braemore Resources PLC; Matrix Metals Ltd and Safe Effect Technologies Ltd.</p> <p>Non-executive director of Exxaro Australia Sands Pty Ltd; India Resources Ltd; Monarch Gold Mining Co. Ltd; and Rewards Group Pty Ltd.</p> <p>Director of James Anne Holdings Pty Ltd.</p> <p><b>Former directorships in last 3 years</b></p> <p>Non-executive director of Durack Estates Pty Ltd and Durack International Pty Ltd from 1985 to 2007.</p> <p>Non-executive director of Macmahon Holdings Ltd Group from 2000 to 2006.</p> <p>Non-executive director of Tethyan Copper Company Ltd from 2000 to 2006.</p> <p>Non-executive chairman of Jupiter Energy Ltd from 2003 to 2005.</p>	225,000 shares
DCA Moore (Managing Director)	<p><b>Experience and expertise</b></p> <p>Mr Moore joined Mincor Resources NL on 30 September 1999 and is the Managing Director of the Company. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration, business development, project management and strategic planning. In 1996 he left a position as Billiton's Chief Geologist in Peru to join Iscor Australia Pty Ltd as director of business development. In that role he established Iscor's gold and base metal exploration unit in Australasia. During 1999 he conducted the transactions that led to the creation of Mincor Resources NL and became Managing Director of that Company. In 2000 Mr Moore founded Tethyan Copper Company Ltd and as Managing Director drove that company's development, spin-off, listing and growth until its successful cash takeover by a joint venture between Antofagasta and Barrick in 2006. Mr Moore has worked extensively in South America, southern and eastern Africa and Australasia. He holds a B.Sc (Eng) (Mining Geology).</p> <p><b>Other current directorships</b></p> <p>None.</p> <p><b>Former directorships in last 3 years</b></p> <p>Managing director of Tethyan Copper Company Ltd from 2000 to 2006.</p>	4,000,000 shares

Name	Particulars	Shareholding Interest
JW Gardner	<p><b>Experience and expertise</b></p> <p>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.</p> <p><b>Other current directorships</b></p> <p>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.</p> <p><b>Former directorships in last 3 years</b></p> <p>Non-executive director of Norske Precious Metals from 2006 to 2007.</p>	1,618,176 shares
IF Burston	<p><b>Experience and expertise</b></p> <p>Mr Burston is a Non-executive Director who joined the Company in January 2003. He holds a Bachelor of Engineering (Mechanical) 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.</p> <p><b>Other current directorships</b></p> <p>Non-executive chairman of Imdex Ltd and Broome Port Authority. Executive chairman of Cape Lambert Iron Ore Ltd.</p> <p><b>Former directorships in last 3 years</b></p> <p>Executive chairman of Aztec Resources Ltd from 2003 to 2007. Non-executive director of Aviva Corporation Ltd from 2003 to 2006.</p>	50,000 shares
JS Reeve	<p><b>Experience and expertise</b></p> <p>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.</p> <p>Mr Reeve graduated as a geologist with a Bachelor of Science (Hons) degree from Sydney University. Mr Reeve 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 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.</p> <p><b>Other current directorships</b></p> <p>None.</p> <p><b>Former directorships in last 3 years</b></p> <p>None.</p>	Nil

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2007

### 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	<b>Experience and expertise</b> 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.

In August 2006 the Company approved a \$24 million development of the South Miitel ore body 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 5 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 licence 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 12 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.

## 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.

#### 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.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2007

### REMUNERATION REPORT (CONTINUED)

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

##### 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.

#### 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.



**DIRECTORS' REPORT**  
FOR THE YEAR ENDED 30 JUNE 2007

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
	Directors fees	Salary	Bonus	Non-monetary benefits	Other	Super-annuation	Long service leave	Options	
Name	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive Directors</b>									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	50,459	-	-	-	-	4,541	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
<b>Sub-total</b>	<b>205,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,441</b>	<b>-</b>	<b>-</b>	<b>220,000</b>
<b>Executive Directors</b>									
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
<b>Other Key Management Personnel</b>									
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
<b>Total</b>	<b>205,559</b>	<b>1,392,119</b>	<b>142,666</b>	<b>2,127</b>	<b>27,733</b>	<b>95,898</b>	<b>134,721</b>	<b>195,304</b>	<b>2,196,127</b>

\* 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.

2006	Short-Term Employee Benefits					Post-employment Benefits	Long-term Benefits	Share-based Payments	Total
	Directors fees	Salary	Bonus	Non-monetary benefits	Other	Super-annuation	Long service leave	Options	
Name	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive Directors</b>									
DJ Humann (Chairman)	54,600	-	-	-	-	5,400	-	-	60,000
JW Gardner	33,028	-	-	-	-	2,972	-	-	36,000
IF Burston	36,000	-	-	-	-	-	-	-	36,000
<b>Sub-total</b>	<b>123,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,372</b>	<b>-</b>	<b>-</b>	<b>132,000</b>
<b>Executive Directors</b>									
DCA Moore	-	427,273	180,000	588	-	12,139	45,006	-	665,006
<b>Other Key Management Personnel</b>									
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
<b>Total</b>	<b>123,628</b>	<b>1,141,177</b>	<b>231,813</b>	<b>1,764</b>	<b>45,937</b>	<b>67,830</b>	<b>94,620</b>	<b>40,662</b>	<b>1,747,431</b>

\* 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

## FOR THE YEAR ENDED 30 JUNE 2007

### REMUNERATION REPORT (CONTINUED)

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

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

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

Name	Fixed Remuneration		At Risk - LTI		At Risk - STI	
	2007	2006	2007	2006	2007	2006
<b>Directors of Mincor Resources NL</b>						
DJ Humann (Chairman)	100%	100%	-	-	-	-
DCA Moore	95%	73%	5%	27%	-	-
JW Gardner	100%	100%	-	-	-	-
IF Burston	100%	100%	-	-	-	-
JS Reeve	87%	-	13%	-	-	-
<b>Other Key Management Personnel of the consolidated entity</b>						
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.

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	-	-	30/06/2008	Nil	1,248
			2006	-	-	-	Nil	-
M Hildebrand	-	-	2007	-	-	30/06/2008	Nil	-
B Lynn	100	-	2007	-	-	-	-	-
			2006	34.21%	-	30/06/2008, 30/06/2009	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 3 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.

*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.

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 <sup>(1)</sup>	50% after 6 November 2004 50% after 6 November 2005	6 November 2008	\$0.84	\$0.286
22 December 2005 <sup>(1)</sup>	100% after 18 November 2006	25 October 2010	\$0.70	\$0.1834
8 May 2006 <sup>(2)</sup>	33½% after 8 May 2007	7 May 2011	\$0.85	\$0.240
	33½% after 8 May 2008	7 May 2011	\$0.85	\$0.230
	33½% after 8 May 2009	7 May 2011	\$0.85	\$0.220
9 September 2006 <sup>(2)</sup>	100% after 30 June 2007	8 September 2011	\$1.21	\$0.4761
20 October 2006 <sup>(2)</sup>	33½% after 18 October 2007	19 October 2011	\$1.74	\$0.753
	33½% after 18 October 2008	19 October 2011	\$1.74	\$0.753
	33½% after 18 October 2009	19 October 2011	\$1.74	\$0.753
6 December 2006 <sup>(1)</sup>	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 2006 annual general meeting. All staff are eligible to participate in the Plan.

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

All options granted carry no dividend or voting rights.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2007

### REMUNERATION REPORT (CONTINUED)

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

##### 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
<b>Directors of Mincor Resources NL</b>				
DJ Humann (Chairman)	-	-	-	-
DCA Moore	-	-	-	-
JW Gardner	-	-	-	-
IF Burston	-	-	-	-
JS Reeve	-	-	10,000	-
<b>Other Key Management Personnel of the consolidated entity</b>				
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.

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 4 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 5 financial years.

	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)	51.8	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.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 30 JUNE 2007

### REMUNERATION REPORT (CONTINUED)

#### e) Additional Information (unaudited) (continued)

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
<b>Other Key Management Personnel of the consolidated entity</b>			
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.

### 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
			<b>4,080,794</b>

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
		<b>2,898,006</b>

### 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 McMahan 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 licence 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.

## 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



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### 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:

#### Auditor's Independence Declaration

- 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.
- 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:

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

- 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.

Partner  
 PricewaterhouseCoopers

21 August 2007

John O'Connor  
 Partner  
 PricewaterhouseCoopers

Perth  
 21 August 2007



## INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	CONSOLIDATED		PARENT ENTITY	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Revenue</b>	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)
<b>Profit before income tax</b>		<b>145,009</b>	<b>40,596</b>	<b>145,192</b>	<b>40,349</b>
Income tax expense	5	(43,679)	(11,287)	(43,679)	(11,152)
<b>Profit attributable to the members of Mincor Resources NL</b>		<b>101,330</b>	<b>29,309</b>	<b>101,513</b>	<b>29,197</b>
		<b>Cents</b>	<b>Cents</b>		
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		PARENT ENTITY	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Current Assets</b>					
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	-
<b>Total Current Assets</b>		<b>246,086</b>	<b>105,494</b>	<b>246,084</b>	<b>105,491</b>
<b>Non-Current Assets</b>					
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
<b>Total Non-Current Assets</b>		<b>64,687</b>	<b>64,434</b>	<b>63,566</b>	<b>63,672</b>
<b>TOTAL ASSETS</b>		<b>310,773</b>	<b>169,928</b>	<b>309,650</b>	<b>169,163</b>
<b>Current Liabilities</b>					
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
<b>Total Current Liabilities</b>		<b>139,028</b>	<b>79,428</b>	<b>139,027</b>	<b>79,428</b>
<b>Non-Current Liabilities</b>					
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
<b>Total Non-Current Liabilities</b>		<b>21,479</b>	<b>19,378</b>	<b>21,095</b>	<b>19,155</b>
<b>TOTAL LIABILITIES</b>		<b>160,507</b>	<b>98,806</b>	<b>160,122</b>	<b>98,583</b>
<b>NET ASSETS</b>		<b>150,266</b>	<b>71,122</b>	<b>149,528</b>	<b>70,580</b>
<b>Equity</b>					
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
<b>TOTAL EQUITY</b>		<b>150,266</b>	<b>71,122</b>	<b>149,528</b>	<b>70,580</b>

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

	Note	CONSOLIDATED				PARENT ENTITY			
		Issued Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total Equity \$'000	Issued Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total Equity \$'000
<b>At 1 July 2006</b>		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)
<b>Total income and expense recognised directly in equity</b>		-	-	(7,565)	(7,565)	-	-	(7,944)	(7,944)
Profit for the year		-	101,330	-	101,330	-	101,513	-	101,513
<b>Total recognised income and expense for the year</b>		-	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
<b>At 30 June 2007</b>		29,481	146,332	(25,547)	150,266	29,481	146,709	(26,662)	149,528
<b>At 1 July 2005</b>		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)
<b>Restated total equity at 1 July 2005</b>		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)
<b>Total income and expense recognised directly in equity</b>		-	-	(13,132)	(13,132)	-	-	(13,544)	(13,544)
Profit for the year		-	29,309	-	29,309	-	29,197	-	29,197
<b>Total recognised income and expense for the year</b>		-	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
<b>At 30 June 2006</b>		27,313	62,598	(18,789)	71,122	27,313	62,792	(19,525)	70,580

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

# CASH FLOWS STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	Note	CONSOLIDATED		PARENT ENTITY	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Cash Flows from Operating Activities</b>					
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)
<b>Net Cash Inflow from Operating Activities</b>	30(a)	<b>192,158</b>	<b>52,034</b>	<b>192,158</b>	<b>51,974</b>
<b>Cash Flows from Investing Activities</b>					
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
<b>Net Cash (Outflow) from Investing Activities</b>		<b>(52,298)</b>	<b>(16,762)</b>	<b>(52,297)</b>	<b>(16,702)</b>
<b>Cash Flows from Financing Activities</b>					
Proceeds from issues of shares		2,168	-	2,168	-
Dividends paid		(17,596)	(7,786)	(17,596)	(7,786)
Repayment of borrowings		-	(556)	-	(556)
<b>Net Cash (Outflow) from Financing Activities</b>		<b>(15,428)</b>	<b>(8,342)</b>	<b>(15,428)</b>	<b>(8,342)</b>
<b>Net Increase in Cash Held</b>		<b>124,432</b>	<b>26,930</b>	<b>124,433</b>	<b>26,930</b>
Cash at the Beginning of the Financial Year		45,135	18,205	45,134	18,204
<b>Cash at the End of the Financial Year</b>	30(b)	<b>169,567</b>	<b>45,135</b>	<b>169,567</b>	<b>45,134</b>
Non-cash financing and investing activities	31				

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

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of 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 policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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

##### 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.

### 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.

### 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 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### 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

##### 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.



#### 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.

#### 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.

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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

##### 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.

##### 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.

##### 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.

##### 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.

### 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.

### 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.

### 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.

### 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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

##### 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.

##### 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.

#### 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.

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.

**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.

**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

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 2 REVENUE

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

### NOTE 3 OTHER INCOME

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
	<b>-</b>	<b>10,285</b>	<b>-</b>	<b>10,099</b>

### NOTE 4 EXPENSES

Profit before income tax includes the following specific expenses:

Expenses				
Cost of sale of goods	130,316	114,740	130,316	114,740
Write off of amounts owing from subsidiary	-	-	-	210
<b>Finance costs</b>				
- Interest paid or due and payable to other persons	417	536	417	532
- Amortisation of borrowing costs	-	163	-	163
	<b>417</b>	<b>699</b>	<b>417</b>	<b>695</b>
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
<b>Depreciation and amortisation:</b>				
- Mine property	24,114	23,883	24,114	23,883
- Plant and equipment	10,888	6,348	10,888	6,348
	<b>35,002</b>	<b>30,231</b>	<b>35,002</b>	<b>30,231</b>

## 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
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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

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 6 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Current</b>				
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
<b>Non-Current</b>				
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



**NOTE 8**  
**DERIVATIVE FINANCIAL INSTRUMENTS**

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Current Assets</b>				
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
<b>Total Current Derivative Financial Instrument Assets</b>	<b>7,529</b>	<b>1,072</b>	<b>7,529</b>	<b>1,072</b>
<b>Non-Current Assets</b>				
Forward foreign exchange contracts - cash flow hedges	3,764	-	3,764	-
<b>Total Non-Current Derivative Financial Instrument Assets</b>	<b>3,764</b>	<b>-</b>	<b>3,764</b>	<b>-</b>
<b>Current Liabilities</b>				
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)
<b>Total Current Derivative Financial Instrument Liabilities</b>	<b>(62,208)</b>	<b>(37,858)</b>	<b>(62,208)</b>	<b>(37,858)</b>
<b>Non-Current Liabilities</b>				
Forward foreign exchange contracts - cash flow hedges	-	(319)	-	(319)
Futures commodity contracts - cash flow hedges	(10,073)	(7,933)	(10,073)	(7,933)
<b>Total Non-Current Derivative Financial Instrument Liabilities</b>	<b>(10,073)</b>	<b>(8,252)</b>	<b>(10,073)</b>	<b>(8,252)</b>
<b>Net Derivative Financial Instrument Liabilities</b>	<b>(60,988)</b>	<b>(45,038)</b>	<b>(60,988)</b>	<b>(45,038)</b>

**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)	
	2007	2006	2007	2006
<b>Sell US Dollars</b>				
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	-
			<b>158,005</b>	<b>90,409</b>

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

## FOR THE YEAR ENDED 30 JUNE 2007

### 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	-
<b>Total</b>	<b>4,876</b>	<b>4,813</b>		

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.

## NOTE 9 OTHER FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Current</b>				
Deposit for post balance date acquisition of controlled entity (refer Note 29)	11,750	-	11,750	-
<b>Non-Current</b>				
<i>Shares in subsidiaries</i>				
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 & AASB 139	-	558	-	252
Re-measurement to fair value on adoption of AASB 132 & 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

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 11 PROPERTY, PLANT AND EQUIPMENT

Consolidated	Mine Property \$'000	Plant & Equipment \$'000	Leased Plant & Equipment \$'000	Total \$'000
<b>At 1 July 2005</b>				
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
<b>Year ended 30 June 2006</b>				
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
<b>At 30 June 2006</b>				
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
<b>Year ended 30 June 2007</b>				
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
<b>At 30 June 2007</b>				
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  
FOR THE YEAR ENDED 30 JUNE 2007

Parent	Mine Property \$'000	Plant & Equipment \$'000	Leased Plant & Equipment \$'000	Total \$'000
<b>At 1 July 2005</b>				
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
<b>Year ended 30 June 2006</b>				
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
<b>At 30 June 2006</b>				
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
<b>Year ended 30 June 2007</b>				
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
<b>At 30 June 2007</b>				
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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 12 EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Exploration and Evaluation Expenditure</b>				
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

### NOTE 13 PAYABLES

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

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
<b>Current</b>				
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.

## NOTE 16 PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Current</b>				
Employee benefits	1,222	986	1,222	986
Other	-	142	-	142
	1,222	1,128	1,222	1,128
<b>Non-Current</b>				
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
<b>Consolidated and Parent Entity – 2007</b>			
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

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 17 DEFERRED TAX LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
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
<i>Amounts recognised directly in equity</i>				
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

Fully paid 197,291,011 ordinary shares (2006: 194,663,005)	29,481	27,313	29,481	27,313
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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.

#### 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
<b>2006</b>			
Opening and closing balance	194,663,005		27,313



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2007

#### 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 <sup>(1)</sup>	17 December 2003	6 November 2008	84 cents per share
142,000 unlisted <sup>(1)</sup>	22 December 2005	25 October 2010	70 cents per share
2,550,794 unlisted <sup>(2)</sup>	8 May 2006	7 May 2011	85 cents per share
250,000 unlisted <sup>(2)</sup>	9 September 2006	8 September 2011	121 cents per share
850,000 unlisted <sup>(2)</sup>	20 October 2006	19 October 2011	174 cents per share
530,000 unlisted <sup>(1)</sup>	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.

## NOTE 19 RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'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)
<b>Movements:</b>				
<i>Available-for-Sale Investments Revaluation Reserve</i>				
Balance at 1 July	598	-	(138)	-
Adjustments on adoption of AASB 132 & 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)
<i>Hedging Reserve – Cash Flow Hedges</i>				
Balance at 1 July	(19,659)	-	(19,659)	-
Adjustments on adoption of AASB 132 & 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)
<i>Share-based Payments Reserve</i>				
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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 19 RESERVES (CONTINUED)

#### 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.

### 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

#### 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.

#### 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.

## 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
	<b>2,196</b>	<b>1,747</b>	<b>2,196</b>	<b>1,747</b>

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

#### 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.

#### 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
<b>Directors of Mincor Resources NL</b>							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
JS Reeve	10,000	-	-	-	10,000	10,000	-
<b>Other Key Management Personnel of the consolidated entity</b>							
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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 22

#### KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

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

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
<b>Directors of Mincor Resources NL</b>							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
<b>Other Key Management Personnel of the consolidated entity</b>							
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

#### 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
<b>Directors of Mincor Resources NL</b>				
<b>Ordinary shares</b>				
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
<b>Other Key Management Personnel of the consolidated entity</b>				
<b>Ordinary shares</b>				
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
<b>Directors of Mincor Resources NL</b>				
<b>Ordinary shares</b>				
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
<b>Other Key Management Personnel of the consolidated entity</b>				
<b>Ordinary shares</b>				
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

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
<b>Office Rental</b>				
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

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

## FOR THE YEAR ENDED 30 JUNE 2007

### 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 \$
<b>a) Audit services</b>				
PricewaterhouseCoopers Australian firm				
- Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	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>b) Non-audit services</b>				
<i>Audit-related services</i>				
PricewaterhouseCoopers Australian firm				
- IFRS accounting services	-	21,410	-	21,410
Total remuneration for audit-related services	-	21,410	-	21,410
<i>Taxation services</i>				
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
<i>Other Services</i>				
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	-

## 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 <sup>(1)*</sup>	Nickel exploration	70	(earning)
Image Resources Farm-in and Joint Venture <sup>(2)*</sup>	Nickel exploration	(earning)	-
Tectonic Resources NL Farm-in and Joint Venture <sup>(3)*</sup>	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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### 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.

#### c) Loans to Related Parties

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Loans to subsidiaries</b>				
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 licence 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.



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

	CONSOLIDATED		PARENT ENTITY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000

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

Profit for the year	101,330	29,309	101,513	29,197
<b>Add/(Less): Non-Cash Items</b>				
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
<b>Change in operating assets and liabilities</b>				
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
<b>Net cash inflow from operating activities</b>	<b>192,158</b>	<b>52,034</b>	<b>192,158</b>	<b>51,974</b>

**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
	<b>169,567</b>	<b>45,135</b>	<b>169,567</b>	<b>45,134</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### 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

### NOTE 32 EARNINGS PER SHARE

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2007

#### 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).

#### 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:		Non-Interest Bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000		
<b>Financial Assets</b>					
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
<b>Financial Liabilities</b>					
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:		Non-Interest Bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000		
<b>Financial Assets</b>					
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
<b>Financial Liabilities</b>					
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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 33 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 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.

#### 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
<b>2007</b>								
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	-
<b>Total</b>			<b>1,648,800</b>	<b>530,000</b>	<b>1,428,800</b>	<b>50,000</b>	<b>700,000</b>	<b>170,000</b>
Weighted average exercise price			\$0.79	\$2.16	\$0.80	\$0.70	\$1.81	\$0.72

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2007

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
<b>2006</b>								
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	-
<b>Total</b>			<b>1,254,000</b>	<b>780,000</b>	<b>-</b>	<b>385,200</b>	<b>1,648,800</b>	<b>1,088,800</b>
Weighted average exercise price			\$0.84	\$0.70	-	\$0.76	\$0.79	\$0.84

#### *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	33⅓% of options	8 May 2007
8 May 2006	66⅔% 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	33⅓% of options	19 October 2007
20 October 2006	66⅔% 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

## FOR THE YEAR ENDED 30 JUNE 2007

### NOTE 34 SHARE-BASED PAYMENTS (CONTINUED)

#### Mincor Resources Executive Share 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
<b>2007</b>								
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	-
<b>Total</b>			<b>4,500,000</b>	<b>1,100,000</b>	<b>1,199,206</b>	<b>750,000</b>	<b>3,650,794</b>	<b>50,794</b>

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
<b>2006</b>								
8 May 2006	7 May 2011	85 cents	-	4,500,000	-	-	4,500,000	-
<b>Total</b>			<b>-</b>	<b>4,500,000</b>	<b>-</b>	<b>-</b>	<b>4,500,000</b>	<b>-</b>

#### 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 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 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%

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

In the Director's opinion:

- (a) the financial statements and notes set out on pages 55 to 92 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 45 to 51 of the Directors' 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



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## **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 45 to 51 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.

### *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 45 to 51 of the directors' report comply with Accounting Standard AASB 124.

  
PricewaterhouseCoopers



John O'Connor  
Partner

Perth  
21 August 2007

# ADDITIONAL SHAREHOLDER INFORMATION

AS AT 31 AUGUST 2007

## a) Substantial Holders (holding not less than 5%)

Name of Shareholder	Total Number of Voting Shares in Mincor Resources NL in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
Barclays Group	18,241,134	9.26

## b) Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1 to 1,000	1,733	1,180,618
1,001 to 5,000	3,461	10,020,847
5,001 to 10,000	1,576	12,962,270
10,001 to 100,000	1,557	43,768,464
100,001 and over	119	129,628,812

## c) Number of Shareholders Holding Less than a Marketable Parcel

89 shareholders (minimum parcel size of 152 shares/\$500 parcel at \$3.30 per share).

## d) Voting Rights

### Ordinary Shares

On a show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

### Options

The Company's options have no voting rights.

## e) Percentage Held by 20 Largest Shareholders 53.20%

## f) Listing of 20 Largest Shareholders

Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held (%)
HSBC Custody Nominees (Australia) Limited	21,202,818	10.73
ANZ Nominees Limited	17,377,231	8.80
JP Morgan Nominees Australia Limited	15,492,859	7.84
National Nominees Limited	12,159,705	6.15
Citicorp Nominees Pty Limited	11,139,799	5.64
HSBC Custody Nominees (Australia) Limited – A/C 2	6,020,287	3.05
Mr David Charles Moore	4,000,000	2.02
Cogent Nominees Pty Limited	3,316,412	1.68
Australian Reward Investment Alliance	2,586,200	1.31
Mr John William Gardner & Mrs Janet Leigh Gardner	1,618,175	0.82
Mr Anthony Hubert Shields	1,500,000	0.76
Ravex Pty Ltd	1,210,000	0.61
Mr Robert Euan Macmillan & Mrs Ruth Durelle Macmillan	1,100,000	0.56
AMP Life Limited	1,073,449	0.54
Mrs Daphne Georgina Balaam	1,021,558	0.52
Mr Anthony Hubert Shields & Ms Amanda Carol Nayton	1,000,000	0.51
UBS Nominees Pty Ltd	884,325	0.45
HSBC Custody Nominees (Australia) Limited-GSI ECSA	817,809	0.41
Mr Peter Taubman Blackwell & Mrs Daphne Christine Blackwell	800,000	0.40
HSBC Custody Nominees (Australia) Limited-GSCO ECSA	784,097	0.40

## g) Stock Exchange Listing

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

## h) Unlisted Share Options

Number of Options	Exercise Price	Expiry Date	Number of Holders
<b>2002 Employee Share Option Plan</b>			
28,000	84 cents	6 November 2008	1
122,000	70 cents	25 October 2010	13
530,000	216 cents	5 December 2011	106
<b>Mincor Resources Executive Share Option Scheme</b>			
2,550,794	85 cents	7 May 2011	6
850,000	174 cents	19 October 2011	8
100,000	423 cents	22 July 2012	1

# TENEMENT SCHEDULE

AS AT 31 AUGUST 2007

Lease	Lease Type	Lease Name	Region	Project	Status	Grant Date	Expiry Date	Area (Km <sup>2</sup> )	Mincor Equity (%)
CAW161821(1)	Construct/Alter Well	Miitel Dordie North	Kambalda	Widgiemooltha	Granted	10/16/06		n/a	100%
DGL 14979	Dangerous Goods	Wannaway	Kambalda	Widgiemooltha	Granted	6/18/03	6/17/08	0.01	100%
DGL 16580	Dangerous Goods	Miitel	Kambalda	Widgiemooltha	Granted	2/25/03	2/24/08	0.01	100%
DGL 17153	Dangerous Goods	Carnilya Hill	Kambalda	Carnilya Hill	Granted	1/1/07	12/12/07	0.01	100%
E09/1205	Exploration	Nardoo Well	Gascoyne	Gascoyne	Granted	4/19/06	4/18/11	218.29	100%
E09/1228	Exploration	Duncan Pool	Gascoyne	Gascoyne	Granted	4/19/06	4/18/11	217.81	100%
E09/1274	Exploration	Worth Bore	Gascoyne	Gascoyne	Granted	1/25/07	1/24/12	99.84	100%
E09/1327	Exploration	Mt Phillips	Gascoyne	Gascoyne	Granted	4/19/07	4/18/12	443.06	100%
E09/1356	Exploration	Cattle Pool	Gascoyne	Gascoyne	Granted	8/13/07	8/12/12	118.62	100%
E09/1402	Exploration	Gurangurra Bore	Gascoyne	Gascoyne	Granted	8/6/07	8/5/12	6.23	100%
E15/201	Exploration	Wannaway South	Kambalda	Widgiemooltha	Converted	8/8/91	8/7/96	6.752	100%
E15/721	Exploration	Railway	Kambalda	Widgiemooltha	Granted	8/10/05	8/9/10	3.69	100%
E15/729	Exploration	Lake Cowan	Kambalda	Lake Cowan	Granted	1/5/06	1/4/11	21.27	100%
E15/765	Exploration	Chalice North	Kambalda	Widgiemooltha	Granted	10/8/04	10/7/09	20.71	100%
E15/801	Exploration	Widgiemooltha	Kambalda	Widgiemooltha	Granted	10/8/04	10/7/09	0.86	100%
E15/809	Exploration	Widgie Dome	Kambalda	Widgiemooltha	Granted	2/16/05	2/15/10	89.29	100%
E15/811	Exploration	Redross East	Kambalda	Widgiemooltha	Granted	10/8/04	10/7/09	3.84	100%
E15/812	Exploration	Dordie West	Kambalda	Widgiemooltha	Granted	8/10/05	8/9/10	8.63	100%
E15/858	Exploration	Sunday Soak	Kambalda	Widgiemooltha	Granted	6/8/05	6/7/10	24.59	100%
E15/859	Exploration	Wannaway East	Kambalda	Widgiemooltha	Granted	2/16/05	2/15/10	1.34	100%
E15/876	Exploration	Dordie South	Kambalda	Widgiemooltha	Granted	9/22/06	9/21/11	2.34	100%
E15/880	Exploration	Lake Lefroy East	Kambalda	Lake Lefroy	Granted	1/5/06	1/4/11	7.88	100%
E15/911	Exploration	Stockwell	Kambalda	Bluebush	Granted	5/1/07	4/30/12	30.88	100%
E52/1904	Exploration	Flint Hill	Gascoyne	Gascoyne	Granted	7/20/06	7/19/11	217.65	100%
E52/2015	Exploration	Dead Horse	Gascoyne	Gascoyne	Granted	8/6/07	8/5/12	220.93	100%
E63/754	Exploration	Tramways	Norseman	Tramways	Renewal Pending	10/23/01	10/22/06	30.98	100%
E63/756	Exploration	Heartbreak South	Norseman	Dundas	Granted	10/28/04	10/27/09	202.99	100%
E63/757	Exploration	Clear Streak Well North	Norseman	Dundas	Granted	10/28/04	10/27/09	202.73	100%
E63/758	Exploration	Clear Streak Well	Norseman	Dundas	Granted	10/28/04	10/27/09	202.56	100%
E63/759	Exploration	Clear Streak Well South	Norseman	Dundas	Granted	10/28/04	10/27/09	202.43	100%
E63/788	Exploration	Killaloe	Norseman	Tramways	Granted	12/23/02	12/22/07	14.13	100%
EL25089	Exploration	Arapunya	Alice Springs	Georgina Basin	Granted	9/7/06	9/6/12	1588	100%
EL25090	Exploration	Derry Downs	Alice Springs	Georgina Basin	Granted	10/2/06	10/1/12	1590	100%
EL25091	Exploration	Lucy Creek	Alice Springs	Georgina Basin	Granted	10/2/06	10/1/12	1590	100%
EL25092	Exploration	Mt Teitkens	Alice Springs	Georgina Basin	Granted	10/2/06	10/1/12	1582	100%
EL25093	Exploration	Mt Ultim	Alice Springs	Georgina Basin	Granted	10/2/06	10/1/12	1587	100%
EL25094	Exploration	Tarlton Hill	Alice Springs	Georgina Basin	Granted	10/2/06	10/1/12	1571	100%
EL25143	Exploration	Huckitta	Alice Springs	Georgina Basin	Granted	10/2/06	10/1/12	50.8	100%
EL42/2006	Exploration	Round Hill	Round Mountain	Tasmania	Granted	3/8/07	3/8/12	102.75	100%
EL6592	Exploration	Tottenham	Lachlan Ford Belt	Tottenham	Granted	6/29/06	6/28/08	208.8	100%
EL6633	Exploration	Snowball	New South Wales	Snowball	Granted	9/8/06	9/7/08	582.9	100%
EL6656	Exploration	Tottenham North	Lachlan Ford Belt	Tottenham	Granted	10/27/06	10/26/08	121.8	100%
EL6660	Exploration	Bundarra	New South Wales	Bundarra	Granted	11/14/06	11/13/08	507.5	100%
EL6728	Exploration	Euambalme	Lachlan Ford Belt	Euambalme	Granted	3/5/07	3/4/09	461.1	100%
EL9/2007	Exploration	Heazlewood	Tasmania	Heazlewood	Granted	8/10/07	8/10/12	20	100%
ETS 2099	Explosive Storage	Carnilya Hill	Kambalda	Carnilya Hill	Granted	7/6/07	7/6/08	0.01	100%
GWL151472(1)	Ground Water	Redross	Kambalda	Widgiemooltha	Granted	11/26/03	12/31/09	5.908	100%

# TENEMENT SCHEDULE

AS AT 31 AUGUST 2007

Lease	Lease Type	Lease Name	Region	Project	Status	Grant Date	Expiry Date	Area (Km <sup>2</sup> )	Mincor Equity (%)
GWL154212(1)	Ground Water	Wannaway	Kambalda	Widgiemooltha	Granted	11/26/03	12/31/09	9.531	100%
GWL154213(2)	Ground Water	Mariners	Kambalda	Widgiemooltha	Granted	3/30/05	12/31/09	14.730	100%
GWL155536(2)	Ground Water	Redross	Kambalda	Widgiemooltha	Granted	4/26/04	5/21/10	5.978	100%
L15/142	Infrastructure	Lake Zot	Kambalda	Widgiemooltha	Granted	8/8/90	8/7/10	0.007	100%
L15/143	Infrastructure	Lake Zot	Kambalda	Widgiemooltha	Granted	8/8/90	8/7/10	0.022	100%
L15/162	Infrastructure	Mariners	Kambalda	Widgiemooltha	Granted	10/22/91	10/21/11	0.030	100%
L15/163	Infrastructure	Mariners	Kambalda	Widgiemooltha	Granted	10/22/91	10/21/11	0.007	100%
L15/180	Infrastructure	Wannaway	Kambalda	Widgiemooltha	Granted	12/8/92	12/7/07	0.156	100%
L15/191	Infrastructure	North Lake Eaton	Kambalda	Widgiemooltha	Granted	2/14/95	2/13/10	0.177	100%
L15/235	Infrastructure	Redross	Kambalda	Widgiemooltha	Granted	12/17/02	12/16/23	0.070	100%
L15/243	Infrastructure	Mariners	Kambalda	Widgiemooltha	Granted	10/16/03	10/15/24	0.208	100%
L15/244	Infrastructure	Redross	Kambalda	Widgiemooltha	Granted	4/14/03	4/13/24	0.045	100%
L15/247	Infrastructure	Miitel	Kambalda	Widgiemooltha	Granted	5/27/04	5/26/25	0.263	100%
L15/257	Infrastructure	Wannaway	Kambalda	Widgiemooltha	Granted	9/1/04	8/31/25	0.18	100%
L26/237	Infrastructure	Carnilya Hill	Kambalda	Carnilya Hill	Granted	5/16/06	5/15/27	0.806	70%
L26/241	Infrastructure	Carnilya Hill	Kambalda	Carnilya Hill	Granted	8/10/07	8/9/28	1.34	70%
M15/103	Mining	Flinders	Kambalda	Widgiemooltha	Granted	12/12/84	12/11/26	9.024	100%
M15/105	Mining	Widgiemooltha	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	0.096	100%
M15/1481	Mining	Widgiemooltha	Kambalda	Widgiemooltha	Granted	11/16/04	11/15/25	0.097	100%
M15/44	Mining	Wannaway South	Kambalda	Widgiemooltha	Granted	2/15/84	2/14/26	9.345	100%
M15/45	Mining	Wannaway South	Kambalda	Widgiemooltha	Granted	2/15/84	2/14/26	1.198	100%
M15/46	Mining	Mt Eaton West	Kambalda	Widgiemooltha	Granted	2/15/84	2/14/26	9.558	100%
M15/462	Mining	Cardiff Castle	Kambalda	Widgiemooltha	Granted	10/20/89	10/19/10	1.105	100%
M15/478	Mining	Flinders South	Kambalda	Widgiemooltha	Granted	8/3/90	8/2/11	0.097	100%
M15/48	Mining	Darlek	Kambalda	Widgiemooltha	Granted	2/14/84	2/13/26	3.596	100%
M15/543	Mining	Lake Zot	Kambalda	Widgiemooltha	Granted	1/16/91	1/15/12	9.662	100%
M15/601	Mining	The Mount	Kambalda	Widgiemooltha	Granted	11/12/91	11/11/12	1.02	100%
M15/609	Mining	Mariners West	Kambalda	Widgiemooltha	Granted	11/12/91	11/11/12	3.641	100%
M15/611	Mining	Widgie Wedge	Kambalda	Widgiemooltha	Granted	5/29/92	5/28/13	0.01	100%
M15/634	Mining	NW Wedding Guest Island	Kambalda	Widgiemooltha	Granted	2/19/93	2/18/14	1.21	100%
M15/635	Mining	NW Wedding Guest Island	Kambalda	Widgiemooltha	Granted	2/19/93	2/18/14	1.21	100%
M15/667	Mining	Widgiemooltha South	Kambalda	Widgiemooltha	Granted	10/20/93	10/19/14	6.472	100%
M15/668	Mining	Miitel North	Kambalda	Widgiemooltha	Granted	10/20/93	10/19/14	9.861	100%
M15/693	Mining	Wannaway North	Kambalda	Widgiemooltha	Granted	4/7/94	4/6/15	2.397	100%
M15/734	Mining	Bass South	Kambalda	Widgiemooltha	Granted	10/17/94	10/16/15	0.007	100%
M15/745	Mining	Wannaway	Kambalda	Widgiemooltha	Granted	12/2/94	12/1/15	0.199	100%
M15/76	Mining	Wannaway	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	1.189	100%
M15/77	Mining	Mt Eaton	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	9.511	100%
M15/78	Mining	Mt Eaton South	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	9.516	100%
M15/79	Mining	Mt Eaton South	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	7.143	100%
M15/80	Mining	Redross South	Kambalda	Widgiemooltha	Granted	9/7/84	9/6/26	8.543	100%
M15/81	Mining	Redross North	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	3.231	100%
M15/82	Mining	Levee Bank	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	0.887	100%
M15/83	Mining	Mariners East	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	1.426	100%
M15/85	Mining	Miitel North	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	5.746	100%
M15/86	Mining	Blacksmith	Kambalda	Widgiemooltha	Granted	10/22/84	10/21/26	5.841	100%
M15/88	Mining	Wannaway North	Kambalda	Widgiemooltha	Granted	8/6/84	8/5/26	9.167	100%

# TENEMENT SCHEDULE

AS AT 31 AUGUST 2007

Lease	Lease Type	Lease Name	Region	Project	Status	Grant Date	Expiry Date	Area (Km <sup>2</sup> )	Mincor Equity (%)
M15/89	Mining	Wannaway	Kambalda	Widgiemooltha	Granted	8/6/84	8/5/26	9.531	100%
M15/90	Mining	Redross	Kambalda	Widgiemooltha	Granted	8/6/84	8/5/26	5.908	100%
M15/907	Mining	Munda South	Kambalda	Widgiemooltha	Granted	5/1/98	4/30/19	2.142	100%
M15/91	Mining	Lake Eaton Village	Kambalda	Widgiemooltha	Granted	5/31/84	5/30/26	1.214	100%
M15/92	Mining	Mariners	Kambalda	Widgiemooltha	Granted	8/6/84	8/5/26	2.115	100%
M15/93	Mining	Miitel	Kambalda	Widgiemooltha	Granted	8/6/84	8/5/26	6.069	100%
M15/94	Mining	Widgie	Kambalda	Widgiemooltha	Granted	5/31/84	5/30/26	8.698	100%
M26/453	Mining	BHP Zone 29	Kambalda	Carnilya Hill	Granted	12/15/94	12/14/15	1.090	70%
M26/47	Mining	Carnilya Hill	Kambalda	Carnilya Hill	Granted	5/31/84	5/30/26	6.279	70%
M26/48	Mining	Carnilya Portal	Kambalda	Carnilya Hill	Granted	5/31/84	5/30/26	4.823	70%
M26/49	Mining	Carnilya South	Kambalda	Carnilya Hill	Granted	5/31/84	5/30/26	9.880	70%
M63/242	Mining	Jeffrey's Find	Norseman	Tramways	Granted	11/12/91	11/11/12	1.239	100%
M74/13	Mining	Rav-8	Ravensthorpe	Rav-8	Granted	3/6/85	3/5/27	4.276	Earning-In
MDL 7875/3	Mine Dewatering	Miitel/Mariners	Kambalda	Widgiemooltha	Granted	1/31/06	1/30/10	0.1	100%
ML15/131	Mineral	Ken	Kambalda	McMahon-Durkin	Granted	1/1/67	12/31/08	1.199	100%
ML15/140	Mineral	Coronet East	Kambalda	McMahon-Durkin	Granted	1/1/67	12/31/08	1.201	100%
P15/2687	Prospecting	Mariners East	Kambalda	Widgiemooltha	Converted	3/19/90	3/18/94	1.203	100%
P15/2688	Prospecting	Mariners East	Kambalda	Widgiemooltha	Converted	3/19/90	3/18/94	1.815	100%
P15/2689	Prospecting	Mariners East	Kambalda	Widgiemooltha	Converted	3/19/90	3/18/94	1.824	100%
P15/2690	Prospecting	Mariners East	Kambalda	Widgiemooltha	Converted	3/19/90	3/18/94	1.628	100%
P15/3605	Prospecting	Widgiemooltha South	Kambalda	Widgiemooltha	Converted	8/16/94	8/15/98	1.21	100%
P15/3606	Prospecting	Widgiemooltha South	Kambalda	Widgiemooltha	Converted	8/16/94	8/15/98	0.873	100%
P15/3788	Prospecting	Widgiemooltha South	Kambalda	Widgiemooltha	Converted	11/28/95	11/27/99	0.09	100%
PL1457	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	25.47	Earning-In
PL1612	Prospecting	Tafuse	Vanuatu	Vanuatu	Renewal Pending	5/1/04	4/30/07	39.84	100%
PL1620	Prospecting	Webe Creek	Vanuatu	Vanuatu	Granted	5/1/06	4/30/09	50.12	100%
PL2026	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	35.12	Earning-In
PL2027	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	40.3	Earning-In
PL2654	Prospecting	Ireland	Ireland	Tipperary	Granted	8/8/07	8/7/13	15.93	Earning-In
PL2655	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	16.78	Earning-In
PL3319	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	32.13	Earning-In
PL3421	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	21.4	Earning-In
PL3552	Prospecting	Ireland	Ireland	Tipperary	Granted	8/8/07	8/7/13	31.47	Earning-In
PL3705	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	32.74	Earning-In
PL3782	Prospecting	Ireland	Ireland	Tipperary	Granted	4/18/07	4/17/13	32.18	Earning-In
PL468	Prospecting	Ireland	Ireland	Tipperary	Granted	8/8/07	8/7/13	27.56	Earning-In
SPL1412	Special Prospecting	Sabeto	Fiji	Sabeto	Granted	4/1/00	3/31/08	106	100%

# Corporate Directory

## **DIRECTORS**

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

## **COMPANY SECRETARY**

Brian Lynn

## **REGISTERED OFFICE**

Level 1  
1 Havelock Street  
West Perth  
Western Australia 6005  
Australia

## **POSTAL ADDRESS**

PO Box 1810  
West Perth  
Western Australia 6872  
Australia

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Email: [mincor@mincor.com.au](mailto:mincor@mincor.com.au)

## **STOCK EXCHANGE LISTING**

Mincor Resources NL shares are listed on the  
Australian Stock Exchange (Home Branch – Perth)  
ASX Code: MCR

## **ACN & ABN NUMBERS**

ACN: 072 745 692  
ABN: 42 072 745 692

## **AUDITORS**

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

## **BANKERS**

Commonwealth Bank of Australia  
Société Générale Group  
Westpac Banking Corporation

## **SOLICITORS**

Blakiston & Crabb  
1202 Hay Street  
West Perth  
Western Australia 6005

## **SHARE REGISTRY**

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

## **DATE AND LOCATION OF ANNUAL GENERAL MEETING**

Monday, 12 November 2007 at 11.00am  
Venue: Celtic Club, 48 Ord Street, West Perth



Level 1  
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