MINCOR
RESOURCES NL

ANNUAL REPORT 2008

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MINCOR RESOURCES NL

GREEN STAMP

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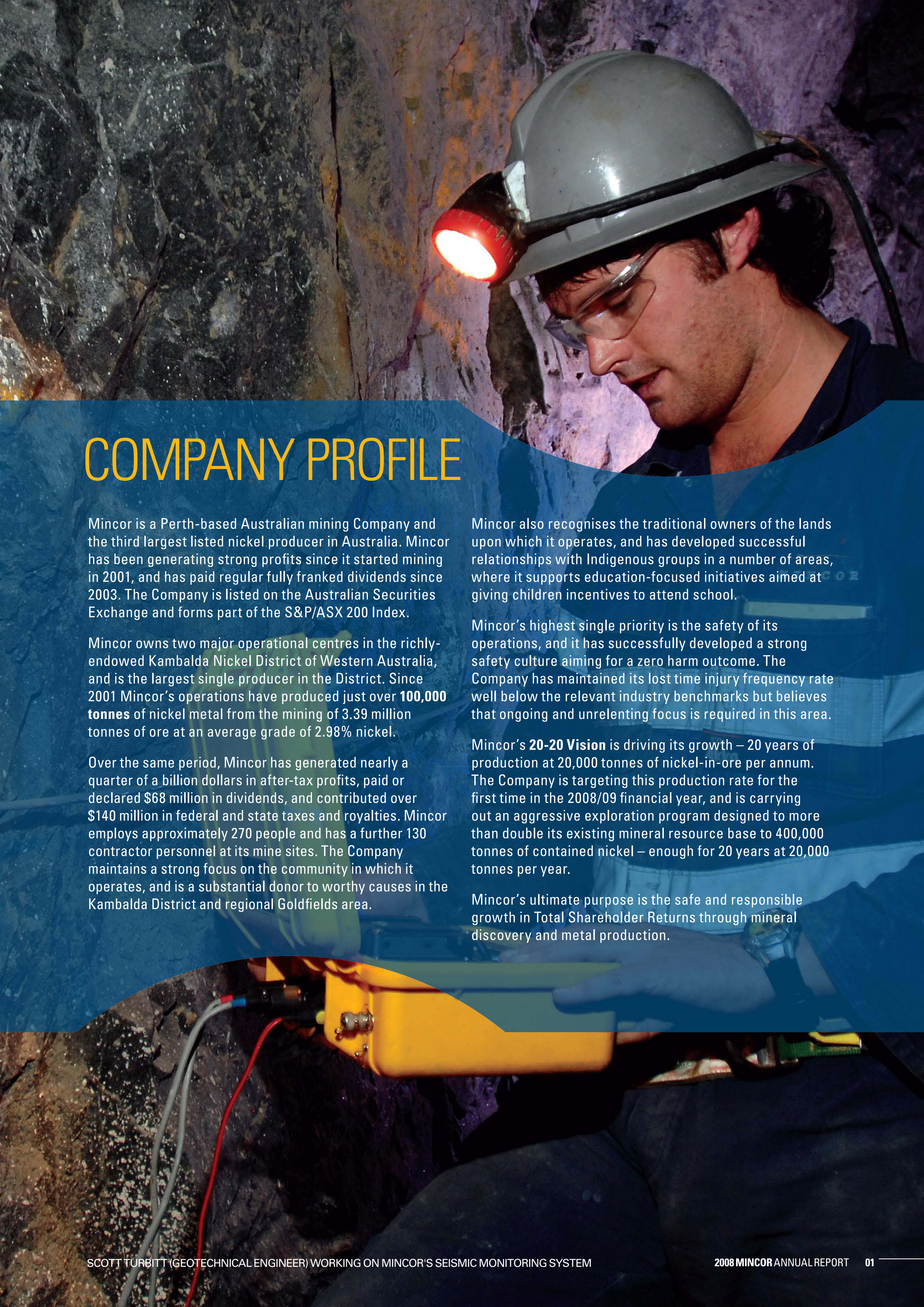
COVER PHOTO - CRAIG ANDERSON (MINE GEOLOGIST) AND BRAD VALIUKAS (DEPUTY CHIEF MINE ENGINEER) MAPPING FACE GEOLOGY AT CARNILYA HILL



COMPANY PROFILE

Mincor is a Perth-based Australian mining Company and the third largest listed nickel producer in Australia. Mincor has been generating strong profits since it started mining in 2001, and has paid regular fully franked dividends since 2003. The Company is listed on the Australian Securities Exchange and forms part of the S&P/ASX 200 Index.

Mincor owns two major operational centres in the richly-endowed Kambalda Nickel District of Western Australia, and is the largest single producer in the District. Since 2001 Mincor's operations have produced just over **100,000 tonnes** of nickel metal from the mining of 3.39 million tonnes of ore at an average grade of 2.98% nickel.

Over the same period, Mincor has generated nearly a quarter of a billion dollars in after-tax profits, paid or declared $68 million in dividends, and contributed over $140 million in federal and state taxes and royalties. Mincor employs approximately 270 people and has a further 130 contractor personnel at its mine sites. The Company maintains a strong focus on the community in which it operates, and is a substantial donor to worthy causes in the Kambalda District and regional Goldfields area.

Mincor also recognises the traditional owners of the lands upon which it operates, and has developed successful relationships with Indigenous groups in a number of areas, where it supports education-focused initiatives aimed at giving children incentives to attend school.

Mincor's highest single priority is the safety of its operations, and it has successfully developed a strong safety culture aiming for a zero harm outcome. The Company has maintained its lost time injury frequency rate well below the relevant industry benchmarks but believes that ongoing and unrelenting focus is required in this area.

Mincor's **20-20 Vision** is driving its growth – 20 years of production at 20,000 tonnes of nickel-in-ore per annum. The Company is targeting this production rate for the first time in the 2008/09 financial year, and is carrying out an aggressive exploration program designed to more than double its existing mineral resource base to 400,000 tonnes of contained nickel – enough for 20 years at 20,000 tonnes per year.

Mincor's ultimate purpose is the safe and responsible growth in Total Shareholder Returns through mineral discovery and metal production.

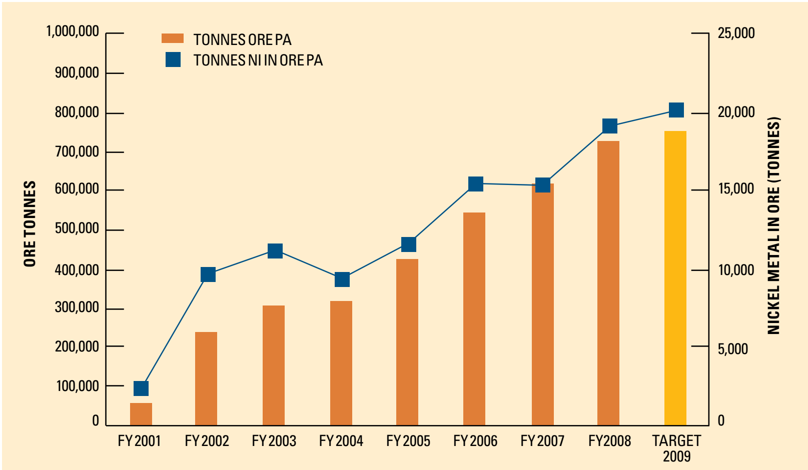
SCOTT TURBITT (GEOTECHNICAL ENGINEER) WORKING ON MINCOR'S SEISMIC MONITORING SYSTEM

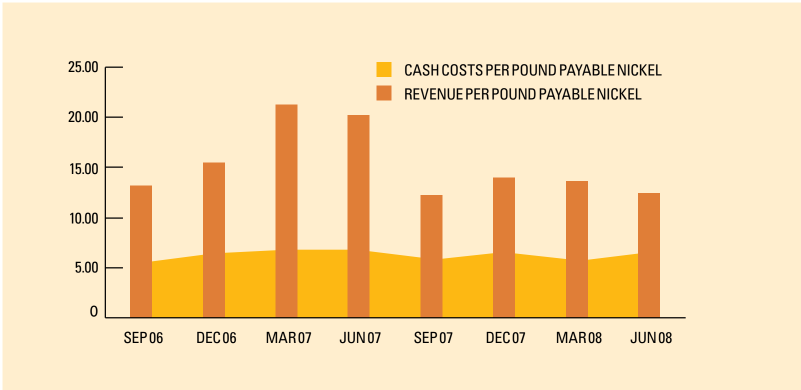
HIGHLIGHTS OF THE FINANCIAL YEAR 2007/08

STRONG PRODUCTION GROWTH AND **SUCCESSFUL ACQUISITIONS** DEFINE ANOTHER **OUTSTANDING YEAR** FOR MINCOR

PRODUCTION UP 28% OVER PREVIOUS YEAR

- Record production of 19,000 tonnes nickel-in-ore
- Cash costs under control – 3% reduction achieved
- Forecast further growth to 20,000 tonnes nickel-in-ore for 2008/09

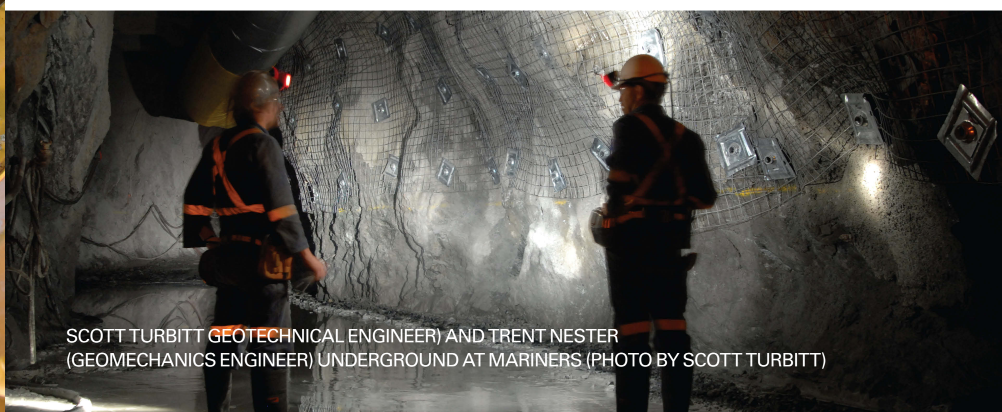




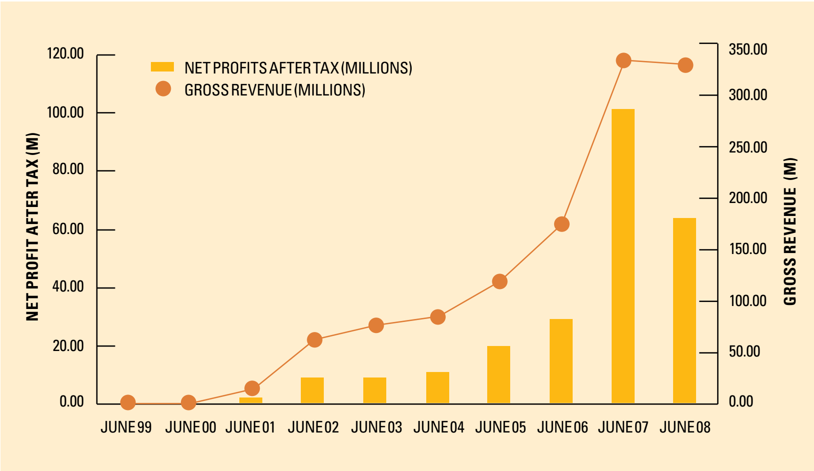
BEN CLOUGHESSY (APPRENTICE FITTER) WORKING ON A LOADER AT THE OTTER JUAN WORKSHOP

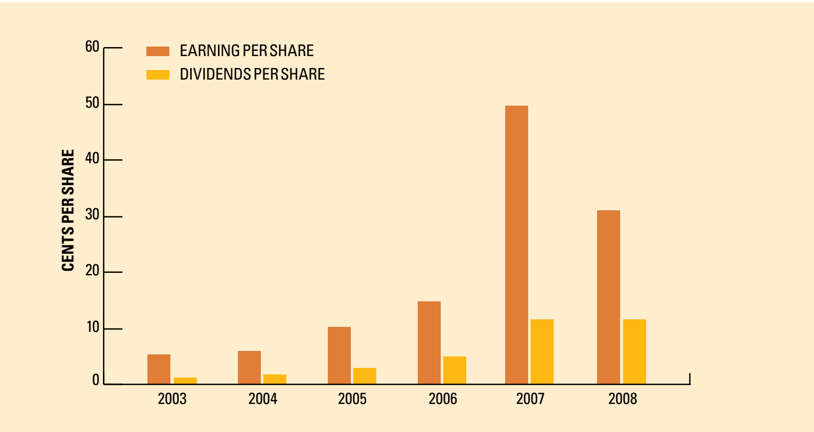
SUCCESSFUL ACQUISITIONS ACHIEVED

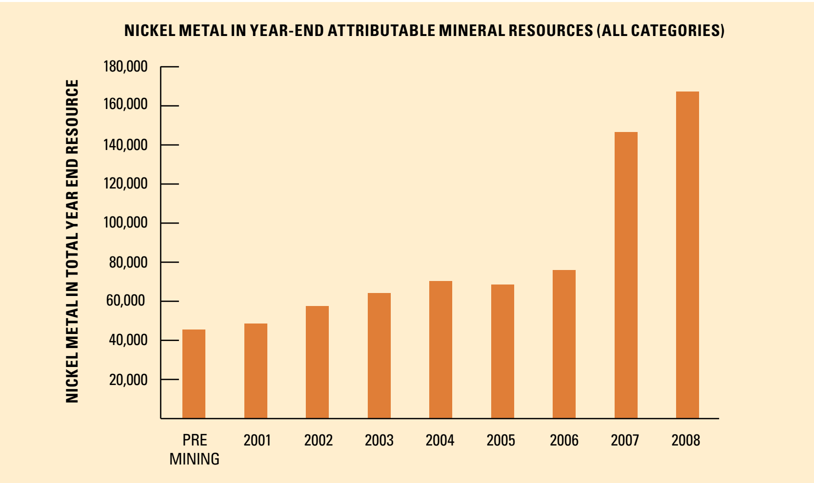
- $68.5 million acquisition of GMM Pty Ltd completed in July 2007
- GMM's assets (mainly Otter Juan Mine) generate $79 million operating surplus in first 12 months
- Acquisition of Bluebush Line completed – early delineation of 20,800 tonne nickel resource



SCOTT TURBITT GEOTECHNICAL ENGINEER) AND TRENT NESTER (GEOMECHANICS ENGINEER) UNDERGROUND AT MARINERS (PHOTO BY SCOTT TURBITT)







ROBUST FINANCIAL RESULTS DESPITE SHARP DROP IN NICKEL PRICE

- 22% drop in average realised nickel price cuts cash margins by 33%
- Mitigated by higher production and lower cash costs which enabled Mincor to deliver a net profit after tax of $64.04 million (2007: $101.3 million); EBITDA of $140.8 million (2007: $175.7 million)
- Full year dividend maintained at 12 cents per share, fully franked

GROWTH IN MINERAL RESOURCES AND ORE RESERVES CONTINUES

- Mineral Resources rise to new record of 167,300 tonnes contained nickel
- Ore Reserves maintained at approximately 3 years production on rolling basis

BRENDAN CORNISH (VENTILATION ENGINEER) AND MARK OLYNYK (GRADUATE MINE SURVEYOR)

PAUL DARCEY (SENIOR MINING ENGINEER)

CHAIRMAN'S REPORT

"... CHINA'S GROSS GDP HAS BEEN GROWING CONTINUOUSLY FOR THE LAST 30 YEARS AND THERE IS NO REASON TO SUGGEST THIS WILL CHANGE IN THE FUTURE. ACCORDINGLY, THE DEMAND FOR NICKEL SHOULD REMAIN STRONG."

TO OUR SHAREHOLDERS

Your Company has produced another excellent result in the 2007/08 financial year.

While the price of nickel fell substantially in the second half of the year under review, we are confident that continuing and growing demand for the metal will lead to an improvement in the price during the remainder of the 2008/09 financial year.

The recent fall in the Australian dollar will, if sustained, lead to an improvement in our sales proceeds expressed in Australian dollars.

As you will see from the financial statements and the statistics included in the annual report, we have kept a lid on costs. Costs are down 3% per unit of production, compared with the 2006/07 financial year. We have thoroughly reviewed our cost of operations and the capital expenditure budget for 2008/09 and continuous pressure will be applied to further improve mine efficiency and productivity to keep cost increases in check.

As predicted last year, we achieved our production target of 19,000 tonnes of nickel-in-ore (equivalent to 16,562 tonnes of nickel-in-concentrate) in 2007/08. Our target for the future is a sustained annual production of 20,000 tonnes of nickel-in-ore.

The increased rate of production was made possible by the excellent performance of the nickel mines acquired last year (Otter Juan and Coronet) and from our traditional mines (Miitel, Redross and Mariners). Further enhancing our prospects of increasing mineral resources is the acquisition by your Company of the Bluebush Line tenements in Kambalda. This new prospect contains fully 40km of the strike length of the basal contact zone in one of the prime Kambalda areas. Drilling at Bluebush has now commenced.

This, together with our other prospects, acquisitions and near-mine exploration provide the basis for our continuing ability to acquire and discover nickel sulphide reserves at a faster rate than we mine them. Our exploration budgets will continue to be maintained at a high level.

Full details of our resources and reserves are provided in the annual report and are regularly brought up to date in our quarterly reports to investors and the market.

Further initiatives include targeting the discovery of high-grade ore bodies containing more than 200,000 tonnes of nickel metal. A number of such ore bodies have been discovered in the Kambalda district and our North Kambalda holdings are, in particular, a prime target area.

We have also accelerated the development of the Georgina lead-zinc project by establishing a joint venture with the Japan Oil, Gas and Metals National Corporation (JOGMEC). The Georgina Basin is located in a highly prospective area in the Northern Territory of Australia.

There is currently a great deal of comment on global economic conditions. We believe that, as far as your Company is concerned, the commodity super cycle will continue, despite a slowing of growth in developed countries. The new economies of China, India, Brazil, Russia and South-East Asia will develop at a rapid rate and on sound economic principles. Demand in these countries is increasingly driven by their domestic economies and the demands of their people who wish to emulate the living conditions in developed countries.

China is the world's largest producer of steel as well as the fastest growing market for steel. The use of stainless steel is popular in China, and other developing countries. Stainless steel consumption in those countries is still at the low end of average per capita consumption.

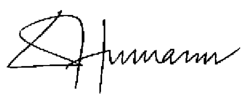
Housing, infrastructure and commercial building construction is underway at a massive rate in China. China's gross GDP has been growing continuously for the last 30 years and there is no reason to suggest this will change in the future. Accordingly, the demand for nickel should remain strong.

We are the largest of the independent nickel sulphide producers in Australia. We wish to maintain that ranking and, in common with other industries, we will need to contemplate a consolidation of producers. There will be economic benefits for your Company if we can enhance our influence in our market by consolidation, acquisition of assets and by new discoveries.

Our financial position is sound with after tax profits for the year of $64,041,000 (2007: $101,330,000), cash of $112,499,000 (2007: $169,567,000) and working capital of $86,800,000 (2007: $107,058,000). We have no significant debt. We will continue to hedge currency and metal prices on a selective basis to protect our sales revenues in Australian dollar terms.

For all the reasons set out above, your directors have decided to declare a final, fully franked dividend of 6 cents per share. This maintains our full year dividend pay out of 12 cents per share.

I should like to thank our team: board, management, staff and contractors for their excellent performance for the year and we look forward to an even stronger performance in 2008/09.



DAVID J HUMANN

MANAGING DIRECTOR'S REPORT

"... OUR GOAL IS THE DISCOVERY OF AN ADDITIONAL 250,000 TONNES OF NICKEL IN MINERAL RESOURCES OVER THE NEXT 5 TO 8 YEARS. THIS WILL, WHEN ADDED TO OUR EXISTING RESOURCES, PROVIDE 400,000 TONNES OF NICKEL IN RESOURCE, ENOUGH TO DELIVER OUR TARGET OF 20 YEARS AT 20,000 TONNES PER YEAR."

DEAR FELLOW SHAREHOLDERS

We have come to the end of a financial year marked by extreme turbulence on world financial and commodity markets. This has flowed through to the Australian market and, unavoidably, to our own share price, especially following the sharp drop in the nickel price.

While it is difficult to make predictions in this economic climate, my own feeling is that both equity and commodity markets have now found their floor. I think that the nickel price will commence a slow recovery within the next 3 months.

Through this period of volatility Mincor has focused on its core business and the job of delivering growth and value to our shareholders. We have substantially lifted our production while keeping cash costs under control, we have successfully completed two significant acquisitions, we have developed two new mines, and we have put substantial resources into exploration.

The results of our production growth and successful cost management can be seen in our financial results, where we have delivered robust profits despite seeing our cash margin cut by 33% as a result of the fall in the nickel price. While I believe that the current nickel price will recover during the year, we are prepared for the worst and have moved quickly to shift our operating focus from volume to margin, as is rational in such times.

Mincor, with its wide range of operations and high overall production levels, is in a strong position to weather a period of low nickel prices, as we have the ability to flex our production downwards in order to protect our margins at times of low nickel prices, and then expand production again rapidly when prices recover. This flexibility is perhaps unique among our peers, and is another benefit of having numerous production sources and a range of cash costs across the Group.

Among the many highlights of the year has been the outstanding performance of our newly acquired Otter Juan operation, which has delivered everything we hoped for in terms of safe and profitable production. However the real value of this acquisition lies in the tremendous exploration upside that it delivers. We believe that the chances of finding another Ultra-sized Nickel Ore Body in this area are high, and we are determined to pursue this opportunity with great vigour.

Elsewhere our exploration continued to enjoy success, with a new mineralised zone taking shape beneath our Wannaway mine, outstanding potential becoming evident north of North Miitel, and another potential new discovery at Mariners. Work at Durkin North continues to highlight the potential in that area, and our new Stockwell project at Bluebush is a very high exploration priority.

Mincor's long-term business model in Kambalda is based on maintaining a rolling 3 year ore reserve ahead of production and an expanding mineral resource ahead of that ore reserve. The model is adapted to two key elements of the Kambalda environment:

1. The exceptionally well-mineralised nature of the geological province, which means that sustained mineral exploration will always yield discoveries, and
2. The particular characteristics of Kambalda's ore bodies, which mean they are prohibitively expensive to drill to the level of ore reserves (as opposed to mineral resources) too far in advance of mining.

This model has served Mincor exceptionally well to date, with ore reserves having been maintained at approximately 3 years of production on a rolling basis for nearly 8 years, while mineral resources have progressively expanded from 45,550 tonnes of nickel at start of mining to 167,300 tonnes at 30 June 2008. This is *after* the mining of 91,554 tonnes of nickel.

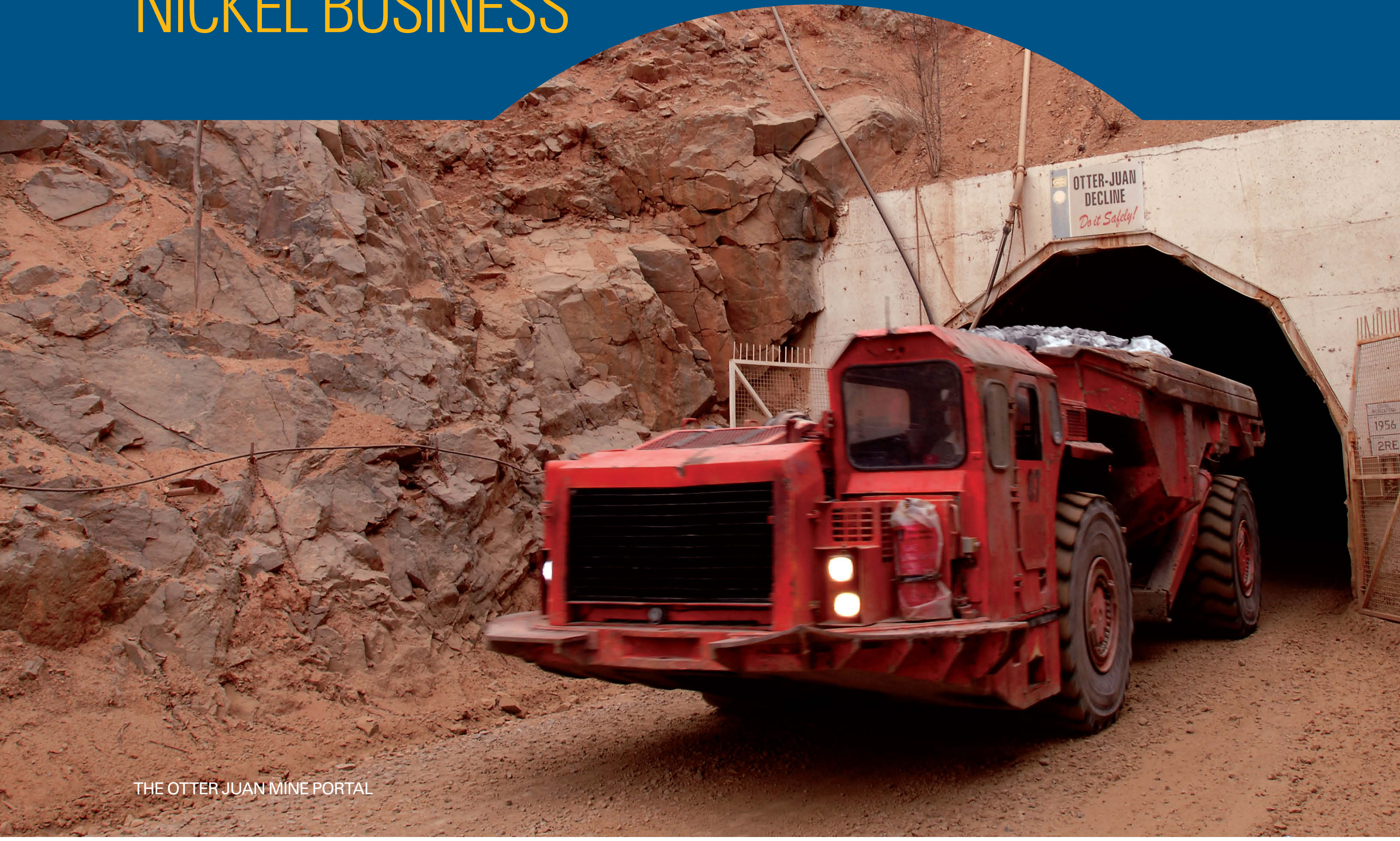
Applying this model to the future, our goal is the discovery of an additional 250,000 tonnes of nickel in mineral resources over the next 5 to 8 years. This will, when added to our existing resources, provide 400,000 tonnes of nickel in resource, enough to deliver our target of 20 years at 20,000 tonnes per year.

Mincor will also continue to look "over the horizon", and seek value adding acquisition or merger opportunities, both at the project and the corporate level. Your company has an outstanding record of identifying and making value-enhancing acquisitions, and in the more sombre period that lies immediately ahead, it is likely that opportunities will emerge.

I wish to thank the community in Kambalda for their continued support of our operations. I also thank our Indigenous hosts in many of our outlying exploration areas for their goodwill and ongoing support. Thanks also to our many contractors and suppliers for their sterling efforts over the year. A special thanks to my board for their guidance and support, and to our shareholders for their support and, particularly over the past few months, their forbearance. Finally, my profoundest thanks to all Mincor's personnel, whose skill, dedication and hard work have created another year to be proud of, and in whose hands rests the future of our Company.

DAVID MOORE

MINCOR'S KAMBALDA NICKEL BUSINESS



THE OTTER JUAN MINE PORTAL

OVERVIEW AND OUTLOOK

Mincor operates two mining centres in the Kambalda Nickel District of Western Australia. Mincor's **North Kambalda Operations** (NKO) comprise the Otter Juan, Coronet, McMahon and Carnilya Hill mines, and the **South Kambalda Operations** (SKO) comprise the Miitel, Mariners, Redross and Wannaway Mines. Each operational centre is headed by a General Manager, both of whom report through to Mincor's Chief Operating Officer. This simple and f exible structure allows Mincor to derive all the benefits of owning multiple production sources while at the same time maximising synergies both within and between the operational centres.

During the year both operational centres performed exceptionally well, allowing Mincor to deliver its promised 28% increase in production, to a new record of 19,000 tonnes of nickel-in-ore, or 16,562 tonnes of nickel-in-concentrate. Two new mines, McMahon and Carnilya Hill, were under development for most of the year and are expected to ramp up to full production during the 2008/09 financial year.

Over the coming year the key sources of production will be the Otter Juan, Mariners and Miitel Mines, joined increasingly by Carnilya Hill as that operation ramps up, and supplemented by McMahon and Coronet. Production from Redross will continue to wane as its ore reserves are depleted, and the mine is likely to become a small remnant operation by the end of the current financial year.

Capital development will continue at both NKO and SKO as new ore reserves are opened up. A capital budget of $50 million has been set aside for this work, intended to ensure that sufficient operating headings are available over the next few years to achieve Mincor's stated production goals.

Feasibility studies are currently underway at Durkin North, and should these be positive, a mine development decision will be made. High priority resource confirmation drilling has commenced at the newly-acquired Stockwell Project on the Bluebush Line. Should this work be successful, feasibility studies are likely to commence there during the financial year.

A key theme over the coming year will be the shift in focus from volume to margin in order to reduce average cash costs. This will be achieved through a reduction in the size of mine openings and a progressive move to non-entry mining methods (mainly at SKO). This will reduce both dilution and ground control costs with minimal impact on ore reserves, and is designed to bring average cash costs to below A$6.00 per pound.

The second key theme will be exploration. Mincor has budgeted a record $20 million for exploration for the 2008/09 financial year, and will vigorously pursue its fundamental business model of replacing reserves every year while expanding resources. Apart from ongoing extensions to its existing ore systems, Mincor will pursue Ultra-Sized Nickel Ore Body targets in the North Kambalda area, new ore systems throughout the Nickel District, and the discovery of a whole new nickel district at its West Kambalda joint venture.

"... MINCOR DELIVERED ITS PROMISED 28% INCREASE IN PRODUCTION, TO A NEW RECORD OF 19,000 TONNES OF NICKEL-IN-ORE."

SAFETY

Mincor places the highest priority on the safety and wellbeing of its employees and contractors. During the year our extensive safety program continued. By year-end the 12-month moving average Lost Time Injury Frequency Rate was 3.0, substantially below the industry (Underground Nickel Mining) benchmark of 4.1.

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
- Accountability and Responsibility for Safety program
- Fitness for Work programs
- Documented Major Hazard Standards
- Documented Safety Management System
- Continued development of the safe work procedures
- Safety culture monitoring and surveys
- Safety inspections and audits
- Emergency response capability

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.

Over the past 12 months Mincor has restructured its operations to reflect its growth. The Company operates two major mining centres in the Kambalda region consisting of:

- South Kambalda Operations (SKO), comprising the Miitel, Mariners, Redross and Wannaway Nickel Mines centred in the Widgiemooltha area some 50km south of Kambalda
- North Kambalda Operations (NKO), comprising the Otter Juan, Coronet, McMahon and Carnilya Hill Mines located at, and to the northeast of, Kambalda

At SKO the Redross and Wannaway Mines are operated on an owner-mining basis while Miitel and Mariners are mined using mining contractors under Mincor management and technical direction. At NKO the Otter Juan, Coronet and McMahon Mines are run as owner-mining while the Carnilya Hill Mine is on contract mining under Mincor management.

MINING CONTRACTS

Mincor's Miitel and Mariners Mines continued to use the mining services of Barminco. The 2007/08 year was the first year of a 2 year contract awarded after a competitive tender process conducted in early 2007.

After a competitive tender process Mincor awarded a 2 year mining contract for Carnilya Hill to RUC Mining Contractors Pty Ltd effective from 1 July 2007.

Mincor is 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 four mines are operated solely by Mincor. Mincor is in continual dialogue with its mining contractors to manage productivity and costs and to seek opportunities to enhance productivity.

SALES

Mincor's Ore Tolling and Concentrate Purchase Agreements 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 and technically robust 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.

Mincor has a strong relationship with Nickel West and was able to negotiate terms for the processing of the North Dordie Open Pit material during the year. Mincor and Nickel West continue a dialogue on treatment of non-standard mineral resources that may result in mutual benefit.

"... A KEY THEME OVER THE COMING YEAR WILL BE THE SHIFT IN FOCUS FROM VOLUME TO MARGIN IN ORDER TO REDUCE AVERAGE CASH COSTS."

MINCOR'S KAMBALDA NICKEL BUSINESS

METAL PRICES AND HEDGING

The LME spot nickel price declined substantially and consistently over the course of the financial year from a high of US$36,950/t on 2 July 2007 to US$21,675/t on 30 June 2008, averaging US$28,574/t over the year. This was exacerbated by the rising value of the Australian dollar. In Australian dollar terms the nickel price more than halved. The average nickel price realised by Mincor, net of hedging, was A$13.53/lb, compared to A$17.28/lb the previous year. Thus despite a reduction in cash costs (from A$6.59/lb to A$6.40/lb), the lower nickel price cut Mincor's average cash margin by 33%.

As a result of high cobalt and copper prices during the year and higher copper and cobalt grades from Otter Juan, Mincor derived approximately 4.3% of its gross revenue from the sale of by-product copper and cobalt. This is an increase from 2.8% in the preceding year.

As a result of the lower nickel prices the royalty costs for the year decreased to $18.870 million, or $0.79 per pound payable nickel (2007: A$1.40/lb payable nickel).

At 30 June 2008 Mincor had hedged 2,450 tonnes of payable metal to May 2010, at an average price of A$35,854 per tonne, which represented less than 11% of forecast production.

OPERATIONAL RESULTS

	SOUTH KAMBALDA OPERATIONS[1]	NORTH KAMBALDA OPERATIONS[2]	TOTAL FOR FINANCIAL YEAR 2007/08	PRECEDING FINANCIAL YEAR (2006/07) TOTAL
ORE TONNES TREATED (DMT)	585,684	136,931	**722,615**	616,230
AVERAGE NICKEL GRADE (%)	2.36	3.77	**2.63**	2.46
NICKEL-IN-CONCENTRATE SOLD (tonnes)	11,782.3	4,779.8	**16,562.1**	12,927.2
COPPER-IN-CONCENTRATE SOLD (tonnes)	1,085.4	338.5	**1,430.0**	1,174.7
COBALT-IN-CONCENTRATE SOLD (tonnes)	234.6	88.1	**323.5**	255.9
SALES REVENUE* (A$)	220.15m	114.69m	**334.84m**	324.00m
DIRECT OPERATING COSTS** (A$)	116.49m	30.57m	**147.06m**	105.47m
ROYALTY COSTS (A$)	14.13m	4.74m	**18.87m**	25.99m
OPERATING SURPLUS* (A$)**	**89.53m**	**79.38m**	**168.91m**	192.54m
CAPITAL COSTS**** (A$)	33.12m	5.55m	**38.67m**	22.88m
COSTS PER POUND PAYABLE NICKEL				
PAYABLE NICKEL PRODUCED (lbs)	16,884,148	6,711,524	**23,733,581**	18,524,774
MINING COSTS (A$/lb)	4.15	3.18	**3.85**	3.30
MILLING COSTS (A$/lb)	1.26	0.70	**1.09**	1.15
ORE HAULAGE COSTS (A$/lb)	0.31	0.04	**0.23**	0.28
OTHER MINING/ADMINISTRATION (A$/lb)	1.16	0.64	**1.01**	0.97
ROYALTY COST (A$/lb)	0.84	0.71	**0.79**	1.40
BY-PRODUCT CREDITS (A$/lb)	(0.61)	(0.52)	**(0.57)**	(0.51)
CASH COSTS (A$/lb Ni) – FULL YEAR	7.11	4.75	**6.40**	6.59

(1) *Production from Miitel, Mariners, Redross and Wannaway operations.*

(2) *Production from Otter Juan, Coronet and McMahon and Mincor's 70% interest in the Carnilya Hill operation.*

* *Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price – see "Note on Provisional Pricing and Sales Revenue Adjustments" below.*

** *Direct Operating Costs – mining, milling, ore haulage, administration (unaudited).*

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

**** *Capital Costs – includes mine capital and development costs and extensional exploration costs. Excludes regional exploration costs and capital development costs for Carnilya Hill and McMahon.*

Note on Provisional Pricing and Sales Revenue

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. The Company's policy for accounting purposes is to estimate this figure using a 10% discount to the average LME spot price during the month of delivery. This figure is then subject to an adjustment (up or down) when the final nickel price is known.

JUMBO IN A FLAT-BACK STOPE IN THE MIITEL NICKEL MINE

MINCOR'S KAMBALDA NICKEL BUSINESS

THE CARNILYA HILL MINE PORTAL

NORTH KAMBALDA OPERATIONS

PRODUCTION AND COSTS

Mincor took ownership of Goldfields Mine Management Pty Ltd ('GMM') and all associated operations on 1 July 2007. The transition went smoothly with no loss of production and retention of all personnel. The new North Kambalda Operations had a very successful year. Production from Otter Juan and Coronet exceeded tonnage and grade targets while costs were below target. Production was principally sourced from the F62 and U surfaces on the 29 to 46 levels at Otter Juan with a strong contribution from remnant operations on the 310 and 320 levels at Coronet.

In November 2007, following resource confirmation drilling and feasibility studies, Mincor approved the development of the McMahon ore body. Establishment of services commenced in November and development commenced in early February. Development proceeded according to plan and first ore was intersected on schedule in April. By year-end the ore in the MMN1 shoot had been developed on the 601/2 level and the ore was exposed on the 601/1 level.

In June 2007, Mincor and its joint venture partner View Resources agreed to the redevelopment of the Carnilya Hill Mine to access the new ore body that had been discovered and drilled out by Mincor the previous year. During the first quarter the mine's infrastructure was largely re-established and the existing decline rehabilitated. Decline development to the ore commenced in late September 2007 with initial ore exposures in the narrow upper ore surface achieved in January 2008. The main ore body was reached in July 2008, and the mine will ramp up to full production over the coming year.

RESOURCES AND RESERVES

Resources and Reserves for the North Kambalda Operations were re-estimated as at 30 June 2008 and these figures are shown in Tables 1 and 2.

OUTLOOK

Mining at Otter Juan is expected to continue largely unchanged. The decline will be progressively developed to continue to access the high-grade F62 ore surface below the current lowest level (47 level). Airleg slot stopping of this highly profitable ore body will continue to advance behind the decline. In the coming year the possibility of mining remnant ore positions in higher levels of the mine will be examined.

Drilling to extend the F62 resource down-plunge and to search for large adjacent parallel ore surfaces will continue during the year.

The decline and associated mine infrastructure at McMahon will continue to be developed to access the lower levels in the MMN1 ore surface and the MMN2 and MMN3 ore surfaces. Ore will be sourced from development of these levels, as well as initial stoping operations as production ramps up during the course of the year.

Evaluation of additional resources at Ken Far North and Gellatly, both adjacent to McMahon, and studies into the viability of mining these resources will be undertaken during the year.

A feasibility study to develop and mine the Durkin North resource has commenced and will continue during the first part of the coming year.

At Carnilya Hill the decline and associated development will continue to access the B01C ore surface below the 14 level. Development of the 12 and 14 levels commenced early in the financial year and development of lower levels will ensue. Ore from development and the commencement of stopping will generate a progressive ramp up in production.

Drilling down-plunge of the B01C ore surface at Carnilya Hill targeted at adding additional resource and reserves will be undertaken during the year.

"ALL IN A DAY'S WORK"

REBUILD OF DERELICT LOADER SAVES $700,000

MINCOR'S NORTH KAMBALDA MAINTENANCE TEAM TOOK A DERELICT AND ALMOST WORTHLESS PIECE OF MOBILE MACHINERY AND RE-BUILT IT INTO A VALUABLE AND FULLY OPERATIONAL 1500 LOADER. THE PROJECT TOOK 6 MONTHS AND COST $321,000 – A SAVING OF MORE THAN $700,000 OVER THE PRICE OF A NEW MACHINE.

The old loader had been scavenged for spare parts and was missing a large number of components. Mincor's team disassembled the machine down to the chassis and discarded all hosing and wiring. The chassis was washed, sandblasted and crack-tested. Wear plates and bars were replaced and upgraded to higher quality than OEM specs. All cracks on the machine were repaired and fish-plated where necessary. The radiator and hydraulic cooler assembly were modified to **reduce future service downtime from 6 hours to 1 hour.**

The mechanical components of the machine were removed and sent away for overhaul. A complete rear axle assembly was purchased. The engine, torque convertor, front axle and transmission were all overhauled. A new radiator and cooler was purchased as the originals were missing. All hosing and electrical harnesses were removed and discarded. OEM electrical harnesses were purchased and fitted. The dash was stripped, blasted and painted and new gauges and switches fitted.

The result was a fully operational and valuable machine that is now in service.

The work is a fine example of what a skilled and experienced maintenance team can achieve, and a very representative example of the enhanced skill-set brought into Mincor by the acquisition of GMM.

MINCOR'S KAMBALDA NICKEL BUSINESS

SOUTH KAMBALDA OPERATIONS

PRODUCTION AND COSTS

Production was sourced primarily from Miitel (34%), Mariners (34%) and Redross (26%) with a small contribution from Wannaway and the North Dordie Open Pit. At Miitel production came from development, mechanised flat-back cut and fill stopes and long-hole open stopes in the N11, N25 and N26 ore surfaces at North Miitel with a minor contribution from the N10S ore surface at South Miitel. Production from Mariners was sourced from flat-back stoping and long-hole open stoping in the N08 ore surface and development in the recently discovered N09 ore surface. At Redross production was won from airleg rill stoping of the N01 ore surface.

Miitel experienced difficult mining conditions during the year due to ground conditions and abnormally thin and inconsistent ore in the N25 ore surface, proximal to a major fault zone. At Redross production declined due to the presence of fewer active headings in the now substantially depleted ore reserve.

At Mariners both tonnes and grades increased for the third year in a row. Strong production was achieved from wide high-grade zones in the N08 ore body, and from first level development in the new N09 ore body. The substantial N09 ore body, discovered in December 2006, was accessed for the first time on the 1580 level in December 2007. Since then development on the 1580, 1560 and 1540 has exposed several zones of thick (approximately 5 metres) and high-grade (+3.5% nickel) ore.

The skilled and dedicated team at Wannaway continued to mine remnant ore during the course of the year. However, by the end of the year these remnant ore reserves were essentially depleted and the mine was closed and placed on care and maintenance in August 2008. Mincor pays tribute to the team at Wannaway who, through their dedication and commitment, kept Wannaway going for 3 years after the depletion of its original ore reserves.

Capital development continued at North Miitel, South Miitel and at Mariners. The decline at South Miitel is expected to access the top of the South Miitel ore body (N18) in the first quarter of the financial year. The Mariners decline accessed the top of the N09 ore surface in December 2007 and has now progressed to the 1540 level. The decline will continue to progressively develop the N09 ore surface.

Operating cash costs per pound of payable nickel were higher than the previous year. Several factors contributed to this, but the main factor was the lower grades achieved out of North Miitel, the result of the mining problems encountered near the major fault zone mentioned above. Cash costs at Mariners improved over the previous year.

RESOURCES AND RESERVES

Resources and Reserves for the South Kambalda Operations were re-estimated as at 30 June 2008 and these figures are shown in Tables 1 and 2.

OUTLOOK

The decline at Mariners will continue during the year in order to provide further access to the N09 surface at depth. Development of the level drives will continue and stoping on this ore body will progressively ramp up. Production from the N08 ore surface will decline over the year and be replaced by production from the N09. The ventilation system at Mariners will be upgraded to allow productive mining at depth.

Extensional diamond drilling to further extend resources down-plunge of the N09 will be undertaken during the year. Contact parallel, directional underground diamond drilling (as successfully used at Otter Juan), combined with down-hole geophysics will be used for this purpose. Other exploration targets in the mine vicinity, such as the southern extensions at the top of the mine and the Miitel contact in the footwall of the current mine, will also be tested.

The development of the currently identified reserves at North Miitel will be completed in the first half of the year. A drill drive will be extended through the fault zone to the north in order to allow for the cost-effective drill-out of the new Burnett Shoot.

The South Miitel decline will access the top of the ore body during the first quarter and will continue to progressively access the lower levels. The primary ventilation circuit for this ore body will be largely installed by the end of the first quarter. Level development of the ore body will proceed during the year with stoping ramping up late in the year.

Diamond drilling during the year will focus on infilling the South Miitel ore body for mine planning purposes, and the drill-out of the Burnett Shoot to extend the mine to the north. Other drill targets include the potential for a parallel channel down-dip of Miitel and testing of the upper channel at South Miitel.

A substantial thrust during the year will be to reduce unit costs. Strategies to deliver this include minimising mine opening sizes to minimise dilution, reduce ground control costs, and elevate ore grades.

The main ore body at Redross is scheduled to be depleted in the third quarter of the current financial year. Remnant mining opportunities will be examined in order to supplement the main production stream. In addition further drilling and limited development will be undertaken on the N02 ore body.

ORE RESERVES AND MINERAL RESOURCES

Mincor's goal of growing its Mineral Resources every year while replacing its Ore Reserves was achieved again during the 2008 financial year. The Company's Resource base grew by 14% to 167,300 tonnes of contained nickel, *after* the mining of 19,000 tonnes of nickel during the year, while Reserves were all but replaced. Taking the year's production into account, both Resources and Reserves grew by just over 30%.

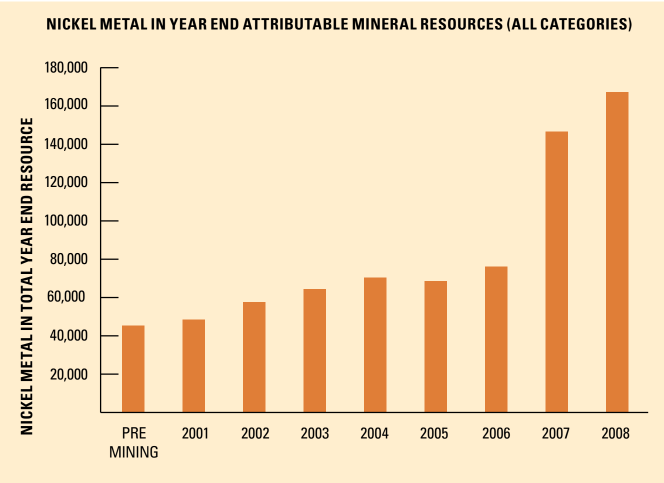
Importantly, the nickel grade of the Ore Reserves increased, while the Resource grade remains one of the highest in the Australian nickel mining sector – reflecting Mincor's generally rigorous approach to these estimations and the high quality of its Resources and Reserves.

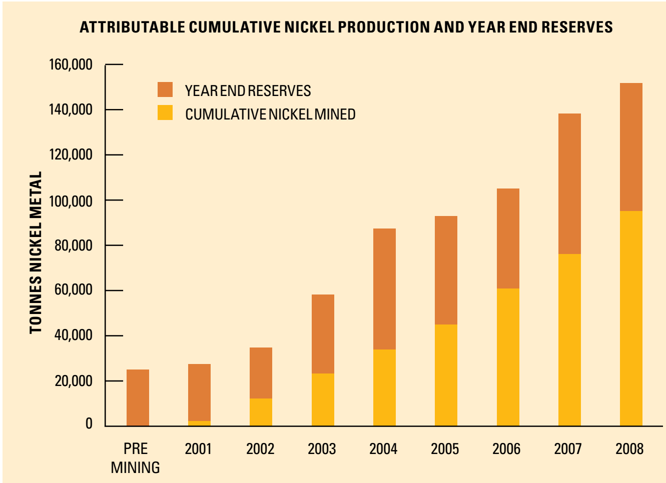
These results continue Mincor's outstanding record of growth in Resources and Reserves. When the Company started mining in early 2001, it had a total of 45,550 tonnes of nickel in attributable mineral Resources. By the end of June 2008, *after* producing and selling over 91,500 tonnes of nickel, Mincor had 167,300 tonnes of nickel in Resources – nearly six times more nickel than it had started with, counting mined production.

Similarly, Reserves have grown from a pre-mining attributable total of 25,400 tonnes of contained nickel to the current 57,000 tonnes, again *after* production of 91,500 tonnes. This means that Mincor has grown its original Ore Reserve by nearly 5 times since 2001, counting mined production.

These figures represent a powerful validation of Mincor's fundamental business model in Kambalda.

Across the Group, substantial increases in Resources and/or Reserves were achieved at Otter Juan, Mariners, McMahon, Durkin North, Stockwell and Wannaway.





At Carnilya Hill development and drilling of the narrow A01C ore surface produced generally poor reconciliations, and the upper portion of this surface was consequently removed from Reserves and Resources. With the focus on mine development, no extensional exploration drilling was done, and thus no Resource/Reserve additions were made. Consequently Resources and Reserves retreated at Carnilya Hill, but are expected to be fully replaced during the 2008/09 financial year.

Similarly, generally poor mining conditions and reconciliations at North Miitel led to a reduction in Reserves in that area, while the lack of appropriately located mine openings delayed the drilling of the new Burnett Shoot – causing an overall reduction in Ore Reserves at Miitel. This is expected to be rectified during the current financial year.

TABLE 1: Mineral Resources as at 30 June 2008

		MEASURED		INDICATED		INFERRED		TOTAL		
RESOURCE		TONNES	Ni (%)	TONNES	Ni (%)	TONNES	Ni (%)	TONNES	Ni (%)	Ni TONNES
Mariners	**2008**	**334,000**	**4.2**	**378,000**	**3.5**			**712,000**	**3.9**	**27,400**
	2007	212,000	4.4	188,000	4.5	384,000	3.5	784,000	4.0	31,100
Redross	**2008**	**61,000**	**7.7**	**154,000**	**3.0**	**67,000**	**2.9**	**283,000**	**4.0**	**11,200**
	2007	86,000	5.8	123,000	2.7	67,000	2.9	276,000	3.7	10,300
North Dordie	**2008**							**0**	**0**	**0**
	2007			75,000	1.5	76,000	1.5	151,000	1.5	2,200
Miitel	**2008**	**278,000**	**3.4**	**457,000**	**3.6**	**115,000**	**3.7**	**850,000**	**3.6**	**30,200**
	2007	356,000	3.7	612,000	3.6	128,000	3.5	1,096,000	3.6	39,900
Wannaway	**2008**	**2,000**	**1.4**	**123,000**	**2.6**	**16,000**	**6.6**	**142,000**	**3.0**	**4,300**
	2007	57,000	2.5	16,000	2.8			73,000	2.6	1,900
Carnilya Hill	**2008**			**174,000**	**5.5**			**174,000**	**5.5**	**9,500**
	2007			230,000	4.9			230,000	4.9	11,300
Otter Juan	**2008**	**258,000**	**5.2**	**289,000**	**3.0**	**207,000**	**3.1**	**754,000**	**3.8**	**28,400**
	2007	182,000	4.7	150,000	5.1	72,000	4.8	404,000	4.9	19,800
McMahon/Ken	**2008**			**282,000**	**3.3**	**91,000**	**6.4**	**374,000**	**4.1**	**15,200**
	2007			311,000	3.3	81,000	6.6	392,000	4.0	15,700
Durkin	**2008**			**251,000**	**5.2**	**127,000**	**5.0**	**378,000**	**5.1**	**19,400**
	2007			140,000	4.8	145,000	4.4	285,000	4.6	13,200
Gellatly	**2008**			**29,000**	**3.4**			**29,000**	**3.4**	**1,000**
	2007			29,000	3.4			29,000	3.4	1,000
Stockwell	**2008**			**195,000**	**2.4**	**435,000**	**3.7**	**630,000**	**3.3**	**20,800**
	2007							0	0	0
GRAND TOTAL	**2008**	**934,000**	**4.5**	**2,332,000**	**3.6**	**1,059,000**	**4.0**	**4,325,000**	**3.9**	**167,300**
	2007	892,000	4.2	1,874,000	3.9	953,000	3.8	3,720,000	3.9	146,300

Notes:
Resources are inclusive of Reserves.
Figures have been rounded and hence may not add up to the given totals.
Resources shown for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Resource.

The information in this Public Report that relates to Mineral Resources is based on information compiled by Mr Robert Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a permanent employee of Mincor Resources NL. Mr Hartley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is 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. Mr Hartley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

MINCOR'S KAMBALDA NICKEL BUSINESS

TABLE 2: Ore Reserves as at 30 June 2008

		PROVED		PROBABLE		TOTAL		
RESERVE		TONNES	Ni (%)	TONNES	Ni (%)	TONNES	Ni (%)	Ni TONNES
Mariners	**2008**	**272,000**	**3.0**	**172,000**	**3.3**	**444,000**	**3.1**	**13,700**
	2007	149,000	2.5	241,000	2.8	390,000	2.7	10,600
Redross	**2008**	**63,000**	**2.9**	**21,000**	**2.4**	**84,000**	**2.8**	**2,300**
	2007	163,000	3.0	19,000	2.6	182,000	2.9	5,300
Miitel	**2008**	**119,000**	**2.5**	**459,000**	**2.6**	**579,000**	**2.6**	**15,000**
	2007	307,000	2.5	667,000	2.6	974,000	2.5	24,700
Wannaway	**2008**	**2,000**	**1.4**			**2,000**	**1.4**	**30**
	2007	11,000	2.8	23,000	2.1	34,000	2.3	800
North Dordie	**2008**					**0**	**0**	**0**
	2007			38,000	1.2	38,000	1.2	500
Carnilya Hill	**2008**			**220,000**	**2.8**	**220,000**	**2.8**	**6,300**
	2007			338,000	2.9	338,000	2.9	9,800
Otter Juan	**2008**	**209,000**	**3.8**	**111,000**	**3.7**	**320,000**	**3.8**	**12,100**
	2007	159,000	3.7	127,000	4.0	286,000	3.9	11,100
McMahon	**2008**			**322,000**	**2.4**	**322,000**	**2.4**	**7,600**
	2007					0	0	0
GRAND TOTAL	**2008**	**666,000**	**3.1**	**1,299,000**	**2.8**	**1,965,000**	**2.9**	**57,000**
	2007	791,000	2.8	1,453,000	2.8	2,243,000	2.8	62,700

Notes:
Figures have been rounded and hence may not add up to the given totals.
Reserves for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Reserve.

The information in this Public Report that relates to Ore Reserves is based on information compiled by Mr Dean Will, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Will is a permanent employee of Mincor Resources NL. Mr Will has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is 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. Mr Will consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

KAMBALDA NICKEL EXPLORATION

OVERVIEW

MINCOR'S NICKEL EXPLORATION STRATEGY

Mincor has achieved success through an aggressive approach to exploration, with an emphasis on both near-mine exploration and regional exploration in Kambalda, where success can be rapidly translated into increased production.

Mincor's long-term approach is tailored to the geological characteristics of the Kambalda Nickel District. The Company aims to maintain ore reserves at a rolling 3 years of production, while expanding mineral resources to ultimately reach its goal of 20 years of production at 20,000 tonnes per year.

Within this over-arching strategy, Mincor is currently pursuing exploration on four major fronts:

- Ongoing extensions to existing ore systems and ore bodies (near-mine exploration).
- Exploration for new ore systems in and around the Kambalda Nickel District.
- Exploration for Ultra-Sized Nickel Ore Bodies at North Kambalda.
- The search for an entire new nickel district at West Kambalda.

Mincor's Nickel Exploration Strategy also benefits from a business development approach which aims to increase exposure to known nickel sulphide ore systems. This approach has seen the inclusion of the North Kambalda and Bluebush group of tenements in the reporting period. This increased exposure to ore systems and a wide spectrum of greenfields to advanced-stage projects will underpin further exploration success in the Kambalda Nickel District.

Mincor's nickel exploration during the past year achieved success in a number of areas:

- The Mariners N09 ore body was successfully drilled out and extensions delineated. The ore body remains completely open down-plunge.
- Durkin North – exploration drilling increased the resource by 47% to 19,400 tonnes of nickel.
- Burnett Zone at Miitel discovered – interpreted to be a faulted offset of the Miitel trend and completely open to the north. Significant resource extensions are possible in this area.
- Wannaway – potential major new extension to the ore system intersected at depth.
- Major extensions to the Otter Juan ore system outlined through the innovative underground directional drilling technique.

NEAR-MINE EXPLORATION (SOUTHERN OPERATIONS)

THE MARINERS ORE SYSTEM

The discovery of the N09 ore body in 2007 has resulted in a significant extension of the Mariners ore system. Underground drilling throughout the year focused on infilling the new resource, and this work successfully located numerous zones of thick high-grade mineralisation. These shoots are interpreted to have a gentle plunge to the south with some attenuation of the ore profiles adjacent to each shoot. The N09 ore body appears to contain a higher proportion of massive sulphides than the upper areas of the mine and may represent a strengthening of the overall ore system with depth.

Further extensions to the N09 ore body are highly likely, as demonstrated by the deepest hole in the mine, MRDH329, which intersected 18.97 metres @ 3.2% nickel (true width 5 metres). This intersection may represent the top of a new ore body at Mariners, or may be the continuation of the N09 ore body at depth. Down-hole electromagnetics (DHEM) of the deepest holes indicates that mineralisation extends well beyond the current resource.

A KAMBALDA SUNSET (PHOTO BY MATT ALEXANDER)

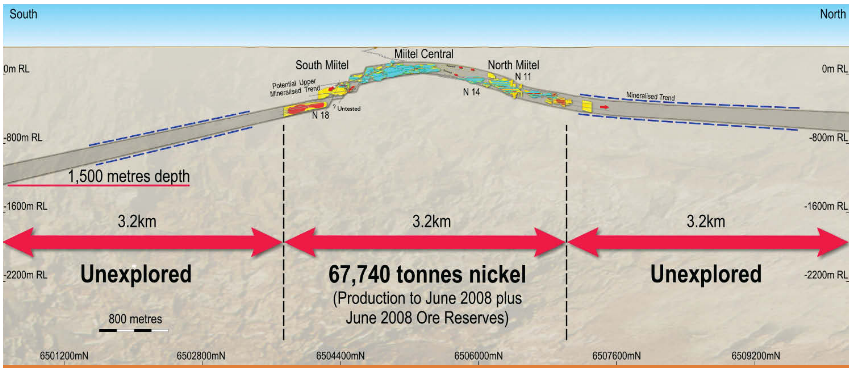


FIGURE 1 Miitel Ore System

Further drilling of the downward extent of the N09 resource is not possible using conventional drilling techniques from available sites. For this reason Mincor will carry out a directional drilling program at Mariners, similar to that employed successfully at Otter Juan. The program will commence in the first quarter of the current financial year, and will target a major down-plunge extension to the ore system.

Better drill results at the periphery of the current resource are:

- MRDH329: 18.97 metres @ 3.20% nickel (true width 5.0 metres); 2.61 metres @ 6.4% nickel (true width 0.8 metres); and 10.92 metres @ 1.8% nickel (true width 3.0 metres)
- MRDH299: 7.57 metres @ 5.2% nickel (true width 3.7 metres)
- MRDH297: 5.53 metres @ 3.45% nickel (true width 3.2 metres)
- MRDH274: 7.35 metres @ 1.22% nickel (true width 1.2 metres)
- MRDH239: 5.30 metres @ 1.55% nickel (true width 3.1 metres)
- MRDH273: 3.92 metres @ 2.56% nickel (true width 1.3 metres)

MIITEL – THE BURNETT SHOOT

Significant mineralisation was intersected beyond a faulted corridor of the North Miitel mine trend. The mineralisation is currently defined by three intersections and located on the newly named Burnett Shoot. The intersections lie 250 metres beyond the northernmost underground development at North Miitel and may represent a major extension to the Miitel ore system. They occur in what appears to be the faulted continuation of the ore system, where the basal contact has been faulted approximately 130 metres into the hanging-wall.

Four holes have now been completed on this section line, with three of the four returning mineralised intersections:

- UMI-08-031: 3.80 metres @ 3.03% nickel (true width 3.0 metres)
- UMI-08-009: 4.19 metres @ 2.34% nickel (true width 2.4 metres)
- UMI-08-010: 0.45 metres @ 4.93% nickel (true width 0.3 metres)

Burnett is considered to have significant exploration upside for the following reasons:

- Thickness and grade intersected to date;
- Mineralised channel has an interpreted vertical extent of over 100 metres (see Figure 2);
- The surface remains completely untested to the north;
- In terms of its known endowment, the Miitel ore system is already one of largest known in Kambalda, and observation suggests that the stronger and higher grade the ore system, the more likely it is to be laterally extensive.

Testing the extents of the Burnett Shoot is high priority. Surface drilling is planned to test a major step-out position some 400 metres to the north of the original intersections, while from underground a drill drive will push through the fault structure to allow the Shoot to be drilled out closer to the existing mine.

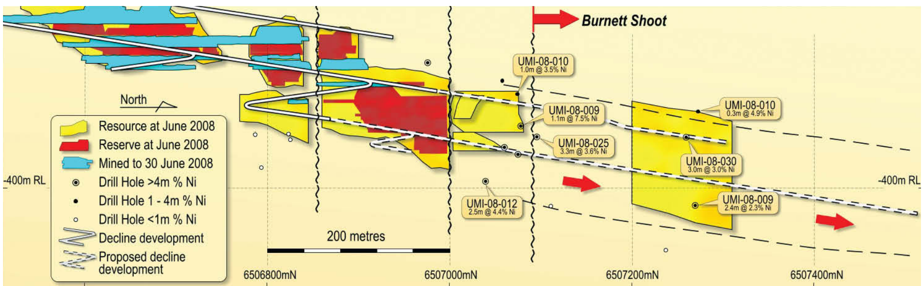


FIGURE 2 North Miitel and Burnett

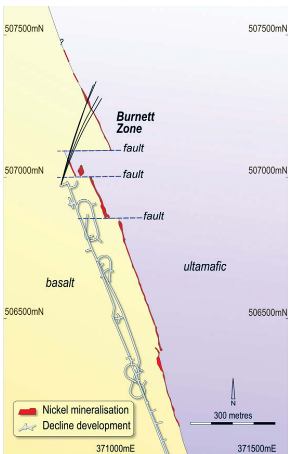


FIGURE 3 Burnett - Plan View

MINCOR'S KAMBALDA NICKEL BUSINESS

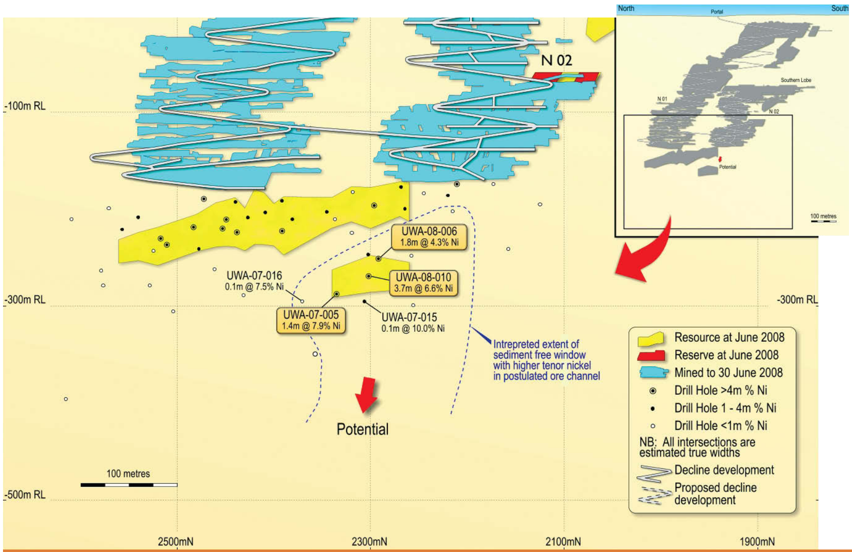


FIGURE 4 Wannaway - Long Section

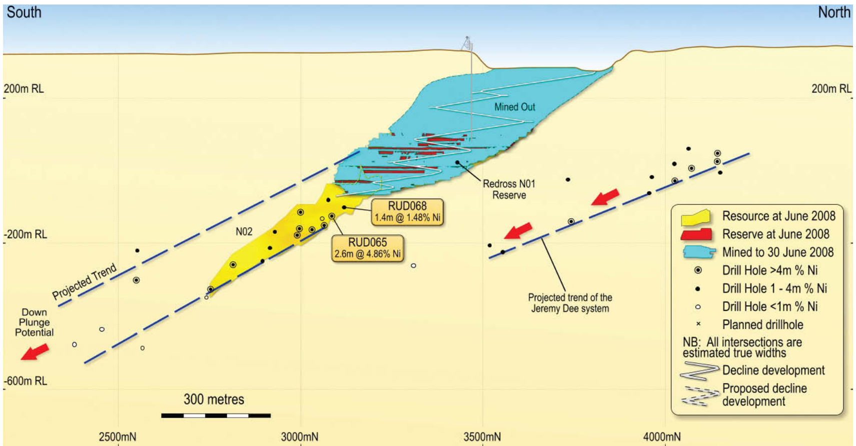


FIGURE 5 Redross- Long Section

THE WANNAWAY ORE SYSTEM

Significant progress was made in unlocking the potential beneath the Wannaway Mine. Underground drilling focused on two areas.

The main target is the postulated sediment-free ore trend beneath the N02 ore surface first highlighted by the intersection in UWA-07-005: 1.84 metres @ 7.90% nickel. The initial intersection was on a sediment-free contact and included higher tenor massive sulphides. Follow up drill holes UWA-08-006 and UWA-08-010 both intersected significant mineralisation on a sediment-free contact and contained higher tenor massive and matrix profiles. This classic Kambalda-style nickel intersection in a sediment-free window indicates the potential presence of the main ore trend and remains open. High priority follow up drilling is underway.

The second target, beneath the N01 ore body, generated a number of significant intersections with the best results in UWA-08-002: 8.12 metres @ 4.24% nickel and UWA-08-003: 7.38 metres @ 4.97% nickel. All these intersections comprise well-developed low tenor massive and matrix nickel sulphide mineralisation on sulphidic sedimentary rocks lying directly on the basal contact. The drill intersections define a potentially high-grade ore position, which itself may be interpreted as an off-shoot from a postulated ore channel beneath the N02 ore body as described above.

Better results include:

Beneath the N01

- UWA-07-020: 5.06 metres @ 4.07% nickel (true width 2.53 metres)
- UWA-07-017: 8.34 metres @ 2.63% nickel (true width 3.2 metres)
- UWA-08-002: 8.12 metres @ 4.24% nickel (true width 4.63 metres)
- UWA-08-003: 7.38 metres @ 4.97% nickel (true width 2.51 metres)
- UWA-08-004: 4.00 metres @ 3.47% nickel (true width 2.86 metres)

Beneath the N02

- UWA-08-010: 7.40 metres @ 6.60% nickel (true width 3.70 metres)
- UWA-08-006: 2.53 metres @ 4.27% nickel (true width 1.77 metres); and 0.65 metres @ 9.57% nickel (true width 0.46 metres)
- UWA-07-005: 1.84 metres @ 7.90% nickel (true width 1.40 metres)

The lack of appropriately located underground drill positions has hampered this program. Due to the high potential of the targets identified to date, Mincor is considering the use of underground directional drilling, or possibly surface drilling, in order to advance this prospect.

THE REDROSS ORE SYSTEM

Exploration at Redross was directed at the N02 resource located down-plunge of the N01 ore body.

Underground drilling was successful in extending the N02 resource up-plunge with strong mineralisation encountered in RUD065: 7.56 metres at 4.86% nickel and RUD068: 4.78 metres @ 1.48% nickel. However follow up drilling was less convincing, and further work is required.

NEAR-MINE EXPLORATION (NORTHERN OPERATIONS)

The acquisition of GMM provided Mincor with access to a large area of highly prospective ground and numerous known ore systems which have produced a large proportion of the total nickel mined in the Kambalda district over the past 40 years. The North Kambalda group of tenements have produced over 450,000 tonnes of nickel metal from seven ore systems to date. All the ore systems (excluding Durkin North) remain open at depth and all will be tested in the fullness of time.

Mincor's near-mine exploration focus during the year was on extending the world-class Otter Juan ore system, confirming and extending the McMahon resource (now undergoing mine development) and confirming and extending the Durkin North resource (now undergoing feasibility studies).

TABLE 3: Total Production of Known Ore Systems at North Kambalda Operations to June 2008

	HISTORIC PRODUCTION		
MINE	TONNES	GRADE (%)	NICKEL (tonnes)
Otter Juan	8,502,028	3.57	303,736
Durkin	3,148,395	3.26	102,742
McMahon	337,583	2.32	7,828
Ken	613,407	3.30	20,265
Gellatly	140,815	2.19	3,089
Wroth	96,526	2.86	2,759
Coronet/McCloy	620,019	2.85	17,680
Total	**13,458,772**		**458,100**

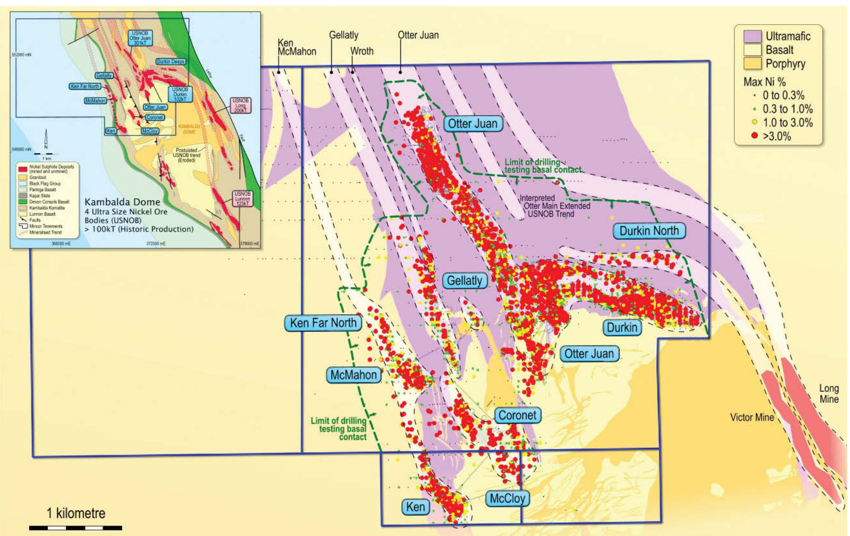


FIGURE 6 Kambalda Dome Ore Systems

MINCOR'S KAMBALDA NICKEL BUSINESS

DIRECTIONAL DRILLING UNDERGROUND AT OTTER JUAN

THE OTTER JUAN ORE SYSTEM

Otter Juan is Mincor's lowest cost, highest grade mine and has been in almost continuous production since the early 1970s.

Mincor commenced an innovative underground directional drilling program in January 2008, with the goal of proving up a multi-year production horizon for Otter Juan. The rich Otter Juan ore channel is too deep to be drilled effectively from surface, and traditionally its ore reserves have been extended on a year-by-year basis through the use of hanging-wall drill drives.

The new drilling technique involves the drilling of parent holes followed by a number of wedges using navigational (directional) tools, guiding the wedge into the desired location. Although navigational diamond drilling is common practice with surface drilling rigs, its application with underground diamond rigs is at its formative stages.

The technique at Otter Juan has been completely successful, with the first two intersections extending the ore trend by 234 metres down-plunge, with intersections of 3.5 metres @ 3.7% nickel (NAV1) and 1.6 metres @ 12.2% nickel (NAV2) (both true width).

Subsequent to financial year end, two further wedges were completed, intersecting the ore trend at 97 metres and 65 metres respectively, beyond the previous intersection. The first wedge (NAV3) appears to have intersected a f anking position, while the second (NAV4) achieved a high-grade intersection of 4.64 metres @ 5.8% nickel (true width 1.9 metres) – confirming that the Otter Juan ore trend remains intact nearly 300 metres beyond the previous maximum extent of drilling.

DHEM surveys conducted on the parent hole have shown continuous anomalies from the mine past NAV1 to NAV2 and, after a small offset, to NAV3.

The directional drilling program will continue, with the aim of both further extending the ore system and infilling the results achieved to date. Each 150 metre extension to the ore trend adds a year of mine life to Otter Juan, assuming the ore body maintains its historic dimensions.

The results to date clearly show the ongoing strength of the Otter Juan system and strong likelihood for continuous mining to the lease boundary some 500 metres down-plunge from existing development.

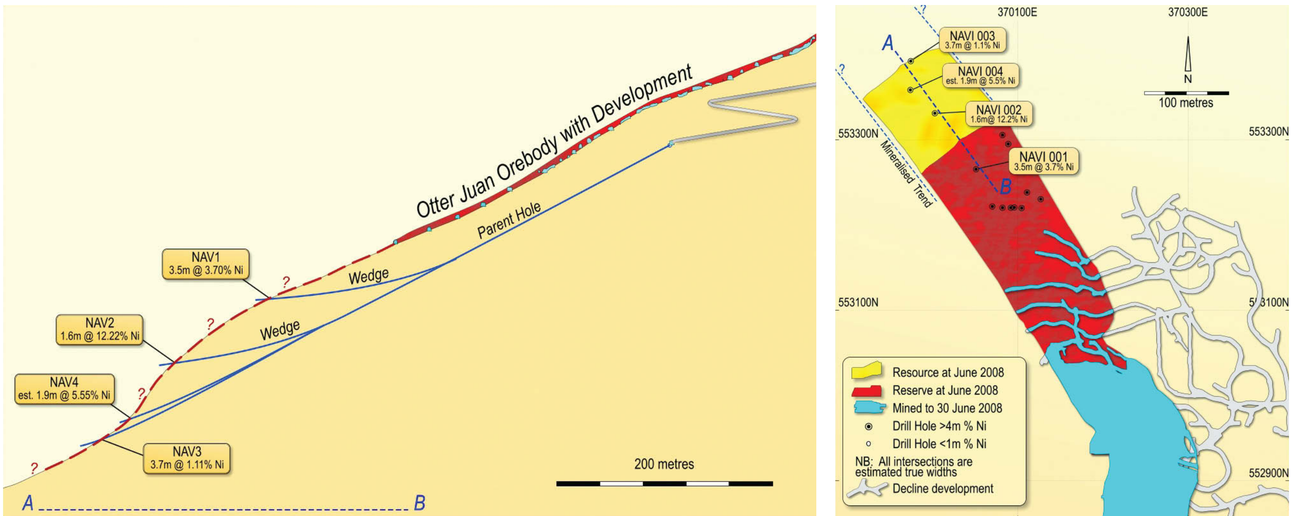


FIGURE 7 Otter Juan - Plan and Long Sections

THE MCMAHON AND KEN ORE SYSTEMS

A campaign of resource confirmation and extension drilling commenced at McMahon very shortly after Mincor completed the GMM acquisition. The success of this work allowed the feasibility study to proceed, and in November 2007 Mincor announced its decision to develop the mine.

McMahon resource confirmation drilling within the MM3 (all true width):

- KMD003: 0.86 metres @ 3.16% nickel
- KMD004: 1.00 metres @ 2.03% nickel
- KMD005: 2.96 metres @ 1.83% nickel
- KMD006: 2.50 metres @ 4.28% nickel
- KMD007: 4.00 metres @ 2.97% nickel
- KMD008: 3.37 metres @ 1.02% nickel

KMD006 and KMD007 targeted up-plunge of historic drill hole KD9486W2 (13.95 metres @ 3.01% nickel). The holes intersected a well-developed mineralised profile with massive sulphides on a sediment-free contact. All the other holes were drilled around the western margin of the MM3 resource targeting possible thicker and higher grade portions near the margins, without success.

Extensional drilling commenced with a parent hole and a wedge targeting the McMahon trend on a substantial step-out position some 140 metres down-plunge of the MM3 mineral resource. KMD009 and KMD009W1 both intersected highly encouraging mineralisation.

McMahon extensional drill holes (all true thickness):

- KMD009: 1.21 metres @ 4.12% nickel (McMahon Contact)
- KMD009W1: 2.41 metres @ 2.69% nickel (McMahon Contact); and 1.58 metres @ 8.04% nickel (basalt/basalt)

KMD009 and KMD009W1 mineralisation comprises medium tenor massive and matrix sulphides on a sediment-free contact and is considered highly encouraging for further resource additions. A second medium tenor massive sulphide zone returned 1.58 metres @ 8.04% nickel hosted within the footwall basalt.

A step-out section 207 metres down-plunge of KMD009 and KMD009W1 failed to intersect significant mineralisation but follow up drilling is required. The drill-testing of possible extensions of the McMahon and Ken trends will take place from underground platforms in due course.

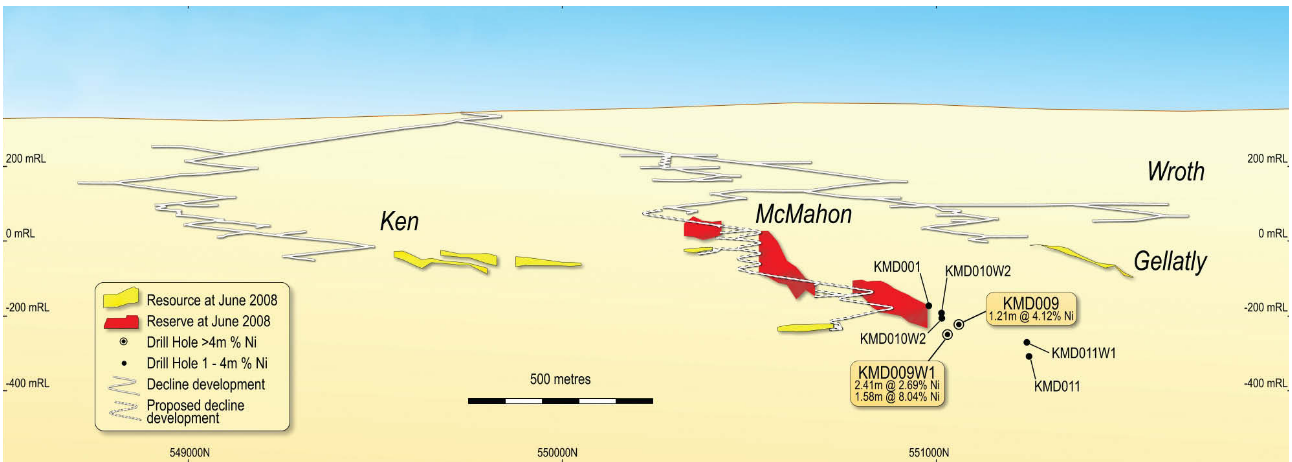


FIGURE 8 Ken and McMahon Ore Systems - Long Section

MINCOR'S KAMBALDA NICKEL BUSINESS

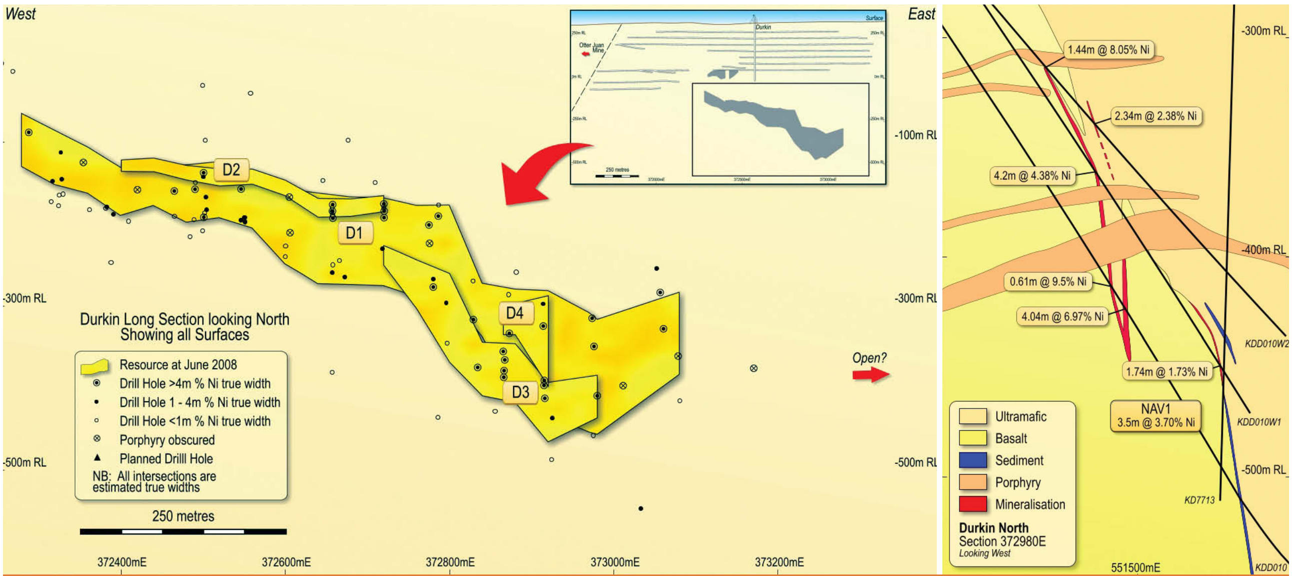


FIGURE 9 Durkin North - Long and Cross Sections

THE DURKIN NORTH ORE SYSTEM

A substantial mineral resource increase was achieved after a successful round of confirmation drilling at Durkin North. The mineral resource for the Durkin Deeps Nickel Project now stands at 19,400 tonnes of contained nickel metal and remains open to the east and west.

The updated Durkin North mineral resource comprises the main trough structure-hosted ore body, the D1 Lode, an upper D2 Lode, a lower D3 Lode f anking surface and a small hanging-wall D4 Lode. The Durkin North ore system has a typical Kambalda-style morphology and its strike wraps around the northern nose of the Kambalda Dome. The system is intruded by a sequence of porphyries that increase in intensity towards the eastern lease boundary.

Durkin North is now the subject of a feasibility study based on an interim resource of 378,000 tonnes @ 5.1% nickel for 19,400 tonnes of contained nickel metal. The current program of exploration drilling, which is aimed at extending this resource to the east, has confirmed a significant extension with latest results including:

- KDD009W1: 3.42 metres @ 7.86% nickel from 716.6 metres (true width 1.55 metres)
- KDD009W3: 3.10 metres @ 2.98% nickel from 676.8 metres (true width 1.41 metres)

The intersection in KDD009W3 is partially obscured by a porphyry intrusion, which means that the mineralisation in the immediate vicinity (away from the porphyry) could be thicker. A step-out section has intersected porphyry on the contact. Drilling from underground to test the western extension is being considered.

THE CARNILYA HILL ORE SYSTEM

No significant near-mine exploration was undertaken during the year as efforts focused on mine development. During the coming year extensional underground drill programs will commence once the underground sites become available.

The Carnilya B01C resource to the west remains open with CMD026: 3.11 metres @ 3.66% nickel (true thickness) 200 metres down-plunge of the current resource limits. This western corridor is considered a high quality target.

Surface drilling is planned at East Carnilya (the other side of the ore system) where it is believed that high potential exists for additional discoveries.

EXPLORATION FOR ULTRA-SIZED NICKEL ORE BODIES – NORTH KAMBALDA

The greater Kambalda area is a world-class nickel district that has produced 1.3 million tonnes of nickel metal to date. Most of the nickel metal is from Ultra-Sized Nickel Ore Bodies (USNOBS) located on the Kambalda Dome. Mincor's Northern Kambalda tenements have produced nickel from seven known ore trends for a total of 455,000 tonnes of nickel. An extraordinary statistic is that 70% of Mincor's Kambalda North leases with underlying prospective basal contact remain untested. This clearly highlights the potential for further discoveries. Mincor's ability to convert any new discovery into reserve is greatly enhanced due to the large amount of existing underground development (down to 1.5km vertical depth), improvements in mining methodology at depth and the use of innovative exploration technologies.

The structural complexity of the North Kambalda Dome can be clearly seen on the cross section interpretation (Figure 10). The basal contact can be faulted to shallower positions via thrust faults resulting in the doubling of the contact in plan view. This doubling up of the contact increases the surface area of fertile contact on Mincor's tenements. It is also highly plausible that further thrust faults occur in the undrilled portions of the tenement, possibly relocating the basal contact closer to surface.

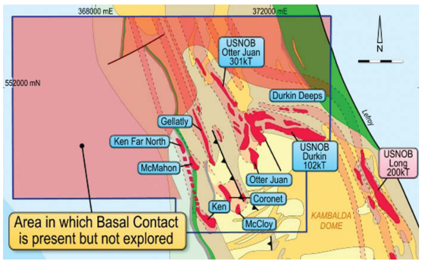
Two innovative technologies will be used by Mincor on the Kambalda Dome, and these have the potential to bring about the first really big expansion of knowledge in the area for several decades, leading potentially to a major new discovery. These techniques are Hard Rock Seismics and Underground Directional Drilling.

The Kambalda Dome has four known ultra-sized nickel ore bodies, each containing more than 100,000 tonnes of nickel metal. These are Otter Juan (303,000 tonnes of nickel), Long (201,000 tonnes of nickel), Lunnon (123,000 tonnes of nickel) and Durkin (103,000 tonnes of nickel). Two of these occur on Mincor's North Kambalda tenements.

To date two USNOB targets have been identified on Mincor's tenements. The first is a channel-like feature that runs sub-parallel to the main Otter Juan mine and has been named the Otter Main Extended. An area of complex faulting exists to the east of the Otter Juan mine trend and was initially identified by coarsely spaced stratigraphic holes drilled by WMC Resources Ltd. This exciting target, very close to substantial existing mine infrastructure, will be tested on section every 400 metres with a series of underground drill holes.

The second USNOB target is the continuation of the Long trend to the north, onto Mincor's tenements. Geological compilation suggests that the Victor Gibb System may be the equivalent to the Durkin North ore body and therefore the Long ore system may be present down-dip of Durkin North on Mincor's ground as the stratigraphy wraps around the Dome. This interpretation is enhanced by detailed litho-geochemical analysis of two deep historic holes, which have geochemical vectors pointing downwards towards the postulated Long trend.

Mincor is considering a significant 3D seismic program to map out the basal contact, which could assist in the cost effective drill-testing of these targets and help define new targets in the area. Underground directional drilling, parallel to the basal contact, angled perpendicular to the trend of the ore systems, could also be a cost-effective way to test portions of the target area.



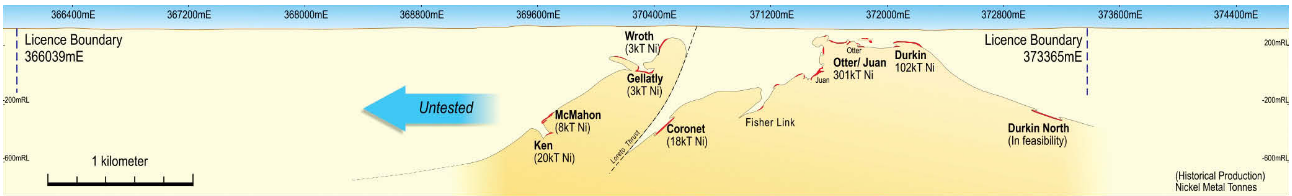


FIGURE 10 North Kambalda Dome - Idealised Cross Section (551200N)

MIITEL SUNRISE (PHOTO BY FLETCH NEWBURY)

MINCOR'S KAMBALDA NICKEL BUSINESS

REGIONAL KAMBALDA NICKEL EXPLORATION

CARNILYA HILL TENEMENTS

The Carnilya group of tenements has produced a total of 48,000 tonnes of nickel to date. The tenements contain 16km of known fertile contact on the northern ultramafic that is part of a synform dipping south. As a result both basal contacts on the northern ultramafic are prospective and contain a number of known deposits. The main regional targets include extensions at Zone 29, Anomaly 10 and targets along the northern contact zone.

BLUEBUSH LINE TENEMENTS

Mincor's acquisition of the Bluebush Line tenements from BHP Billiton was announced during November 2007. However, no access to the tenements was possible during the earlier part of year, pending ministerial approval to the sub-lease. This approval was granted during April 2008 and final permitting was completed during July 2008.

The Bluebush tenements represent a significant expansion of Mincor's nickel exploration potential in the Kambalda Nickel District. The tenements cover approximately 40km of the strike of the basal contact, the stratigraphic position along which all known Kambalda ore bodies occur. Numerous high-grade nickel sulphide intersections are known from previous drilling along the length of the tenements. While denied ground access during the last financial year, Mincor focused on data compilation and reviews. This highlighted the regional exploration potential of the tenements, and enabled Mincor to estimate an initial resource for the Stockwell Project.

The Stockwell Project was drilled by WMC Resources Ltd in the late 1990s. Based on the results of 51 drill holes, Mincor estimated and published an initial resource containing 20,800 tonnes of nickel metal. The mineral resources at Stockwell/Grimsby lie less than 300 metres below surface, making them among the shallowest unexploited nickel deposits currently known in the Kambalda District. The ore trend has a shallow plunge and a variable dip and appears to be influenced at depth by a fault structure.

The mineralisation is of typical Kambalda style, consisting of matrix and disseminated nickel sulphides lying directly on the basal contact. The average true width of the mineralisation is 1.2 metres. With the sub-lease over the tenements now granted, Mincor has applied for the necessary environmental permits, and expects to start drilling at Stockwell early in the 2008/09 financial year.

Detailed planning for a major regional exploration program covering the entire tenement package is underway.

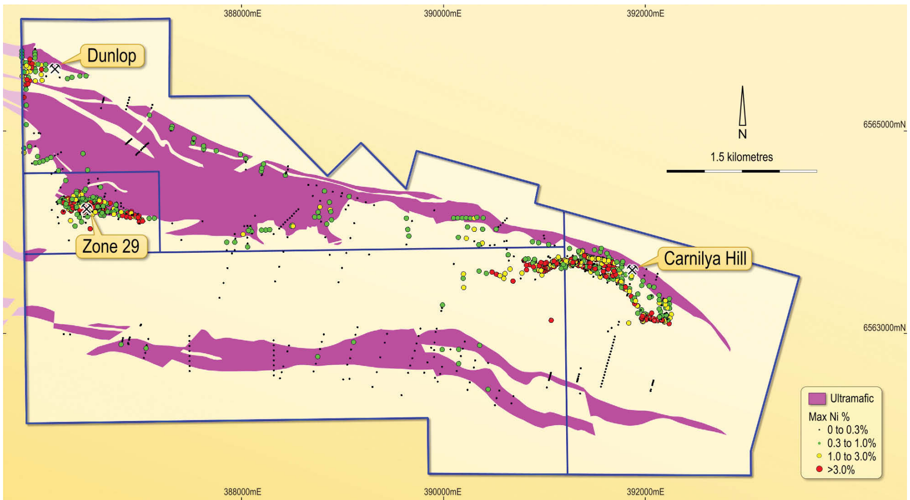


FIGURE 11 Carnilya Hill - Exploration

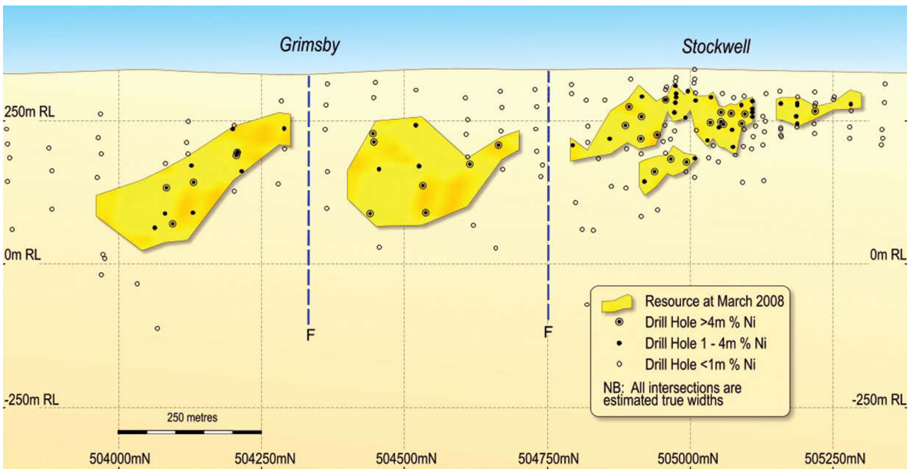


FIGURE 12 Stockwell - Long Section showing Mineral Resources

WIDGIEMOOLTHA AREA TENEMENTS

Mincor controls a cumulative total of approximately 60km of strike of the all-important ultramafic-basalt (basal) contact in the Widgiemooltha area. 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 1km 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.

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 magnetic highs along known basal contacts and testing down-plunge for remakes along established prospects.

The first of these new targets along the Dordie Far West contact is the Dordie South Prospect, located east of the Redross Mine. Drilling will target a well-defined 3.3km-long magnetic anomaly that is interpreted to contain the fertile basal contact that elsewhere hosts the Dordie Open Cut mine, Widgie Townsite, Widgie 3 and Cassini prospects. This high priority target will be drill-tested using reconnaissance aircore drilling.

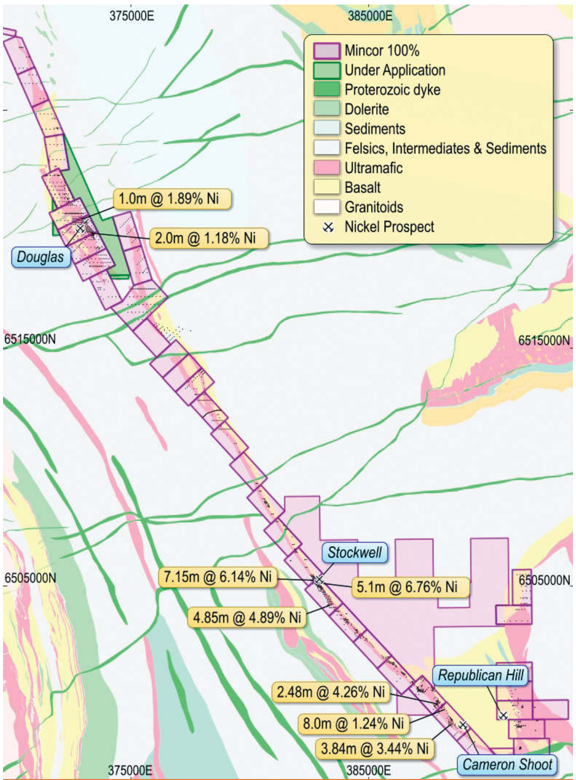


FIGURE 13 Bluebush - Location Map

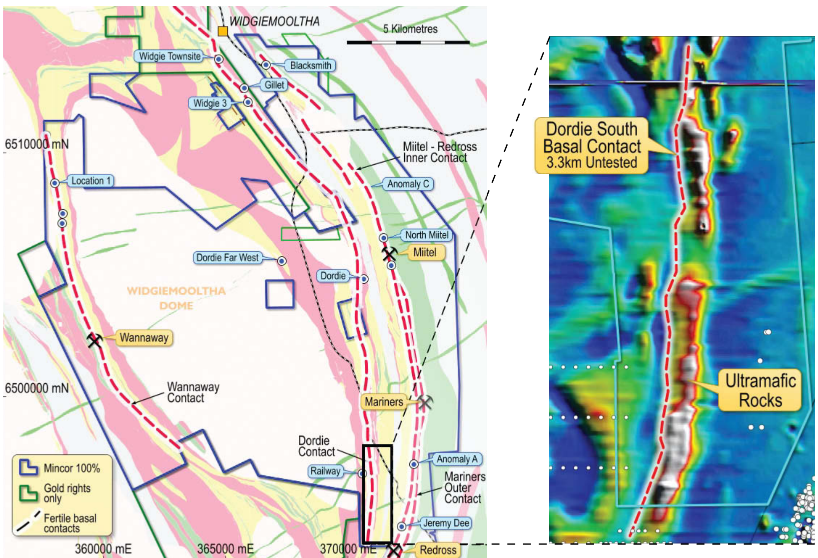


FIGURE 14 Dordie South - Location Map and Magnetic Anomaly

MINCOR'S KAMBALDA NICKEL BUSINESS

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 1970s, and the mine was operated by Tectonic between 2000 and 2005, and produced a total of 460,000 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.

Following the initial round of drilling completed last year, Mincor carried out a MIMDAS Induced Polarisation (IP) survey over the whole of the tenement south of the highway. A strong and sizeable chargeable anomaly was detected, lying below the perceived ultramafic/felsic contact.

The preliminary geological interpretation is that the RAV 8 deposit may have been dislocated by a series of south over north thrust faults. If this model is correct it would indicate that the IP anomaly is on a lower thrust surface that could host significant nickel sulphide mineralisation. A second round of drilling (RC and/or diamond) is planned early in the financial year.

EXPLORATION FOR NEW NICKEL DISTRICTS

WEST KAMBALDA 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 aeromagnetic trends that are believed to ref ect ultramafic rocks, generally on ground that is covered and has received little nickel exploration in the past. The prospectivity of the group of tenements is bolstered by the nearby nickel sulphide mine at Nepean (production >30,000 tonnes of nickel) and the Queen Victoria Rocks nickel prospect. Mincor's work is aimed at discovering totally new mineralised ultramafic belts – whole new nickel districts. Mincor has the right to earn up to a 70% interest, in a staged earn-in process.

A Versatile Time Domain Electromagnetic Survey (VTEM), totalling 1,266 line kilometres, was completed over a number of the joint venture tenements in November 2007. Ten VTEM anomalies were identified and coincide with significant aeromagnetic anomalies. Field verification was undertaken and all the anomalies are genuine and not related to cultural features.

As these tenements are newly granted exploration leases a number a f ora and fauna and heritage surveys have had to be completed, and this has caused extensive delays. Drilling of these high priority targets is expected to commence as soon as final clearing permits are obtained.

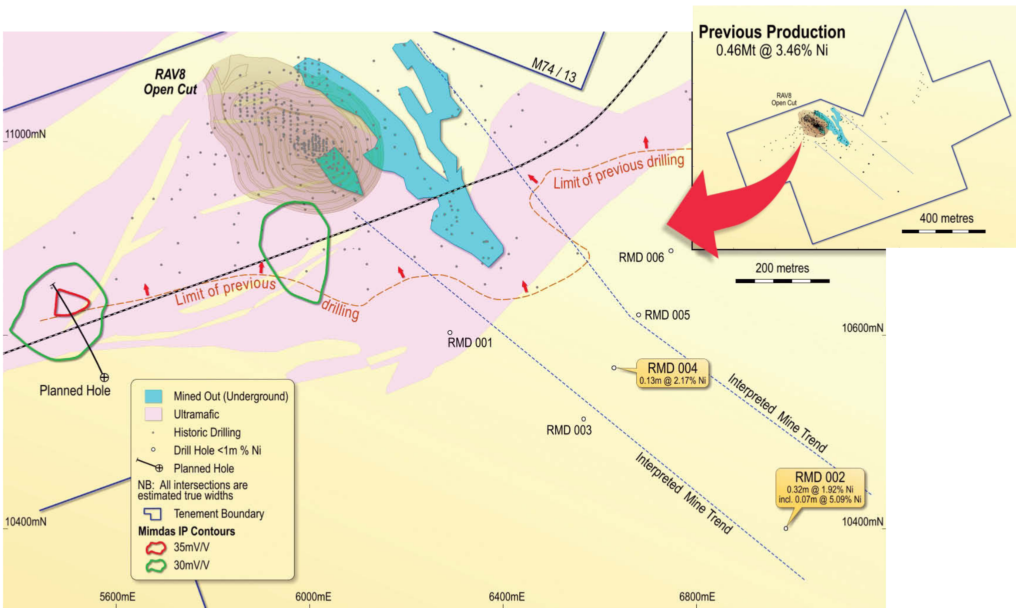
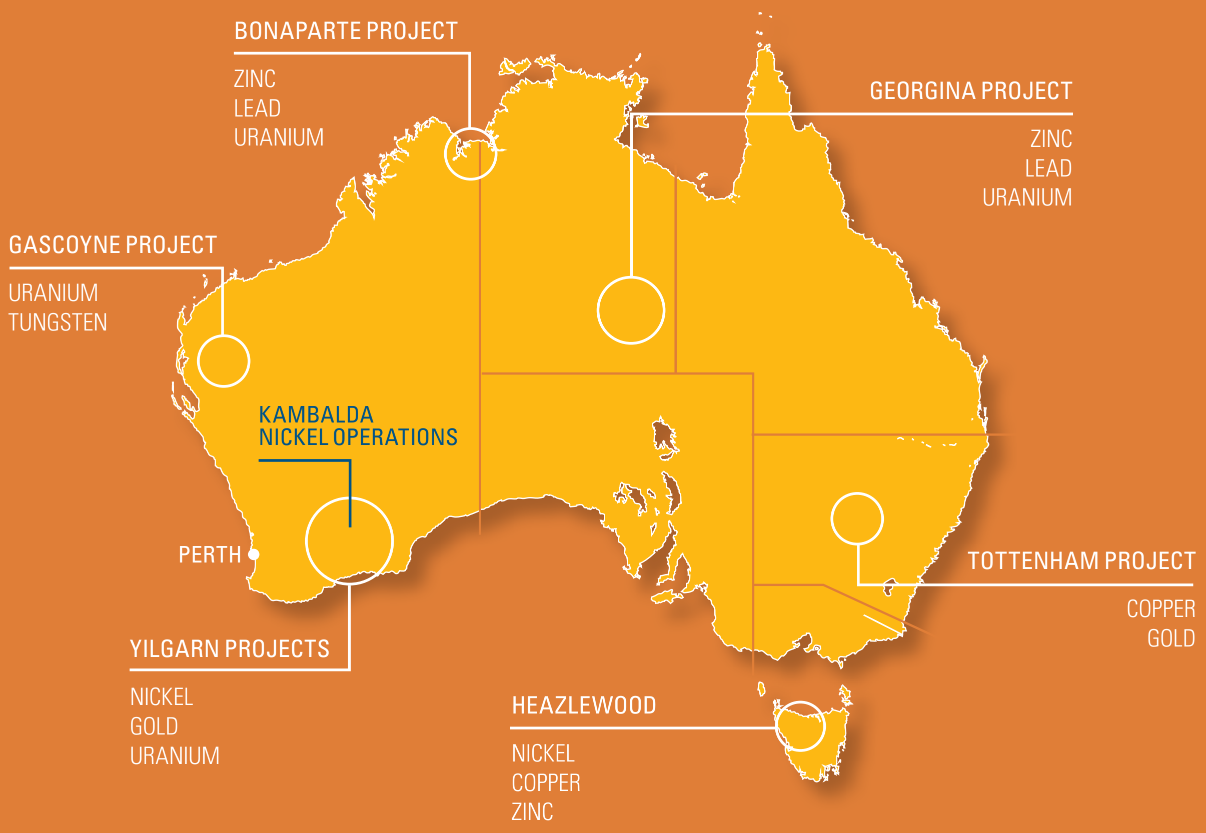


FIGURE 15 RAV 8 - Exploration

UNDERGROUND DIAMOND DRILLING AT OTTER JUAN

OTHER GOLD AND BASE METAL EXPLORATION

- MAIDEN COPPER RESOURCE AT TOTTENHAM – 41,850 TONNES CONTAINED METAL
- SIGNIFICANT ZINC EXPLORATION AT GEORGINA FOLLOWING SIGNING OF JOGMEC JOINT VENTURE
- ENCOURAGING URANIUM RESULTS FROM CATTLE POOL IN THE GASCOYNE
- FURTHER ENCOURAGING GOLD RESULTS FROM LAKE COWAN



GOLD EXPLORATION DRILLING AT THE LAKE COWAN GOLD PROJECT (PHOTO BY JAMES EMSLIE)

TOTTENHAM COPPER PROJECT

A significant achievement for Mincor at Tottenham was the delineation of the Company's first metal resource outside its Kambalda nickel business – a maiden copper resource estimate of 41,850 tonnes of contained metal. This comprised an initial Indicated and Inferred Mineral Resource covering the Mount Royal and Carolina areas, the first two of a number of prospects to be tested along an extensive belt of prospective stratigraphy on Mincor's tenements, where numerous known copper occurrences are present over a 30km strike length.

The resource estimate was based on results of a successful drilling program completed during 2007 as well as earlier drilling results.

The resources outlined to date are near-surface oxide deposits and are likely to be amenable to open pit mining and processing via heap leaching and solvent extraction/electrowinning. Details are tabled below:

TABLE 4: Tottenham Copper Project - Mineral Resources (at a 0.25% Copper Cut-Off)

LOCATION	INFERRED (tonnes)	GRADE (Cu %)	INDICATED (tonnes)	GRADE (Cu %)	TOTAL tonnes	GRADE (Cu %)	CONTAINED METAL (tonnes)
Mt Royal	1,500,900	1.0	869,800	1.2	2,370,700	1.1	26,078
Carolina			1,336,200	1.2	1,336,200	1.2	16,034
Total	**1,500,900**	**1.0**	**2,206,000**	**1.2**	**3,707,000**	**1.1**	**41,850**

Note: Ore tonnage figures have been rounded to the nearest 100 tonnes. Grades have been rounded to the first decimal point. Estimation of contained copper may not equal ore tonnes x grade due to rounding.

A further 2,831 metres of reverse circulation drilling commenced during 2008 with the objective of testing for possible extensions to the known resources, and first pass testing of selected targets along the prospective strike length. A number of targets could not be drilled due to weather constraints and will be tested during the next program which is planned for the (dry) summer months.

In addition to the copper oxide resources, there is considerable potential for copper sulphides at depth. During 2008, Mincor carried out a helicopter-borne Versatile Time Domain Electromagnetic (VTEM) survey, targeting deposits of copper sulphides. The survey covered 1,090 line kilometres, f own mostly at a 200 metre line spacing and covering the same area as the detailed aeromagnetic survey f own early in 2007. A number of discrete late-time (suggesting deeper, bedrock-hosted sources) conductive responses were identified, the locations of which are shown in Figure 16. These anomalies, which may represent sulphide accumulations, lie directly down-plunge or adjacent to the known oxide deposits at Carolina and Mount Royal, as well as further afield.

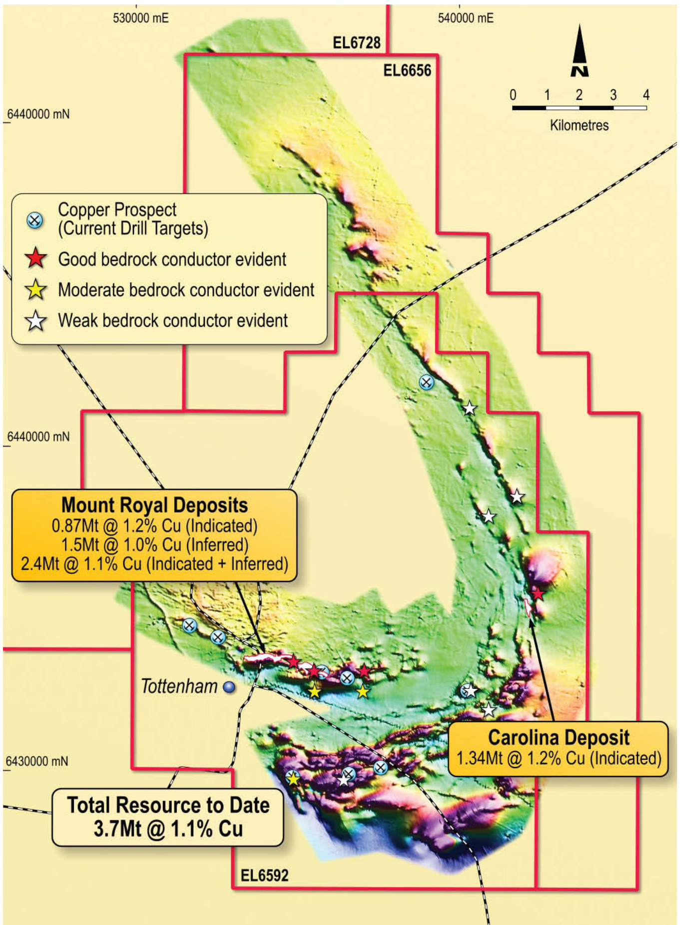


FIGURE 16 Total Magnetic Intensity Image with Superimposed Locations of Anomalous VTEM Responses at Tottenham. The VTEM Coverage Comprised the Same Area as the Magnetic Coverage.

OTHER GOLD AND BASE METAL EXPLORATION

GASCOYNE URANIUM PROJECT

Mincor's ongoing uranium exploration program in the Gascoyne region of Western Australia has continued to yield extremely encouraging results. A number of radiometric anomalies have been followed up by means of mapping, grab sampling, hand auger and trenching. A summary of results from these programs is given below and shows how Mincor's work to date has identified persistent near surface uranium mineralisation in a variety of settings, including a possible primary source at Cattle Pool. This work was in part aided by a detailed regional airborne spectrometric-magnetic survey that was completed during the June quarter. Additional reconnaissance work was also carried out in the Duncan Pool Area (Figure 17).

CATTLE POOL AREA

Costeans were excavated at each of five prospects (Dolerite, Junction, Maslin, Zinger and Antex) to an average depth of 1.5 metres (maximum 2.2 metres). Mapping and sampling of these confirmed the presence of secondary uranium within the saprolitic part of the weathering profile to a depth of at least 2.2 metres. Significant assay results were obtained from all five costeans, as summarised below.

At Dolerite, **0.9 metres @ 971ppm U3O8 (maximum 0.05 metres @ 5,463 ppm U3O8)** was obtained from a 0.9 metre deep hand-auger hole which started in soil and ended in gypsiferous saprolite showing abundant secondary uranium. A follow up costean confirmed the high-grade uranium mineralisation to a depth of 2 metres (see summary at the end of this section).

Of great significance was the identification of the 'Lucky' anomaly, approximately 1km southeast of Dolerite. Rock chip sampling of orthogneiss outcrop in the area yielded a maximum assay of **4,531ppm U3O8**, possibly indicating the presence of primary uranium.

This very exciting result may represent the first discovery of primary uranium mineralisation in the Cattle Pool Area. The result suggests the orthogneiss is both a major new exploration target for uranium, and may be the source of the widespread secondary uranium in the area.

A summary of assay results is given at the end of this section. Figure 17 shows the locations of the anomalies and costeans at Cattle Pool, including the Lucky anomaly. This has the potential to develop into a significant uranium play for Mincor and will be the subject of detailed, ongoing work, including a close spaced drilling program to further test lateral continuity. The drilling will be dependent on contractor availability but it is hoped to be completed during the 2008 field season.

DUNCAN POOL AREA

Reconnaissance sampling in the Duncan Pool Area (E09/1228) located secondary uranium mineralisation at No2 Well (maximum assay 779ppm U3O8 in silcrete), and Camel Pad (maximum assay 991ppm U3O8 in gypsiferous soil). A shallow hand auger hole at the same location returned 0.4 metres at 490ppm U3O8. No2 Well is located at 7281990mN, 451590mE and Camel Pad at 7282120mN, 451670mE (MGA Zone 52 GDA94) – see also inset in Figure 17.

The airborne spectrometric-magnetic survey mentioned earlier (5,953 line kilometres, 100 metre line spacing) was completed over tenements E09/1205, E09/1274 and E09/1356 and yielded a number of potential targets that will be followed up, together with a more detailed phase of work that is being planned for Duncan Pool.

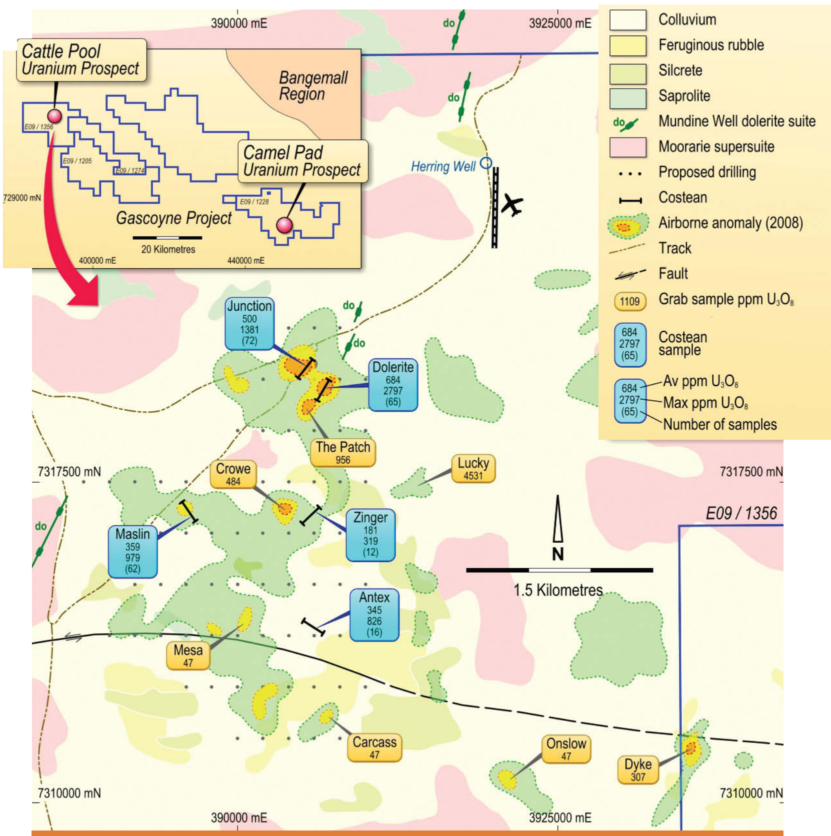


FIGURE 17 Showing Prospects, Anomalies and Costean Locations at Cattle Pool and Camel Pad (Inset)

FIELD TECHNICIAN ANTHONY MATZKOV SAMPLES A COSTEAN AT THE CATTLE POOL URANIUM PROSPECT, GASCOYNE (PHOTO BY RICHARD HATFIELD)

SUMMARY OF ASSAY RESULTS AND ANALYTICAL PROCEDURES

All location data is MGA Zone 52, GDA94. Costean locations are also shown in Figure 17.

DOLERITE COSTEAN
7313260MN, 390550ME

Channel Sampling
Average Assay: 684ppm U_3O_8
Max. Assay: 2,797ppm U_3O_8
No. of Samples: 65

Best Samples:

CHANNEL	DEPTH (metres)	U_3O_8 (ppm)
CPDC-5	1.0	2,797
CPDC-7	3.6	1,071
including	2.3	1,243
CPDC-8	1.0	1,357
CPDC-9	3.6	1,245
including	2.3	1,789
CPDC-10	1.0	1,392
and	1.0	1,204
CPDC-11	1.0	1,416
CPDC-12	1.0	1,015
CPDC-13	1.0	1,605
CPDC-15	1.0	1,322

JUNCTION COSTEAN

7313390MN, 390530ME
Channel Sampling
Average Assay: 500ppm U_3O_8
Maximum Assay: 1,381ppm U_3O_8
No. of Samples: 72

Best Samples:

CHANNEL	DEPTH (metres)	U_3O_8 (ppm)
CPJC-5	1.0	1,381
CPJC-6	1.0	1,026
CPJC-13	1.3	1,050
CPJC-15	1.0	1,050

MASLIN COSTEAN

7312290MN, 389340ME
Channel Sampling
Average Assay: 359ppm U_3O_8
Maximum Assay: 979ppm U_3O_8
No. of Samples: 62

Best Samples:

CHANNEL	DEPTH (metres)	U_3O_8 (ppm)
CPMC-12	1.3	814
CPMC-14	1.0	979

ZINGER COSTEAN

7312160MN, 390550ME
Channel Sampling
Average Assay: 500ppm U_3O_8
Maximum Assay: 319ppm U_3O_8
No. of Samples: 12

Best Samples:

CHANNEL	DEPTH (metres)	U_3O_8 (ppm)
CPZC-02	1.0	319

ANTEX COSTEAN

7311250MN, 390585ME
Channel Sampling
Average Assay: 500ppm U_3O_8
Maximum Assay: 826ppm U_3O_8
No. of Samples: 16

Best Samples:

CHANNEL	DEPTH (metres)	U_3O_8 (ppm)
CPAC-02	1.0	826

OTHER GOLD AND BASE METAL EXPLORATION

TIPPERARY ZINC PROJECT

Mincor has earned a 51% interest from joint venture partner Fractore Pty Ltd in a key group of tenements, the Tipperary Project, located in the heart of the world-class zinc district of the Irish midlands (Figure 18).

Diamond drilling continued at Tipperary where the target is Irish-style zinc-lead deposits near the base of the Walsortian reef limestone sequence along the strike length of Mincor's tenements. This horizon hosts the Lisheen and Galmoy ore bodies (Figure 18). Detailed geophysical modelling of gravity and magnetic data has suggested that key elements of these high-grade zinc deposits may be present and in addition, other explorers have recently discovered zinc mineralisation to the northwest in the Caherconlish area of County Limerick and near Quin in County Clare, further enhancing the prospectivity of the region. To date four holes have been completed to the west of Tipperary to test stratigraphic correlations along the length of Mincor's tenements and a fifth is underway.

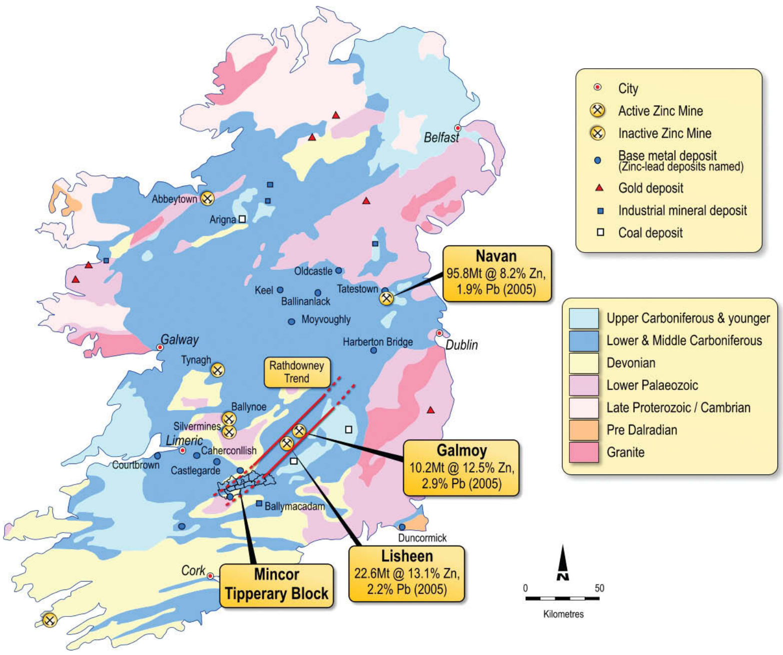


FIGURE 18 Location of Mincor's Tipperary Project in World-Class Zinc District of the Irish Midlands

DRILLING AT WEST TIPPERARY IN THE IRISH MIDLANDS, JANUARY 2008 (PHOTO BY RICHARD HATFIELD)

GEORGINA ZINC PROJECT

Mincor has moved to accelerate the Georgina lead-zinc project after securing a joint venture with the Japan, Oil, Gas and Metals National Corporation (JOGMEC). The deal provides for JOGMEC to sole-fund A$2.5 million over 2 years to earn a 25% interest in the project. JOGMEC may elect to earn a further 15% interest by spending an additional $2 million on the project over a further 12 month period. JOGMEC's maximum earn-in expenditure is therefore $4.5 million over 3 years to earn 40%, with a minimum commitment of $1 million by end March 2009.

The Georgina Basin exploration project is a generative zinc-lead exploration venture based on recent work by the Northern Territory Geological Survey that has highlighted the potential of the area to host zinc-lead mineralisation (Figure 19). The joint venture's target in this very large scale, early-stage exploration play is the discovery of a major new multi-deposit zinc-lead mineral province. The deal brings important foreign investment to the kind of pioneering grassroots exploration work that has been all too rare in Australia over the past few decades – the kind of work that can still, in this century, uncover whole new mineral provinces.

The joint venture, which is to be managed by Mincor with technical assistance and funding from JOGMEC, is at an advanced stage of planning for the current (2008) and 2009 field seasons. A Native Title Agreement that gives Mincor access to the Georgina area for low impact exploration activities has been successfully negotiated with the Northern Territory Central Land Council and a regional stream sediment sampling program is already underway.

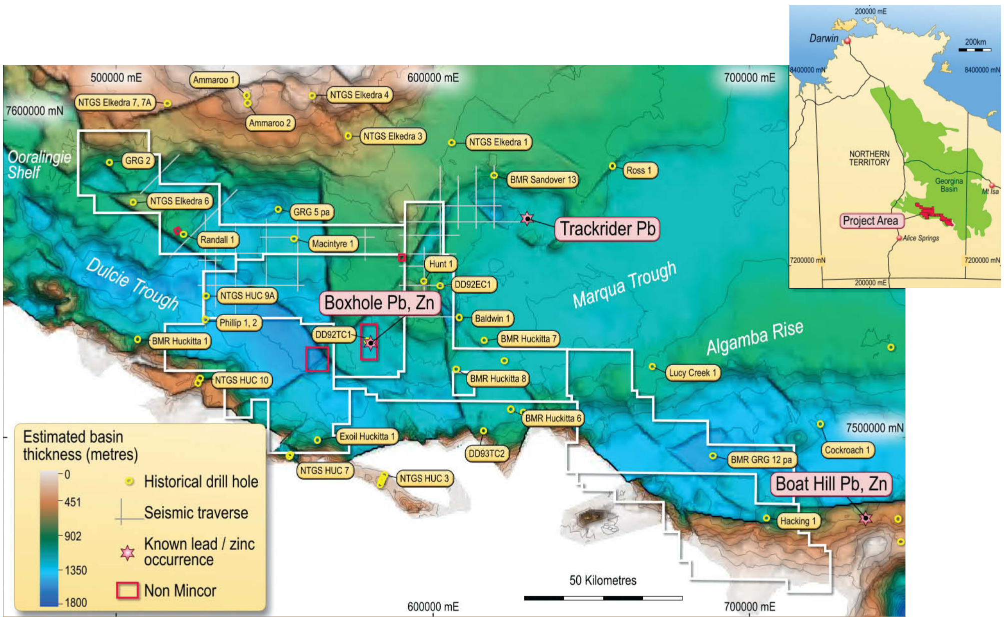


FIGURE 19 Location of he Georgina Project together with some of the Data Sources used by the Northern Territory Geological Survey (together with Regional Geochemistry Geophysics and Satellite Imagery) to Highlight the Prospectivity of the Region for Base Metals, especially Zinc.

OTHER GOLD AND BASE METAL EXPLORATION


TAKING OFF AT TOTTENHAM DURING THE VTEM SURVEY (PHOTO BY RICHARD HATFIELD)

LAKE COWAN GOLD PROJECT

Mincor's Lake Cowan Tenement (E15/729) is situated some 17km southeast of the Higginsville mining centre and first came to prominence following a first phase of aircore drilling that was completed in December 2006. This highlighted a highly prospective package of greenstone rocks including ultramafics, gabbros, magnesium-rich basalts and sediments with elevated gold and arsenic values which were found to be associated with quartz veining.

A second phase of 10,603 metres of aircore drilling (essentially deep geochemical sampling with the holes being drilled through the weathered zone to the top of fresh or bedrock) has now been completed. A number of anomalies were identified, with the Caspian Prospect yielding the most encouraging results to date. This is a very significant gold anomaly covering an area of 800 metres by 200 metres using a lower cut-off gold value of 0.5g/t and occurring within a zone of arsenic that is consistent above the 200ppm arsenic level. In addition, this gold anomalism is associated with a highly altered gabbro containing gossanous quartz. All the above factors combine to create an exciting target now requiring further testing with diamond drilling.

Better gold results are tabled below with drill hole location details given thereafter:

TABLE 5: Lake Cowan Gold Assays Greater than 0.5g/t gold*

Hole ID	From	To	Interval	Au (g/t)
LCA125	93	94	1	2.03
LCA213	33	36	3	3.38
LCA215	12	15	3	1.0
LCA216	48	51	3	2.59
LCA230	75	78	3	0.62
LCA239	24	27	3	1.72
LCA257	3	6	3	0.52
LCA271	69	72	3	0.79

**Assays are by aqua regia method*

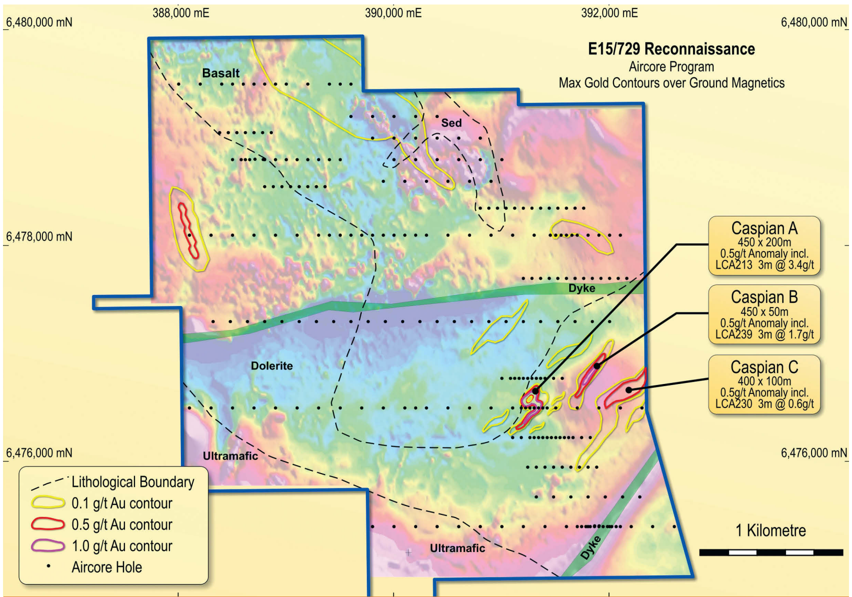


FIGURE 20 Lake Cowan Gold Project – Anomalous Gold Zones identified by aircore drilling

The information in this report that relates to Exploration Results is based on information compiled by Mr Richard Hatfield and Mr Peter Muccilli who are full-time employees of Mincor Resources NL and are members of The Australasian Institute of Mining and Metallurgy. Mr Hatfield and Mr Muccilli have sufficient experience which is 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'. Mr Hatfield and Mr Muccilli consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

STATEMENT OF HEALTH, SAFETY AND 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 program.
- 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.

MINCOR'S ENVIRONMENTAL OFFICER, FRANCES MILLS

MEMBERS OF THE MINCOR WIDGIEMOOLTHA RESPONSE TEAM HANGING A SIGN DEDICATING THE WANNAWAY DECLINE TO JIM REEVE, WHO PASSED AWAY IN 2007 (PHOTO BY DARRYN DICKSON)

THE OTTER JUAN HEAD-FRAME, USED FOR VENTILATION PURPOSES AND EMERGENCY EGRESS (PHOTO BY KAITLYN FOALE AND KRIS MORRIS)

FINANCIAL REPORT CONTENTS

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mincor Resources NL ("the Company") 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 Board continually reviews its governance practices to ensure they remain consistent with the needs of the Company.

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

- selection and appointment of new directors;
- process for performance evaluation;
- a summary of the policy for trading in company securities;
- a summary of the Company's ASX continuous disclosure procedures;
- procedures for selection, appointment and rotation of external auditor;
- shareholder communication strategy; and
- summary of risk management policy.

The Company has followed each of the 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. The following table sets out where the Company has followed the Recommendations or provided "if not, why not" reporting.

	ASX P&R[1]	If not, why not[2]		ASX P&R[1]	If not, why not[2]
Recommendation 1.1	√		Recommendation 5.1	√	
Recommendation 2.1	√		Recommendation 5.2	√	
Recommendation 2.2	√		Recommendation 6.1	√	
Recommendation 2.3	√		Recommendation 6.2	√	
Recommendation 2.4	√		Recommendation 7.1	√	
Recommendation 2.5	√		Recommendation 7.2	√	
Recommendation 3.1	√		Recommendation 7.3	√	
Recommendation 3.2	√		Recommendation 8.1	√	
Recommendation 3.3	√		Recommendation 9.1	√	
Recommendation 4.1	√		Recommendation 9.2	√	
Recommendation 4.2	√		Recommendation 9.3	√	
Recommendation 4.3	√		Recommendation 9.4	√	
Recommendation 4.4	√		Recommendation 9.5	√	
Recommendation 4.5	√		Recommendation 10.1	√	

1 Indicates where the Company has followed the Principles & Recommendations
2 Indicates where the Company has provided "if not, why not" disclosure

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.

CORPORATE GOVERNANCE STATEMENT

COMPOSITION OF THE BOARD

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

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

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

MEETINGS

The Board holds at least 4 meetings per annum and on other occasions as required. Senior managers of the Company are invited to attend meetings of the Board. Non-executive Directors may meet independently of the Executive Directors, although in this financial year no such meetings occurred. At each meeting of the Board time is allocated for consideration of strategic planning issues.

RETIREMENT AND RE-ELECTION OF DIRECTORS

The Company's constitution requires one third of directors (other than the Managing Director and alternate directors) to retire from office at each Annual General Meeting. Directors appointed by the Board are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of directors to retire by rotation at the Annual General Meeting.

Directors cannot hold office for more than 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 AND EXECUTIVES

During the year, the Nomination Committee reviewed the performance of the Board as a whole. The review was undertaken by way of round-table discussions relating to how the Board functions and operates effectively. No significant adverse issues were identified.

The Managing Director was evaluated by the Board by way of informal discussion. The Managing Director's performance is also subject to continuous review through ongoing discussions with the Chairman. Further, the Managing Director evaluated the performance of all executives of the Company utilising personal interview processes which were appropriately documented.

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, in consultation with the Remuneration Committee, 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 is 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 2008 are detailed below.

Nomination Committee Meetings

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

Remuneration Committee Meetings

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

Audit Committee Meetings

Name	No. of meetings held	No. of meetings attended
IF Burston (Chairman, Independent)	4	4
DJ Humann (Independent)	4	4
JW Gardner (Independent)	4	4

CORPORATE GOVERNANCE STATEMENT

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, on which the Company makes the following information available:

- company announcements for the last 3 years;
- information briefings to media and analysts for last 3 years;
- notices of meetings and explanatory materials;
- financial information for last 3 years; and
- annual reports for 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:

- 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 2008 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.

ASX PRINCIPLES AND RECOMMENDATIONS (2ND EDITION)

The Company has undertaken a review of its governance documentation as a consequence of the revision to the ASX Principles and Recommendations. The Company will be reporting against the revised ASX Principles and Recommendations in its next annual report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

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 2008.

DIRECTORS

The names of the Directors of Mincor Resources NL in office at the date of this report are:

<table>
<tr><th>Name</th><th>Particulars</th><th>Shareholding Interest</th></tr>
<tr><td>DJ Humann
FCA, FCPA, FAICD
(Chairman)</td><td>Experience and expertise
Mr Humann joined Mincor Resources NL on 30 September 1999 as a Non-executive Director and Chairman of the Company. Mr Humann is a fellow of the Institute of Chartered Accountants, Certified Practising Accountant and also a fellow of the Australian Institute of Company Directors.
He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China firm) from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the global firm's World Executive Management Committee based in London and New York. He was formerly a member of the Australia and New Zealand Firm's Executive Policy Committee. Mr Humann is a member of the boards of a number of public and private companies.
Other current directorships
Non-executive chairman of Advanced Braking Technologies Ltd (previously Safe Effect Technologies Ltd), Atomaer Holdings Pty Ltd; Braemore Resources PLC; Exxaro Australia Sands Pty Ltd, Logicamms Ltd and Matrix Metals Ltd.
Non-executive director of Durack Estates Ltd (Bahamas); and Rewards Holdings Pty Ltd.
Director of James Anne Holdings Pty Ltd.
Former directorships in last 3 years
Non-executive director of Durack Estates Pty Ltd from 1985 to 2007.
Non-executive director Durack International Pty Ltd from 1985 to 2007.
Non-executive chairman of Macmahon Holdings Ltd Group from 2000 to 2006.
Non-executive chairman of Tethyan Copper Company Ltd from 2000 to 2006.
Non-executive chairman of Jupiter Energy Ltd from 2003 to 2005.
Non-executive director of India Resources Ltd from 2006 to 2008.
Non-executive director of Monarch Gold Mining Co from 2006 to 2008.
Non-executive director of Territory Resources Ltd from 2008 to 2008.</td><td>245,000 shares</td></tr>
<tr><td>DCA Moore
(Managing Director)</td><td>Experience and expertise
Mr Moore joined Mincor Resources NL on 30 September 1999 and is the Managing Director of the Company. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration, business development, project management and strategic planning. In 1996 he left a position as Billiton's Chief Geologist in Peru to join Iscor Australia Pty Ltd as director of business development. In that role he established Iscor's gold and base metal exploration unit in Australasia. During 1999 he conducted the transactions that 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).
Other current directorships
None
Former directorships in last 3 years
Managing director of Tethyan Copper Company Ltd from 2000 to 2006.</td><td>4,045,000 shares</td></tr>
</table>

DIRECTORS (continued)

Name	Particulars	Shareholding Interest
JW Gardner	**Experience and expertise** Mr Gardner is a Non-executive Director who joined the Company in February 1996. Mr Gardner graduated from the University of Melbourne in 1962 with a Bachelor of Engineering (Mechanical) degree and is a Fellow of the Institution of Engineers Australia. He also holds a Master of Business Administration degree from Curtin University, Western Australia. After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Ltd, Comsteel Vickers/ANI, Minproc Engineers Pty Ltd and Broken Hill Metals NL between 1970 and 1990, he formed his own Engineering Consultancy. He has consulted on many gold and base metal projects both in Australia and overseas. Mr Gardner was chairman of Ghana Manganese Company from 1995 until 2000. From 1993 until 2006 he was actively involved in Canadian listed company, Guinor Gold Corporation where he was Chief Engineer, Mining Projects. Since 1996 he has developed and managed the 100,000 ounce per annum Lero gold Heap Leach Project and completed the LEFA Corridor project study and supervised the EPCM contractor constructing its 350,000 ounce per annum multiple open pit and CIP Plant project in remote Guinea, West Africa. Currently he is pursuing bauxite, uranium, copper and gold exploration projects in West Africa and Australia. **Other current directorships** Non-executive director of Vortex Minerals Pty Ltd, Mineraus Resources Pty Ltd, Viking Metals Pty Ltd, Greenline Investments Pty Ltd, Bayfield Enterprises Pty Ltd and Aerial Holdings Pty Ltd. **Former directorships in last 3 years** Non-executive director of Norske Precious Metals from 2006 to 2007.	1,218,176 shares
IF Burston	**Experience and expertise** Mr Burston is a Non-executive Director who joined the Company in January 2003. He holds a Bachelor of Engineering (Mech) degree from Melbourne University and a diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Program in Paris and the Harvard Advanced Management Program in Boston. Mr Burston has over 30 years' experience in the extractive and related industries. His prior positions included Managing Director and Chief Executive Officer of Aurora Gold Ltd, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines; Vice President – WA Business Development of CRA Ltd and Managing Director of Hamersley Iron Pty Ltd. **Other current directorships** Non-executive chairman of Imdex Ltd, Broome Port Authority and NRW Ltd. **Former directorships in last 3 years** Executive chairman of Aztec Resources Ltd from 2003 to 2007. Executive chairman of Cape Lambert Iron Ore Ltd from 2006 to 2008. Non-executive director of Aviva Corporation Ltd from 2003 to 2006.	50,000 shares

Mr J S Reeve was an Executive Director of the Company from the beginning of the financial year until he passed away on 16 August 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	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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2008

REVIEW OF OPERATIONS AND SIGNIFICANT EVENTS

Mining Operations

During the year, the Company's South Kambalda Operations (including Miitel, Mariners, Redross and Wannaway Nickel Operations) produced 585,684 dry metric tonnes at an average grade of 2.36%, to produce 11,782 tonnes of nickel-in-concentrate.

The Company's North Kambalda Operations (including Otter Juan, Coronet and McMahon Nickel Operations and Mincor's 70% interest in the Carnilya Hill Nickel Operation) produced 136,931 dry metric tonnes at an average grade of 3.77%, to produce 4,880 tonnes of nickel-in-concentrate.

Exploration and Development Projects

During the year, the Company spent $18.5 million, comprising $12.8 million on regional exploration activities and $5.7 million on extensional exploration activities.

In June 2007 the Company approved the development of the Carnilya Hill Nickel Project. The Carnilya Hill Project commenced production in January 2008.

In November 2007 the Company approved the development of the McMahon Nickel Mine. The McMahon Nickel Mine commenced production in July 2008.

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

In February 2008 the Company unveiled a maiden copper resource at its Tottenham Project in New South Wales of 3.7 million tonnes @ 1.1% copper for 41,850 tonnes of copper metal.

In March 2008 the Company announced a 42% increase in its Durkin Deeps nickel resource to 374,500 tonnes @ 5.1% nickel for 18,800 tonnes of contained nickel metal.

In June 2008 the Company entered into a zinc-lead joint venture agreement with the Japan, Oil, Gas and Metals National Corporation ("JOGMEC") covering the Company's 100% owned Georgina Basin Project in the Northern Territory. Under the joint venture agreement JOGMEC have the ability to earn up to 40% in the Project by spending $4.5 million over 3 years. JOGMEC are required to spend a minimum commitment of $1 million by March 2009.

Corporate

The Company has sold forward 2,450 tonnes of nickel to May 2010 at an average price of A$35,854 per tonne.

During the year the Company paid $51.75 million to the former shareholders of Goldfields Mine Management Pty Ltd as part of the $68.5 million acquisition of that company. A deposit of $11.75 million was paid in June 2007 and the remaining $5 million was paid in July 2008 on satisfaction of certain conditions pertaining to tenement licences.

On 28 September 2007 the Company paid its fifth fully franked annual dividend of 6 cents per share to shareholders.

On 31 March 2008 the Company paid a fully franked interim dividend of 6 cents per share in respect of the year ending 30 June 2008.

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 2008, except as outlined below.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there have 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 $64,041,000 (2007 profit: $101,330,000).

DIVIDENDS

A fully franked dividend of 6 cents per share in respect of the year ended 30 June 2007 was paid on 28 September 2007. On 31 March 2008 a fully franked interim dividend of 6 cents per share in respect of the year ended 30 June 2008 was paid. On 20 August 2008 the Directors declared a fully franked final dividend of 6 cents per share in respect of the year ended 30 June 2008.

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 2008, 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	5	5	4	4
DCA Moore	5	5	-	-
JW Gardner	5	5	4	4
IF Burston	5	3	4	4
JS Reeve	1	1	-	-

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 levels for the Managing Director and key management personnel are determined by the Board based upon recommendations from the Remuneration Committee. 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 in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

a) Principles Used to Determine the Nature and Amount of Remuneration
b) Details of Remuneration
c) Service Agreements
d) Share-based Compensation
e) Additional Information

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

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.

Remuneration of 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.

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.

i) 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.

ii) 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 2008, the Incentive Bonus Scheme was linked to group, individual business and personal objectives.

iii) 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.

REMUNERATION REPORT (continued)

b) Details of Remuneration

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 report directly to the managing director and who have authority and responsibility for planning, directing and controlling the activities of the consolidated and parent entity.

- ST Cowle – Chief Operating Officer
- B Lynn – Chief Financial Officer
- GL Fariss – General Manager, Corporate Development
- P Muccilli – Exploration Manager

All of the above persons were also key management personnel during the year ended 30 June 2007, except Mr GL Fariss and Mr P Muccilli.

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

2008	Short-term Employee Benefits					Post-employment Benefits	Long-term Benefits	Share-based Payments	Total
Name	**Directors Fees**	**Salary**	**Bonus**	**Non-monetary benefits**	**Other**	**Super-annuation**	**Long service leave**	**Options**	
	$	$	$	$	$	$	$	$	$
Non-executive Directors									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	50,459	-	-	-	-	4,541	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
Sub-total	**205,559**	**-**	**-**	**-**	**-**	**14,441**	**-**	**-**	**220,000**
Executive Directors									
DCA Moore*	-	528,783	150,000	588	-	13,129	23,468	-	715,968
Other Key Management Personnel									
ST Cowle*	-	304,283	51,136	588	-	13,129	6,552	-	375,688
B Lynn*	-	296,660	26,752	588	-	29,160	7,000	31,719	391,879
GL Fariss*	-	199,836	21,420	588	-	19,486	3,555	42,292	287,177
P Muccilli*	-	191,614	15,606	588	-	18,703	5,445	42,292	274,248
Former									
J Reeve (Passed away 16 August 2007)	-	44,434	-	88	-	3,853	660	-	49,035
Total	**205,559**	**1,565,610**	**264,914**	**3,028**	**-**	**111,901**	**46,680**	**116,303**	**2,313,995**

* 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*.

2007	Short-term Employee Benefits					Post-employment Benefits	Long-term Benefits	Share-based Payments	Total
Name	Directors Fees	Salary	Bonus	Non-monetary benefits	Other	Super-annuation	Long service leave	Options	
	$	$	$	$	$	$	$	$	$
Non-executive Directors									
DJ Humann (Chairman)	100,100	-	-	-	-	9,900	-	-	110,000
JW Gardner	50,459	-	-	-	-	4,541	-	-	55,000
IF Burston	55,000	-	-	-	-	-	-	-	55,000
Sub-total	**205,559**	**-**	**-**	**-**	**-**	**14,441**	**-**	**-**	**220,000**
Executive Directors									
DCA Moore*	-	471,726	29,100	588	-	12,686	11,942	-	526,042
JS Reeve*	-	176,342	33,750	363	-	11,629	8,283	573	230,940
Other Key Management Personnel									
ST Cowle*	-	250,685	25,696	588	27,733	12,686	6,962	2,321	326,671
M Hildebrand*	-	218,726	21,120	-	-	19,685	3,786	119,025	382,342
B Lynn*	-	274,640	33,000	588	-	24,771	7,923	73,385	414,307
Total	**205,559**	**1,392,119**	**142,666**	**2,127**	**27,733**	**95,898**	**38,896**	**195,304**	**2,100,302**

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

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

Name	Fixed Remuneration 2008	At Risk – LTI 2008	At Risk – STI 2008
Directors of Mincor Resources NL			
DJ Humann (Chairman)	100%	-	-
DCA Moore	79%	-	21%
JW Gardner	100%	-	-
IF Burston	100%	-	-
JS Reeve	100%	-	-
Other Key Management Personnel of the consolidated entity			
ST Cowle	86%	-	14%
B Lynn	85%	8%	7%
GL Fariss	77%	15%	8%
P Muccilli	79%	15%	6%

REMUNERATION REPORT (continued)

b) Details of Remuneration (continued)

ii) Cash bonuses and options

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 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	-	-	-	-	-	-	-
JS Reeve	100	-	-	-	-	-	-	-
ST Cowle	100	-	-	-	-	-	-	-
B Lynn	100	-	2006	33 1/3	-	30/06/2009	Nil	212,500
GL Fariss	100	-	2006	33 1/3	-	30/06/2009	Nil	283,333
P Muccilli	100	-	2006	33 1/3	-	30/06/2009	Nil	283,333

c) Service Agreements

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.

All contracts with executives may be terminated early by either party providing between 1 to 3 months notice, subject to termination payments as detailed below.

DCA Moore, Managing Director
- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $600,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to 3 months of the base salary.

ST Cowle, Chief Operating Officer
- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $318,000.
- 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 2008 of $324,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

GL Fariss, General Manager, Corporate Development
- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $236,000.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to one month of the base salary.

P Muccilli, Exploration Manager
- No set term of agreement.
- Base salary, inclusive of superannuation, for the year ended 30 June 2008 of $230,000.
- 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

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.

The Plan rules contain a restriction on removing the 'at risk' aspect of the instrument granted to Plan participants. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

Prospectus dated 6 December 2007

The Prospectus was issued on 6 December 2007. Persons eligible to participate pursuant to the Prospectus include Directors and all employees of the Company.

Options are granted under the Prospectus 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 Scheme rules contain a restriction on removing the 'at risk' aspect of the instrument granted to Scheme participants. Scheme participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

REMUNERATION REPORT (continued)

d) Share-based Compensation – Options (continued)

Mincor Resources Executive Share Option Scheme (continued)

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

Grant Date	Date Vested and Exercisable	Expiry Date	Exercise Price	Value per Option at Grant Date
6 November 2003 (1)	50% after 6 November 2004; 50% after 6 November 2005	6 November 2008	$0.84	$0.286
22 December 2005 (1)	100% after 18 November 2006	25 October 2010	$0.70	$0.1834
8 May 2006 (2)	33 1/3% after 8 May 2007	7 May 2011	$0.85	$0.240
	33 1/3% after 8 May 2008	7 May 2011	$0.85	$0.230
	33 1/3% after 8 May 2009	7 May 2011	$0.85	$0.220
9 September 2006 (2)	100% after 30 June 2007	8 September 2011	$1.21	$0.4761
20 October 2006 (2)	33 1/3% after 18 October 2007	19 October 2011	$1.74	$0.753
	33 1/3% after 18 October 2008	19 October 2011	$1.74	$0.753
	33 1/3% after 18 October 2009	19 October 2011	$1.74	$0.753
6 December 2006 (1)	100% after 6 December 2007	5 December 2011	$2.16	$0.7989
24 July 2007(2)	33 1/3% after 22 July 2008	22 July 2012	$4.23	$1.53
	33 1/3% after 22 July 2009	22 July 2012	$4.23	$1.53
	33 1/3% after 22 July 2010	22 July 2012	$4.23	$1.53
25 March 2008 (2)	25% after 6 March 2009	5 March 2013	$3.23	$0.9552
	25% after 6 March 2010	5 March 2013	$3.23	$0.9552
	25% after 6 March 2011	5 March 2013	$3.23	$0.9552
	25% after 6 March 2012	5 March 2013	$3.23	$0.9552
1 April 2008 (3)	100% after 5 June 2009	5 December 2012	$4.40	$0.9023

(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.

(3) Options granted pursuant to the Prospectus dated 6 December 2007.

All options granted carry no dividend or voting rights.

Options Provided as Remuneration

Details of options over ordinary shares in the Company provided as remuneration to each Director of Mincor Resources NL and each of the key management personnel of the consolidated entity are set out below. Further information on the options is set out in Note 34 to the financial statements.

Name	Number of Options Granted during the Year 2008	Number of Options Vested during the Year 2008
Directors of Mincor Resources NL		
DJ Humann (Chairman)	-	-
DCA Moore	-	-
JW Gardner	-	-
IF Burston	-	-
Other Key Management Personnel of the consolidated entity		
ST Cowle	-	-
B Lynn	-	250,000
GL Fariss	-	333,333
P Muccilli	-	333,333

Fair Value of Options Granted Pursuant to the Prospectus dated 6 December 2007

The assessed fair value at grant date of options granted under the Prospectus during the year ended 30 June 2008 was 90.23 cents per option. 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 2008 included:

a) options are granted for no consideration and are exercisable any time between 5 June 2009 and the expiry date. Vested options are exercisable for a period of 4 years after vesting.
b) exercise price: $4.40
c) grant date: 1 April 2008
d) expiry date: 5 December 2012
e) share price at grant date: $2.89
f) expected price volatility of the Company's shares: 75%
g) expected dividend yield: 4.3%
h) risk-free interest rate: 6.1%

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 2008 was 153 cents per option for options granted on the 24 July 2007 and 95.52 cents per option for options granted on 25 March 2008. 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 2008 included:

	2008		**2007**	
Consideration and vesting period	Options are granted for no consideration and will vest over 4 annual instalments	Options are granted for no consideration and will vest over 3 annual instalments	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
Exercise price	$3.23	$4.23	$1.21	$1.74
Grant date	25 March 2008	24 July 2007	9 September 2006	20 October 2006
Expiry date	5 March 2013	22 July 2012	8 September 2011	19 October 2011
Share price at grant date	$2.78	$3.98	$1.305	$1.98
Expected price volatility of the Company's shares	75%	67%	50%	50%
Expected dividend yield	4.3%	2.55%	1.59%	1.59%
Risk-free interest rate	6.1%	6.5%	5.775%	6.0%

REMUNERATION REPORT (continued)

e) Additional Information

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 83.2%. During the same period, average key management personnel compensation has increased by approximately 17.5% 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.

	2008	2007	2006	2005	2004
Net profit attributable to shareholders of Mincor Resources NL ($'000)	64,041	101,330	29,309	20,302	11,309
Earnings per share (cents)	32.4	51.8	15.1	10.4	6.0
Dividends paid ($'000)	23,722	17,596	7,786	4,859	2,680
Dividends paid per share (cents)	12.0	9.0	4.0	2.5	1.5
30 June share price ($)	3.32	4.70	0.95	0.63	0.71

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 $
B Lynn	8.1%	-	$935,000	-
GL Fariss	14.7%	-	$1,246,665	-
P Muccilli	15.4%	-	-	-

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

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

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

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

Details of ordinary shares in the Company provided as a result of the exercise of remuneration options to each Director of Mincor Resources NL and other key management personnel of the parent entity and the consolidated entity during the year ended 30 June 2008 are set out below.

Name	Date of Exercise of Options	Number of Ordinary Shares Issued on Exercise of Options during the Year	Amount Paid per Share
Other Key Management Personnel of the consolidated entity			
ST Cowle	13 December 2007	5,000	$2.16
B Lynn	8 May 2008	250,000	$0.85
GL Fariss	8 May 2008	333,333	$0.85

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
22 December 2005	25 October 2010	$0.70	60,000
8 May 2006	7 May 2011	$0.85	1,632,462
23 October 2006	19 October 2011	$1.74	667,001
6 December 2006	5 December 2011	$2.16	320,000
24 July 2007	22 July 2012	$4.23	100,000
25 March 2008	5 March 2013	$3.23	200,000
1 April 2008	5 December 2012	$4.40	695,000
			3,674,463

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 2008 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	28,000
22 December 2005	$0.70	82,000
8 May 2006	$0.85	918,332
9 September 2006	$1.21	250,000
23 October 2006	$1.74	182,999
6 December 2006	$2.16	130,000
		1,591,331

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 20 August 2008 the Directors declared a fully franked dividend of 6 cents per share in respect of the year ended 30 June 2008.

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 $41,570 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 APES 110 Code of Ethics for Professional Accountants.

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 20th day of August 2008 in accordance with a resolution of the Directors.

DCA Moore
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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Auditor's Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

John O'Connor
Partner
PricewaterhouseCoopers

Perth
20 August 2008

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

		CONSOLIDATED		PARENT ENTITY	
	Note	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue	3	329,340	334,507	232,488	334,507
Mining contractor costs		(65,145)	(56,566)	(63,430)	(56,566)
Ore tolling costs		(25,955)	(21,315)	(21,288)	(21,315)
Utilities expense		(9,528)	(4,607)	(5,672)	(4,607)
Royalty expense		(14,397)	(25,993)	(12,398)	(25,993)
Employee benefit expense		(34,046)	(15,263)	(19,858)	(15,263)
Finance costs	4	(548)	(417)	(492)	(417)
Foreign exchange loss		(2,010)	(5,594)	(894)	(5,594)
Exploration costs expensed	4	(12,823)	(10,333)	(4,839)	(10,153)
Depreciation and amortisation expense	4	(55,638)	(35,002)	(37,047)	(35,002)
Other expenses from ordinary activities		(17,308)	(14,408)	(12,507)	(14,405)
Profit before income tax		91,942	145,009	54,063	145,192
Income tax expense	5	(27,901)	(43,679)	(16,737)	(43,679)
Profit attributable to the members of Mincor Resources NL		64,041	101,330	37,326	101,513
		Cents	**Cents**		
Earnings per share	33	32.4	51.8		
Diluted earnings per share	33	32.1	51.3		

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

BALANCE SHEETS

AS AT 30 JUNE 2008

		CONSOLIDATED		PARENT ENTITY	
	Note	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current Assets					
Cash and cash equivalents	31	112,499	169,567	76,000	169,567
Trade and other receivables	6	32,877	57,197	28,551	57,662
Inventory	7	2,352	43	303	43
Derivative financial instruments	8	19,438	7,529	19,438	7,529
Other financial assets	9	-	11,750	-	11,750
Total Current Assets		167,166	246,086	124,292	246,551
Non-Current Assets					
Available-for-sale financial assets	10	1,707	2,951	674	1,052
Property, plant and equipment	11	78,239	50,487	46,582	50,487
Exploration, evaluation & development expenditure	12	66,369	7,485	23,038	5,749
Derivative financial instruments	8	15,476	3,764	15,476	3,764
Other financial assets	9	-	-	113,576	2,047
Total Non-Current Assets		161,791	64,687	199,346	63,099
TOTAL ASSETS		328,957	310,773	323,638	309,650
Current Liabilities					
Payables	13	47,532	42,270	84,879	42,269
Interest bearing liabilities	14	792	971	792	971
Current tax liabilities	15	1,954	33,039	1,954	33,039
Provisions	16	3,005	540	1,009	540
Derivative financial instruments	8	-	62,208	-	62,208
Total Current Liabilities		53,283	139,028	88,634	139,027
Non-Current Liabilities					
Interest bearing liabilities	14	1,555	2,404	1,555	2,404
Provisions	16	3,951	1,883	2,386	1,883
Deferred tax liabilities	17	31,684	7,119	19,425	6,735
Derivative financial instruments	8	-	10,073	-	10,073
Total Non-Current Liabilities		37,190	21,479	23,366	21,095
TOTAL LIABILITIES		90,473	160,507	112,000	160,122
NET ASSETS		238,484	150,266	211,638	149,528
Equity					
Contributed equity	18	31,244	29,481	31,244	29,481
Reserves	19	20,589	(25,547)	20,081	(26,662)
Retained profits	20	186,651	146,332	160,313	146,709
TOTAL EQUITY		238,484	150,266	211,638	149,528

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

		CONSOLIDATED				PARENT ENTITY			
	Note	**Issued Capital $'000**	**Retained Earnings $'000**	**Other Reserves $'000**	**Total Equity $'000**	**Issued Capital $'000**	**Retained Earnings $'000**	**Other Reserves $'000**	**Total Equity $'000**
At 1 July 2007		29,481	146,332	(25,547)	150,266	29,481	146,709	(26,662)	149,528
Change in fair value of available-for-sale investments, net of tax		-	-	(871)	(871)	-	-	(264)	(264)
Change in fair value of cash flow hedges, net of tax		-	-	46,447	46,447	-	-	46,447	46,447
Total income and expense recognised directly in equity		-	-	45,576	45,576	-	-	46,183	46,183
Profit for the year		-	64,041	-	64,041	-	37,326	-	37,326
Total recognised income and expense for the year		-	64,041	45,576	109,617	-	37,326	46,183	83,509
Issue of shares on conversion of options		1,763	-	-	1,763	1,763	-	-	1,763
Payment of dividends	21	-	(23,722)	-	(23,722)	-	(23,722)	-	(23,722)
Cost of share based payment	19	-	-	560	560	-	-	560	560
At 30 June 2008		31,244	186,651	20,589	238,484	31,244	160,313	20,081	211,638
At 1 July 2006		27,313	62,598	(18,789)	71,122	27,313	62,792	(19,525)	70,580
Change in fair value of available-for-sale investments, net of tax		-	-	169	169	-	-	(210)	(210)
Change in fair value of cash flow hedges, net of tax		-	-	(7,734)	(7,734)	-	-	(7,734)	(7,734)
Total income and expense recognised directly in equity		-	-	(7,565)	(7,565)	-	-	(7,944)	(7,944)
Profit for the year		-	101,330	-	101,330	-	101,513	-	101,513
Total recognised income and expense for the year		-	101,330	(7,565)	93,765	-	101,513	(7,944)	93,569
Issue of shares on conversion of options		2,168	-	-	2,168	2,168	-	-	2,168
Payment of dividends	21	-	(17,596)	-	(17,596)	-	(17,596)	-	(17,596)
Cost of share based payment	19	-	-	807	807	-	-	807	807
At 30 June 2007		29,481	146,332	(25,547)	150,266	29,481	146,709	(26,662)	149,528

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 2008

	Note	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000	PARENT ENTITY 2008 $'000	PARENT ENTITY 2007 $'000
Cash Flows from Operating Activities					
Receipts from customers (inclusive of GST)		339,516	369,890	241,209	369,890
Payments to suppliers and employees (inclusive of GST)		(200,552)	(168,919)	(162,343)	(168,919)
		138,964	200,971	78,866	200,971
Interest received		7,317	4,757	5,522	4,757
Other revenue		1,603	423	785	423
Interest paid		(237)	(401)	(293)	(401)
Income tax paid		(53,809)	(13,592)	(38,134)	(13,592)
Net Cash Inflow from Operating Activities	31(a)	93,838	192,158	46,746	192,158
Cash Flows from Investing Activities					
Payments for acquisition of exploration properties		(116)	(1,135)	(116)	(1,135)
Payment for purchase of subsidiary, net of cash acquired	30	(55,074)	(11,750)	(90,698)	(11,750)
Payments for available-for-sale financial assets		-	(1,300)	-	(1,300)
Payments for property, plant and equipment		(37,398)	(28,769)	(31,849)	(28,769)
Proceeds from sale of property, plant and equipment		-	5	-	5
Payments for exploration, evaluation and development expenditure		(35,331)	(9,414)	(18,487)	(9,231)
Loans from/(to) related parties		-	-	23,824	(182)
Repayments of loans from other parties		-	65	-	65
Net Cash Outflow from Investing Activities		(127,919)	(52,298)	(117,326)	(52,297)
Cash Flows from Financing Activities					
Proceeds from issues of shares		1,763	2,168	1,763	2,168
Dividends paid		(23,722)	(17,596)	(23,722)	(17,596)
Finance lease payments		(1,028)	-	(1,028)	-
Net Cash Outflow from Financing Activities		(22,987)	(15,428)	(22,987)	(15,428)
Net (Decrease)/Increase in Cash Held		(57,068)	124,432	(93,567)	124,433
Cash at the Beginning of the Financial Year		169,567	45,135	169,567	45,134
Cash at the End of the Financial Year	31(b)	112,499	169,567	76,000	169,567
Non-cash financing and investing activities	32				

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 is reclassified where appropriate to enhance comparability.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report of Mincor Resources NL complies with International Financial Reporting Standards ("IFRS").

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 2008 and the results of all subsidiaries for the year then ended. Mincor Resources NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has power to govern the financial and operating polices, generally accompanying a 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)).

Intercompany transactions, balances and unrealised gains on transaction between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at a cost in the individual financial statements of Mincor Resources NL.

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.

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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income Tax (continued)

Tax Consolidation Legislation

Mincor Resources NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

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 on the basis that each entity is subject to tax as part of the tax consolidated group.

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

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 date 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 Expenditure

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 Expenditure”.

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

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

k) Mine Properties

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

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

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, except where they are included in the cost of qualifying assets. Qualifying assets are assets that take more than 12 months to prepare for their intended use or sale.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year. No interest was capitalised in 2008 (2007: Nil).

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 28.

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, the Prospectus issued 6 December 2007 and an Executive Share Option Scheme.

The fair value of options granted under both the Mincor Resources NL 2002 Employee Share Option Plan, the Prospectus issued 6 December 2007 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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Business Combinations (continued)

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.

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. Held-to-maturity financial assets are included in non-current amounts, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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 De-recognition

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 at fair value through profit and loss are initially recognised at fair value and transactional costs are expensed in the income statement. 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).

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v) Derivatives (continued)

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.

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.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and fair value 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 2008 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 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a change in the approach to segment reporting, as it requires adoption of a "management approach" to reporting on the financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The consolidated entity has not yet decided when it will be adopting AASB 8. Application of AASB 8 may result in different segments, segment results and different information being reported in the segment note of the financial report. However, it will not affect any of the amounts recognised in the financial statements.

Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the consolidated or parent entity, as the consolidated and parent entity already capitalises its borrowing costs for qualifying assets.

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

The revised AASB 101 that was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or a reclassification of items in the financial statements, it will also need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations

AASB 2008-1 was issued in February 2008 and will become applicable for annual reporting periods beginning on or after 1 January 2009. The revised standard clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The consolidated entity will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the consolidated entity's share-based payments.

Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127

Revised accounting standards for business combinations and consolidated financial statements were issued in March 2008 and are operative for annual reporting periods beginning on or after 1 July 2009, but may be applied earlier. The consolidated entity has not yet decided when it will apply the revised standards. However, the new rules generally apply only prospectively to transactions that occur after the application date of the standard. Their impact will therefore depend on whether the consolidated entity or parent entity will enter into any business combinations or other transactions that affect the level of ownership held in the controlled entities in the year of initial application. For example, under the new rules:

- all payments (including contingent consideration) to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments subsequently remeasured at fair value through income;
- all transaction cost will be expensed;
- the Group will need to decide whether to continue calculating goodwill based only on the parent's share of net assets or whether to recognise goodwill also in relation to the non-controlling (minority) interest; and
- when control is lost, any continuing ownership interest in the entity will be remeasured to fair value and a gain or loss recognised in profit or loss.

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.

NOTE 2
FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity 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 commodity price futures to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments.

Financial risk management is carried out by senior management 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 consolidated entity uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange, commodity price and interest rate risks.

NOTE 2
FINANCIAL RISK MANAGEMENT (continued)

The consolidated entity hedges less than 60% of its proved and probable ore reserves from its combined operations. The consolidated entity 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.

There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Market risk

i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The entity manages its foreign exchange risk exposure arising from future commercial transactions through sensitivity analysis, cash flow management and forecasting.

The consolidated entity and parent entity is exposed to foreign exchange risk principally through the sale of commodities denominated in US dollars. The consolidated entity hedges part of this exposure through the use of derivative instruments in accordance with policies approved by the Board of Directors.

The consolidated entity's and parent entity's exposure to foreign currency risk at the reporting date were as follows:

	30 June 2008 USD $'000	30 June 2007 USD $'000
Consolidated entity		
Cash and cash equivalents	16,838	35,902
Trade and other receivables	26,307	46,625
Derivative financial instruments		
- Futures commodity contracts	89,975	137,989
- Forward foreign exchange contracts	(83,083)	(134,426)
Parent Entity		
Cash and cash equivalents	7,179	35,902
Trade and other receivables	20,774	46,625
Derivative financial instruments		
- Futures commodity contracts	89,975	137,989
- Forward foreign exchange contracts	(83,083)	(134,426)

Group sensitivity

Based on the financial instruments held at 30 June 2008, had the Australian dollar strengthened/weakened by 10% against the US dollar with all other variables held constant, the consolidated entity's post-tax profit for the year would have been $2,141,000 lower/$3,203,000 higher (2007: $6,081,000 lower/$7,435,000 higher), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated trade receivables and US dollar denominated cash and cash equivalents.

Equity would have been $2,355,000 higher/$2,292,000 lower (2007: $2,685,000 higher/$3,279,000 lower) had the Australian dollar strengthened/weakened by 10% against the US dollar, arising mainly from US dollar denominated trade receivables, US dollar denominated cash and cash equivalents and currency hedging contracts.

Parent entity sensitivity

Based on the financial instruments held at 30 June 2008, had the Australian dollar strengthened/weakened by 10% against the US dollar with all other variables held constant, the consolidated entity's post-tax profit for the year would have been $1,237,000 lower/$1,851,000 higher (2007: $6,081,000 lower/$7,435,000 higher). This is as a result of foreign exchange gains/losses on translation of US dollar denominated trade receivables and US dollar denominated cash and cash equivalents.

Equity would have been $3,259,000 higher/$3,644,000 lower (2007: $2,685,000 higher/$3,279,000 lower) had the Australian dollar strengthened/weakened by 10% against the US dollar, mainly as a result of US dollar denominated trade receivables, US dollar denominated cash and cash equivalents and currency hedging contracts.

ii) Price risk

The consolidated entity and the parent entity are exposed to commodity price risk and equity security price risk. Commodity price risk arises from the sales of nickel, copper and cobalt. The entity manages its commodity price risk exposure arising from future commodity sales through sensitivity analysis, cash flow management and forecasting.

Equity security price risk arises from investments held by the consolidated entity and the parent entity and are classified as available-for-sale instruments. The price risk for equity securities classified as available-for-sale instruments is not material to post tax profit or total equity and has not been included in the sensitivity analysis.

Group sensitivity

Based on the financial instruments held at 30 June 2008, had commodity prices strengthened/weakened by 10% against those recognised with all other variables held constant, the consolidated entity's post-tax profit for the year would have been $1,394,000 higher/$1,394,000 lower (2007: $3,272,000 higher/$3,272,000 lower), and equity would have been $2,345,000 lower/$2,345,000 higher (2007: $9,322,000 lower/$9,322,000 higher).

Parent entity sensitivity

Based on the financial instruments held at 30 June 2008, had commodity prices strengthened/weakened by 10% against those recognised with all other variables held constant, the consolidated entity's post-tax profit for the year would have been $991,000 higher/$991,000 lower (2007: $3,727,000 higher/$3,727,000 lower), and equity would have been $2,748,000 lower/$2,748,000 higher (2007: $9,322,000 lower/$9,322,000 higher).

iii) Cash flow interest rate risk

Interest rate risk arises from the consolidated entity's cash and cash equivalents earning interest at variable rates. The significance and management of the risks to the consolidated entity and the parent entity are dependant on a number of factors including:

- interest rates;
- level of cash, liquid investments and borrowings and their term;
- maturity dates of investments.

At the reporting date, 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:

	30 June 2008		30 June 2007	
	Weighted Average Interest Rate	Balance $'000	Weighted Average Interest Rate	Balance $'000
Cash and cash equivalents	6.05%	112,499	5.93%	169,567
Lease liabilities	9.72%	2,347	9.57%	3,375

The risk is managed by the consolidated entity and parent entity by maintaining an appropriate mix between short term fixed and floating rate cash and cash equivalents.

Group sensitivity

Based on the financial instruments at 30 June 2008, if interest rates had changed by +/-50 basis points from the year end rates with all other variables held constant, post-tax profit for the year and equity would have been $393,000 higher/$393,000 lower (2007: $594,000 higher/$594,000 lower).

Parent entity sensitivity

Based on the financial instruments at 30 June 2008, if interest rates had changed by +/-50 basis points from the year end rates with all other variables held constant, post-tax profit for the year and equity would have been $266,000 higher/$266,000 lower (2007: $594,000 higher/$594,000 lower).

The consolidated entity and parent entity interest bearing liabilities have not been included in the sensitivity analysis as their possible impact on profit or loss or total equity is not considered material.

NOTE 2
FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to trade customers, including outstanding receivables and committed transactions and represents the potential financial loss if counterparties fail to perform as contracted. The consolidated entity has credit policies in place and the exposure to credit risk is monitored on an ongoing basis.

All revenue from operations and related trade receivables balances are due from BHP Billiton Limited pursuant to Ore Tolling and Concentrate Purchase Agreements. The receivables balances are monitored on an ongoing basis.

The age analysis of trade receivables past due but not impaired is disclosed in Note 6. The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment is also disclosed in Note 6.

For cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, the consolidated entity controls credit risk by setting minimum creditworthiness requirements of counterparties, which for banks and financial institutions is a Standard & Poor's rating of A or better.

The carrying amount of financial assets recorded in the financial statements represent the consolidated entity's and parent entity's maximum exposure to credit risk.

c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the operating commitments of the business.

The consolidated entity aims at maintaining flexibility in funding to meet ongoing operational requirements, exploration and development expenditure and small-to-medium sized business development opportunities by prudent cash flow management and maintaining committed credit facilities.

To the extent that the consolidated entity and parent entity has liabilities on its cash flow hedges, the consolidated entity and parent entity expects to produce sufficient nickel from its nickel operations to deliver into its committed hedge contracts.

The consolidated entity and the parent entity had access to undrawn borrowings. Refer to Note 14 for details at the reporting date.

The following tables detail the consolidated entity's and parent entity's remaining contractual maturity for its financial liabilities and derivatives. The amounts presented represent the future undiscounted principal and interest cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000
AT 30 JUNE 2008		
CONSOLIDATED		
Non-Derivative Financial Liabilities		
Non-interest bearing liabilities	47,532	-
Lease liabilities	792	1,555
Total Non-Derivative Financial Liabilities	**48,324**	**1,555**
PARENT		
Non-Derivative Financial Liabilities		
Non-interest bearing liabilities	84,879	-
Lease liabilities	792	1,555
Total Non-Derivative Financial Liabilities	**85,671**	**1,555**

	Less than 1 year $'000	Between 1 and 5 years $'000
AT 30 JUNE 2007		
CONSOLIDATED		
Non-Derivative Financial Liabilities		
Non-interest bearing liabilities	42,270	-
Lease liabilities	971	2,404
Total Non-Derivative Financial Liabilities	43,241	2,404
Derivative Financial Liabilities		
Futures commodity contracts – cash flow hedges	39,109	10,073
Futures commodity contracts – fair value hedges	23,099	-
Total Derivative Financial Liabilities	62,208	10,073
PARENT		
Non-Derivative Financial Liabilities		
Non-interest bearing liabilities	42,269	-
Lease liabilities	971	2,404
Total Non-Derivative Financial Liabilities	43,240	2,404
Derivative Financial Liabilities		
Futures commodity contracts – cash flow hedges	39,109	10,073
Futures commodity contracts – fair value hedges	23,099	-
Total Derivative Financial Liabilities	62,208	10,073

NOTE 3
REVENUE

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Revenue				
Sale of goods	321,029	329,595	226,133	329,595
Other Revenue				
Interest income	7,317	4,757	5,522	4,757
Sundry income	994	155	833	155
	329,340	334,507	232,488	334,507

NOTE 4
EXPENSES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit before income tax includes the following specific expenses:				
Expenses				
Cost of sale of goods	136,549	95,314	106,611	95,314
Finance costs				
- Interest paid or due and payable to other persons	293	417	293	417
- Unwinding of discount on rehabilitation	255	-	199	-
	548	417	492	417
Exploration expenditure written off	12,823	10,333	4,839	10,153
Rental expenses relating to operating leases	450	246	450	246
Government royalty expense	8,485	19,671	8,485	19,671
Depreciation and amortisation:				
- Mine property	47,144	24,114	29,980	24,114
- Plant and equipment	8,494	10,888	7,067	10,888
	55,638	35,002	37,047	35,002

NOTE 5
INCOME TAX EXPENSE

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
a) Income tax expense				
Current tax	23,408	40,525	24,307	40,524
Deferred tax	5,030	3,939	(7,103)	3,940
Over provision in prior year	(537)	(785)	(467)	(785)
Aggregate income tax expense	27,901	43,679	16,737	43,679
b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit before income tax expense	91,942	145,009	54,063	145,192
Tax at the Australian tax rate of 30% (2007: 30%)	27,583	43,503	16,219	43,558
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
- Amortisation of property, plant and equipment	231	596	231	596
- Over provision in prior year	(537)	(785)	(467)	(785)
- Sundry items	624	365	754	310
Income tax expense	27,901	43,679	16,737	43,679
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 credited directly to equity (Note 19)	(19,533)	3,242	(19,792)	3,404

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).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Mincor Resources NL.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Mincor Resources NL for any current tax payable assumed and are compensated by Mincor Resources NL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Mincor Resources NL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables (see Note 29(d)).

	PARENT ENTITY	
	2008 $'000	**2007 $'000**
d) Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30%	83,855	20,777

The 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.

NOTE 6
TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Current				
Trade receivables	30,774	56,358	25,020	56,358
Other receivables	1,280	308	1,254	306
Prepayments	823	531	585	531
Amounts owing from controlled entities	-	-	1,692	467
	32,877	57,197	28,551	57,662

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.

NOTE 6
TRADE AND OTHER RECEIVABLES (continued)

a) Impaired Receivables

The consolidated entity and parent entity have no impaired receivables.

b) Past due but not impaired

Financial assets that are neither past due or impaired are trade receivables with companies with a good collection track record with the consolidated entity.

Where financial assets are past due but not impaired, the consolidated entity has assessed that the credit quality of these amounts has not changed and the amounts are still considered recoverable.

None of the current and non-current trade and other receivables are either impaired or past due but not impaired.

c) Effective interest rate and credit risk

All receivables in 2008 and 2007 are non-interest bearing and therefore have no exposure to interest rate risk. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The consolidated entity does not hold collateral as security. Refer to Note 2 for more information on the risk management policy of the consolidated entity.

d) Foreign exchange risk

Note 2(a)(i) details the trade and other receivables not denominated in Australian dollars and provides an analysis of the sensitivity of trade and other receivables to foreign exchange risk.

NOTE 7
INVENTORY

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Stores – at net realisable value	2,049	-	-	-
Work in progress – at cost	303	43	303	43
	2,352	43	303	43

NOTE 8
DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current Assets				
Forward foreign exchange contracts – cash flow hedges	6,914	6,287	6,914	6,287
Futures commodity contracts – cash flow hedges	4,832	-	4,832	-
Forward foreign exchange contracts – fair value hedges	2,662	1,242	2,662	1,242
Future commodity contracts – fair value hedges	5,030	-	5,030	-
Total Current Derivative Financial Instrument Assets	19,438	7,529	19,438	7,529
Non-Current Assets				
Forward foreign exchange contracts – cash flow hedges	3,072	3,764	3,072	3,764
Futures commodity contracts – cash flow hedges	12,404	-	12,404	-
Total Non-Current Derivative Financial Instrument Assets	15,476	3,764	15,476	3,764
Current Liabilities				
Futures commodity contracts – cash flow hedges	-	(39,109)	-	(39,109)
Futures commodity contracts – fair value hedges	-	(23,099)	-	(23,099)
Total Current Derivative Financial Instrument Liabilities	-	(62,208)	-	(62,208)
Non-Current Liabilities				
Futures commodity contracts – cash flow hedges	-	(10,073)	-	(10,073)
Total Non-Current Derivative Financial Instrument Liabilities	-	(10,073)	-	(10,073)
Net Derivative Financial Instrument Assets/(Liabilities)	34,914	(60,988)	34,914	(60,988)

a) Instruments used by the Consolidated Entity

The consolidated entity is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in future commodity price and foreign exchange rates.

i) Forward Exchange Contracts – Cash Flow Hedges

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales in foreign currencies, to protect the Company against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to the Income Statement except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale.

The following table sets out the net value of Australian dollars to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity.

Year	**Weighted Average Rate**		**Total Value (AUD$'000)**	
Sell US Dollars	**2008**	**2007**	**2008**	**2007**
30 June 2008	-	0.7861	-	109,662
30 June 2009	0.7818	0.7678	50,959	42,244
30 June 2010	0.8386	0.7963	36,885	6,099
			87,844	**158,005**

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.

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 $9,986,000 (2007: $10,051,000).

During the year ended 30 June 2008 a gain of $14,087,000 (2007: gain of $5,520,000) 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 2008:

Year	Nickel Tonnes		Average Price (US$/Tonne)	
	2008	2007	2008	2007
30 June 2008	-	3,526	-	24,448
30 June 2009	1,440	1,200	27,665	27,031
30 June 2010	1,010	150	30,627	32,377
Total	**2,450**	**4,876**		

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 assets of $17,236,000 (2007: liability of $49,182,000).

During the year ended 30 June 2008 a loss of $24,521,000 (2007: loss of $127,814,000) 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. A gain of $2,662,000 (2007: gain of $1,242,000) was recognised in the income statement which was offset by a loss of $2,662,000 (2007: loss of $1,242,000) of the hedged item.

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. A gain of $5,030,000 (2007: loss of $23,099,000) was recognised in the income statement which was offset by a loss of $5,030,000 (2007: gain of $23,099,000) of the hedged item.

b) Interest rate, foreign exchange and commodity price risk

An analysis of the sensitivity of derivatives to interest rate, foreign exchange and commodity price risk is provided at Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of derivative financial assets mentioned above.

NOTE 9
OTHER FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Current				
Deposit for post balance date acquisition of controlled entity	-	11,750	-	11,750
Non-Current				
Shares in subsidiaries (refer Note 26)				
At beginning of year	-	-	2,047	2,047
Additions (refer Note 30)	-	-	111,529	-
At end of year	-	-	113,576	2,047

These financial assets are carried at cost.

NOTE 10
AVAILABLE-FOR-SALE FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
At beginning of year	2,951	1,410	1,052	52
Additions	-	1,300	-	1,300
Revaluation in current year transferred to equity	(1,244)	241	(378)	(300)
At end of year	1,707	2,951	674	1,052
Represented by:				
Equity securities – listed	1,707	2,951	674	1,052

a) Listed investments

No analysis of the sensitivity of available-for-sale financial assets is provided in Note 2 as market risks are not material to post tax profits or total equity.

NOTE 11
PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED	Mine Property $'000	Plant & Equipment $'000	Leased Plant & Equipment $'000	Total $'000
At 1 July 2006				
Cost	126,827	20,494	8,502	155,823
Accumulated depreciation/amortisation	(85,589)	(10,570)	(2,991)	(99,150)
Net book amount	41,238	9,924	5,511	56,673
Year ended 30 June 2007				
Opening net book amount	41,238	9,924	5,511	56,673
Additions	18,192	9,815	738	28,745
Disposals	-	-	(46)	(46)
Transfers	-	14	103	117
Depreciation/amortisation charge	(24,114)	(8,055)	(2,833)	(35,002)
Closing net book amount	35,316	11,698	3,473	50,487
At 30 June 2007				
Cost	145,019	30,309	9,194	184,522
Accumulated depreciation/amortisation	(109,703)	(18,611)	(5,721)	(134,035)
Net book amount	35,316	11,698	3,473	50,487
Year ended 30 June 2008				
Opening net book amount	35,316	11,698	3,473	50,487
Acquisition of subsidiary (refer Note 30)	41,124	3,149	-	44,273
Additions	34,206	4,807	449	39,462
Disposals	-	(345)	-	(345)
Depreciation/amortisation charge	(47,144)	(7,172)	(1,322)	(55,638)
Closing net book amount	63,502	12,137	2,600	78,239
At 30 June 2008				
Cost	220,349	37,920	9,643	267,912
Accumulated depreciation	(156,847)	(25,783)	(7,043)	(189,673)
Net book amount	63,502	12,137	2,600	78,239

PARENT	Mine Property $'000	Plant & Equipment $'000	Leased Plant & Equipment $'000	Total $'000
At 1 July 2006				
Cost	126,827	20,494	8,502	155,823
Accumulated depreciation/amortisation	(85,589)	(10,570)	(2,991)	(99,150)
Net book amount	41,238	9,924	5,511	56,673
Year ended 30 June 2007				
Opening net book amount	41,238	9,924	5,511	56,673
Additions	18,192	9,815	738	28,745
Disposals	-	-	(46)	(46)
Transfers	-	14	103	117
Depreciation/amortisation charge	(24,114)	(8,055)	(2,833)	(35,002)
Closing net book amount	35,316	11,698	3,473	50,487
At 30 June 2007				
Cost	145,019	30,309	9,194	184,522
Accumulated depreciation/amortisation	(109,703)	(18,611)	(5,721)	(134,035)
Net book amount	35,316	11,698	3,473	50,487
Year ended 30 June 2008				
Opening net book amount	35,316	11,698	3,473	50,487
Additions	29,338	4,576	449	34,363
Disposals	-	(345)	-	(345)
Transfers	-	(876)	-	(876)
Depreciation/amortisation charge	(29,980)	(5,745)	(1,322)	(37,047)
Closing net book amount	34,674	9,308	2,600	46,582
At 30 June 2008				
Cost	174,357	33,664	9,643	217,664
Accumulated depreciation/amortisation	(139,683)	(24,356)	(7,043)	(171,082)
Net book amount	34,674	9,308	2,600	46,582

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

NOTE 12
EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Exploration and Evaluation Expenditure				
Opening balance	7,485	6,351	5,749	4,615
Current year expenditure	12,823	10,333	4,839	10,153
Cost of acquisition – new tenements	116	1,134	116	1,134
Cost of acquisition – subsidiary (refer Note 30)	32,562	-	-	-
Expenditure transferred to development expenditure	(22,462)	-	(155)	-
Expenditure transferred to investment	(278)	-	(278)	-
Expenditure written off in current year	(12,823)	(10,333)	(4,839)	(10,153)
Closing balance	17,423	7,485	5,432	5,749
Development Expenditure				
Opening balance	-	-	-	-
Acquisition of subsidiary (refer Note 30)	34	-	-	-
Expenditure transferred from exploration and evaluation expenditure	22,462	-	155	-
Current year expenditure	26,450	-	17,451	-
Closing balance	48,946	-	17,606	-
Total Exploration, Evaluation and Development Expenditure	66,369	7,485	23,038	5,749

NOTE 13
PAYABLES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Trade payables	14,781	12,122	14,419	12,122
Other creditors and accruals	32,751	30,148	28,620	30,147
Amounts owing to consolidated entities	-	-	41,840	-
	47,532	42,270	84,879	42,269

a) Foreign currency risk

Note 2(a)(i) details the trade and other payables not denominated in Australian dollars. An analysis of the sensitivity of trade and other payables to foreign exchange and foreign currency risk is provided at Note 2.

NOTE 14
INTEREST BEARING LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Lease liabilities (secured)	792	971	792	971
Non-Current				
Lease liabilities (secured)	1,555	2,404	1,555	2,404

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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Bonding Facility – secured	2,000	1,500	2,000	1,500
Less: Draw down portion	(1,503)	(1,100)	(1,503)	(1,100)
	497	400	497	400

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. An annual performance bond fee is charged at market rates.

NOTE 15
TAX LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Income tax	1,954	33,039	1,954	33,039

The current tax liability for the Company and consolidated entity of $1,954,000 (2007: $33,039,000) represents the amount of income taxes payable in respect of current and prior financial periods.

The consolidated entity has entered into a tax funding agreement. Refer to Note 5.

NOTE 16
PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current				
Employee benefits	3,005	540	1,009	540
Non-Current				
Rehabilitation	3,951	1,883	2,386	1,883

As at 30 June 2008 the consolidated entity employed 267 people (2007: 146 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.

a) Movements in Provisions

Movements in the rehabilitation provision during the financial year are set out below.

	CONSOLIDATED $'000	PARENT $'000
Rehabilitation 2008		
Carrying amount at start of year	1,883	1,883
Acquired through acquisition of subsidiary (refer Note 30)	1,118	-
Amounts capitalised	758	367
Charged to the income statement		
- Additional provisions recognised	255	199
Amounts used during the period	(63)	(63)
Carrying amount at end of year	3,951	2,386

b) Amounts Not Expected to be Settled Within the Next 12 Months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Long service leave obligation expected to be settled after 12 months	955	359	542	359

NOTE 17
DEFERRED TAX LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Trade receivables	13,476	19,294	11,044	19,294
Inventory	(1,916)	(1,495)	(1,959)	(1,495)
Property, plant and equipment	2,369	709	1,290	709
Evaluation and acquired exploration	10,580	1,712	1,141	1,189
Employee benefits	(1,024)	(331)	(530)	(331)
Investments in subsidiary	-	-	614	614
Rehabilitation	(822)	(565)	(470)	(565)
Other items	900	(791)	391	(791)
	23,563	18,533	11,521	18,624
Amounts recognised directly in equity				
Available-for-sale financial assets	(45)	325	(262)	(150)
Cash flow hedges	8,166	(11,739)	8,166	(11,739)
	8,121	(11,414)	7,904	(11,889)
Net deferred tax liabilities	31,684	7,119	19,425	6,735
Deferred tax liabilities to be settled within 12 months	14,960	6,831	12,470	6,831
Deferred tax liabilities to be settled after more than 12 months	16,724	288	6,955	(96)
	31,684	7,119	19,425	6,735

NOTE 18
CONTRIBUTED EQUITY

a) Issued and Paid-up Capital

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Fully paid 198,882,342 ordinary shares (2007: 197,291,011)	31,244	29,481	31,244	29,481

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.

NOTE 18
CONTRIBUTED EQUITY (continued)

b) Movements in Ordinary Share Capital

	No. of Shares	Issue Price	$'000
2008			
Opening balance	197,291,011		29,481
Shares issued pursuant to the exercise of options over fully paid shares	82,000	$0.70	57
Shares issued pursuant to the exercise of options over fully paid shares	28,000	$0.84	24
Shares issued pursuant to the exercise of options over fully paid shares	918,332	$0.85	781
Shares issued pursuant to the exercise of options over fully paid shares	250,000	$1.21	302
Shares issued pursuant to the exercise of options over fully paid shares	182,999	$1.74	318
Shares issued pursuant to the exercise of options over fully paid shares	130,000	$2.16	281
	198,882,342		**31,244**
2007			
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**

c) Options

At 30 June 2008 options to take up shares in the parent entity are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
60,000 unlisted (1)	22 December 2005	25 October 2010	70 cents per share
1,632,462 unlisted (2)	8 May 2006	7 May 2011	85 cents per share
667,001 unlisted (2)	20 October 2006	19 October 2011	174 cents per share
320,000 unlisted (1)	6 December 2006	5 December 2011	216 cents per share
100,000 unlisted (2)	24 July 2007	22 July 2012	423 cents per share
200,000 unlisted (2)	25 March 2008	5 March 2013	323 cents per share
695,000 unlisted (3)	1 April 2008	5 December 2012	440 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.

(3) Options have been granted pursuant to a Prospectus dated 6 December 2007. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

d) Capital Risk Management

The consolidated entity manages its capital to ensure entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of its capital structure comprising equity, debt and cash.

The capital structure of the consolidated entity consists of debt, which includes borrowings disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 19 and 20 respectively.

The consolidated entity reviews the capital structure on an ongoing basis. As part of this review the consolidated entity considers the cost of capital and the risks associated with each class of capital. Based on recommendations from the consolidated entity, the Group will balance its overall capital structure through the payment of dividends, new share issues, new debt or the refinancing or repayment of existing debt.

The consolidated entity and the parent entity review their gearing level. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'interest bearing debt' and 'trade and other payables' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

As the consolidated entity and parent entity had no net debt at 30 June 2008, its gearing level was Nil (30 June 2007: Nil).

NOTE 19
RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Available-for-Sale Investments Revaluation Reserve	(104)	767	(612)	(348)
Hedging Reserve – Cash Flow Hedges	19,054	(27,393)	19,054	(27,393)
Share-based Payments Reserve	1,639	1,079	1,639	1,079
	20,589	(25,547)	20,081	(26,662)
Movements:				
Available-for-Sale Investments Revaluation Reserve				
Balance at 1 July	767	598	(348)	(138)
Revaluation – gross (Note 10)	(1,244)	241	(378)	(300)
Deferred tax (Note 17)	373	(72)	114	90
Balance at 30 June	(104)	767	(612)	(348)
Hedging Reserve – Cash Flow Hedges				
Balance at 1 July	(27,393)	(19,659)	(27,393)	(19,659)
Revaluation – net	66,353	(11,048)	66,353	(11,048)
Deferred tax (Note 17)	(19,906)	3,314	(19,906)	3,314
Balance at 30 June	19,054	(27,393)	19,054	(27,393)
Share-based Payments Reserve				
Balance at 1 July	1,079	272	1,079	272
Option expense (Note 34)	560	807	560	807
Balance at 30 June	1,639	1,079	1,639	1,079

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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Balance 1 July	146,332	62,598	146,709	62,792
Profit for the year	64,041	101,330	37,326	101,513
Dividends paid (Note 21)	(23,722)	(17,596)	(23,722)	(17,596)
Balance 30 June	186,651	146,332	160,313	146,709

NOTE 21
DIVIDENDS

	PARENT ENTITY	
	2008 $'000	2007 $'000
a) Ordinary Shares		
Final fully franked dividend for the year ended 30 June 2007 of 6 cents (2007: 3 cents) per fully paid ordinary share paid on 28 September 2007 (2007: 6 October 2006)	11,854	5,840
Interim fully franked dividend for the year ended 30 June 2008 of 6 cents (2007: 6 cents) per fully paid ordinary share paid on 29 March 2008 (2007: 30 March 2007)	11,868	11,756
	23,722	17,596

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, (2007: 6 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 26 September 2008 out of retained profits at 30 June 2008, but not recognised as a liability at year end is $11,933,000.

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 (passed away on 16 August 2007)

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
- B Lynn – Chief Financial Officer
- GL Fariss – General Manager, Corporate Development
- P Muccilli – Exploration Manager

All the above persons are employees of Mincor Resources NL and were also key management persons during the year ended 30 June 2007, except Mr GL Fariss and Mr P Muccilli.

c) Key Management Personnel Compensation

	CONSOLIDATED		PARENT ENTITY	
	2008 $	2007 $	2008 $	2007 $
Short-term employee benefits	2,039,111	1,770,204	2,039,111	1,770,204
Post-employment benefits	111,901	95,898	111,901	95,898
Long-term benefits	46,680	38,896	46,680	38,896
Share-based payments	116,303	195,304	116,303	195,304
	2,313,995	2,100,302	2,313,995	2,100,302

Detailed remuneration disclosures 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.

2008 Name	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested and exercisable	Unvested
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
JS Reeve	10,000	-	(10,000)	-	-	-	-
Other Key Management Personnel of the consolidated entity							
ST Cowle	5,000	-	(5,000)	-	-	-	-
B Lynn	500,000	-	(250,000)	-	250,000	-	250,000
GL Fariss	666,667	-	(333,333)	-	333,334	-	333,334
P Muccilli	714,118	-	-	-	714,118	380,784	333,334

NOTE 22
KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

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

Option holdings (continued)

2007 Name	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested and exercisable	Unvested
Directors of Mincor Resources NL							
DJ Humann (Chairman)	-	-	-	-	-	-	-
DCA Moore	-	-	-	-	-	-	-
JW Gardner	-	-	-	-	-	-	-
IF Burston	-	-	-	-	-	-	-
JS Reeve	10,000	-	-	-	10,000	10,000	-
Other Key Management Personnel of the consolidated entity							
M Hildebrand	-	250,000	-	-	250,000	-	250,000
ST Cowle	1,010,000	5,000	(1,010,000)	-	5,000	-	5,000
B Lynn	760,000	-	(260,000)	-	500,000	-	500,000

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 out below.

2008 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Mincor Resources NL – Ordinary shares				
DJ Humann (Chairman)	200,000	-	45,000	245,000
DCA Moore	4,000,000	-	45,000	4,045,000
JW Gardner	1,618,176	-	(400,000)	1,218,176
IF Burston	50,000	-	-	50,000
JS Reeve	791,000	-	(791,000)	-
Other Key Management Personnel of the consolidated entity – Ordinary shares				
ST Cowle	1,010,000	5,000	(600,000)	415,000
B Lynn	70,000	250,000	(20,000)	300,000
GL Fariss	223,333	333,333	-	556,666
P Muccilli	295,882	-	(295,882)	-

All vested options are exercisable at the end of the year.

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

NOTE 23
EXPENDITURE COMMITMENTS AND CONTINGENCIES

a) Exploration Expenditure Commitments

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:				
- Within one year	6,356	4,338	4,797	4,338

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	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Office Rental				
Within 1 year	674	42	674	42
Later than 1 year but not later than 5 years	2,742	-	2,742	-
	3,416	42	3,416	42

NOTE 23
EXPENDITURE COMMITMENTS AND CONTINGENCIES (continued)

c) Finance Lease Commitments

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Finance and hire purchase rentals for plant and equipment are payable as follows:				
- Within 1 year	959	1,228	959	1,228
- Later than 1 year but not later than 5 years	1,633	2,667	1,633	2,667
- Minimum lease payments	2,592	3,895	2,592	3,895
- Less: Future finance charges	(245)	(520)	(245)	(520)
- Recognised as a liability	2,347	3,375	2,347	3,375
Representing interest bearing liabilities:				
- Current (Note 14)	792	971	792	971
- Non-current (Note 14)	1,555	2,404	1,555	2,404
	2,347	3,375	2,347	3,375

d) Capital Commitments

There are no capital expenditure commitments as at 30 June 2008.

e) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2008.

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	
	2008 $	2007 $	2008 $	2007 $
a) Audit services				
PricewaterhouseCoopers Australian firm				
- Audit and review of financial reports and other audit work under the *Corporations Act 2007*	150,600	113,000	150,600	113,000
Overseas PricewaterhouseCoopers firm	-	18,009	-	18,009
Total remuneration for audit services	150,600	131,009	150,600	131,009
b) Non-audit services				
Taxation services				
PricewaterhouseCoopers Australian firm				
- Tax compliance services, including review of company income tax returns	115,887	129,953	115,887	129,953
- 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	41,312	24,000	-	24,000
Total remuneration for taxation services	157,199	276,808	115,887	276,808
Other Services				
PricewaterhouseCoopers Australian firm				
- Professional services related to the 2007 Annual General Meeting	-	1,000	-	1,000
- Due diligence and accounting advice for acquisitions	12,750	20,000	12,750	20,000
- Other	36,457	-	36,457	-
Overseas PricewaterhouseCoopers firm				
- Other services	-	6,537	-	6,537
	49,207	27,537	49,207	27,537

NOTE 26
SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2008 (%)	2007 (%)
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
Goldfields Mine Management Pty Ltd*	Australia	Ordinary	100	-

*This subsidiary has been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by Australian Securities and Investments Commission. For further information refer to Note 27.

NOTE 27
DEED OF CROSS GUARANTEE

Mincor Resources NL and Goldfields Mine Management Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare a financial report and director's report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

a) Consolidated income statement and a summary of movements in consolidated retained profits

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Mincor Resources NL, they also represent the 'Extended Closed Group'.

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2008 of the Closed Group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd. There are no comparatives as this subsidiary was acquired on 2 July 2007.

	2008 $'000
Income Statement	
Revenue	329,340
Mining contractor costs	(65,145)
Ore tolling costs	(25,955)
Utilities expense	(9,528)
Royalty expense	(14,397)
Employee benefit expense	(34,046)
Finance costs	(547)
Foreign exchange loss	(2,010)
Exploration costs expensed	(10,999)
Depreciation and amortisation expense	(55,638)
Other expenses from ordinary activities	(17,306)
Profit before income tax	93,769
Income tax expense	(28,504)
Profit for the year	65,265
Summary of movements in consolidated retained profits	
Retained profits at the beginning of the financial year	146,709
Profit for the year	65,265
Dividends provided for or paid	(23,722)
Retained profits at the end	188,252

b) Balance Sheet

Set out below is a consolidated balance sheet as at 30 June 2008 of the Closed Group consisting of Mincor Resources NL and Goldfields Mine Management Pty Ltd.

	2008 $'000
Current Assets	
Cash and cash equivalents	112,499
Trade and other receivables	34,566
Inventory	2,352
Derivative financial instruments	19,438
Total Current Assets	168,855
Non-Current Assets	
Available-for-sale financial assets	674
Property, plant and equipment	78,239
Exploration, evaluation and development expenditure	64,633
Derivative financial instruments	15,476
Other financial assets	2,047
Total Non-Current Assets	161,069
TOTAL ASSETS	329,924
Current Liabilities	
Payables	47,531
Interest bearing liabilities	792
Current tax liabilities	1,954
Provisions	3,005
Total Current Liabilities	53,282
Non-Current Liabilities	
Interest bearing liabilities	1,555
Provisions	3,951
Deferred tax liabilities	31,559
Total Non-Current Liabilities	37,065
TOTAL LIABILITIES	90,347
NET ASSETS	239,577
Equity	
Contributed equity	31,244
Reserves	20,081
Retained profits	188,252
TOTAL EQUITY	239,577

NOTE 28
INTERESTS IN JOINT VENTURES

The consolidated entity has the following joint ventures:

Name	Principal Activity	Percentage Interest (%)	
		2008	2007
Bankole Joint Venture[1]	Gold exploration	-	20
Minerals International Limited Farm-in and Joint Venture[2]	Gold exploration	-	Earning
Webe Creek Farm-in and Joint Venture[3]	Gold exploration	18.75	75
Carnilya Hill Farm-in and Joint Venture*	Nickel exploration	70	70
Image Resources Farm-in and Joint Venture [4] *	Nickel exploration	Earning	Earning
Tectonic Resources NL Farm-in and Joint Venture [5] *	Nickel exploration	Earning	Earning
Georgina Basin Farm-in and Joint Venture[6] *	Zinc exploration	100	-
West Tipperary Farm-in and Joint Venture[7] *	Zinc exploration	51	-

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

1. During the year Bankole Joint Venture lapsed due to expiry of tenement leases.
2. During the year Golden Rim Resources Ltd acquired the Company's interest in the Minerals International Limited Farm-in and Joint Venture.
3. Golden Rim Resources Ltd have met the earn-in expenditure commitments to acquire 75% of the Company's share in Webe Creek Farm-in and Joint Venture.
4. During 2007 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.
5. During 2007 the Company entered into an agreement with Tectonic Resources NL ("Tectionic") 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 RAV 8 nickel mine in Western Australia.
6. During 2008 the Company entered into an agreement with the Japan, Oil, Gas and Metals National Corporation ("JOGMEC") whereby JOGMEC have undertaken to spend $2.5 million over 2 years to earn a 25% interest in the Georgina Basin Project which is currently 100% owned by the Company. JOGMEC may elect to earn a further 15% interest by spending an additional $2 million on the project over a further 12 month period.
7. During the year the Company acquired a 51% interest in the West Tipperary Joint Venture with Fractore Pty Ltd by meeting expenditure commitments of $200,000 within 12 months of the commencement date.

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue or profit.

NOTE 29
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. The aggregate amount payable to controlled entities is disclosed in Note 13. These loans are on an interest free basis and are repayable on demand.

c) Transactions with Related Parties

The following transactions occurred with related parties:

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT ENTITY 2008 $	PARENT ENTITY 2007 $
Sale of goods and services				
Sale of mobile equipment to subsidiary	-	-	876,684	-
Tax consolidation legislation				
Current tax receivable assumed from wholly-owned entities	-	-	16,735,477	-

d) Outstanding Balances Arising from Sales/Purchases of Goods and Services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT ENTITY 2008 $	PARENT ENTITY 2007 $
Current receivable (sale of goods and services)				
Subsidiary	-	-	876,784	-
Current payable (tax funding agreement)				
Wholly-owned tax consolidated entities	-	-	16,735,477	-

No provision for doubtful debts have been raised in relation to any outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

e) Loans to Related Parties

	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	PARENT ENTITY 2008 $	PARENT ENTITY 2007 $
Loans to subsidiaries				
Beginning of the year	-	-	467,375	285,285
Loan advanced to controlled entities	-	-	1,773,155	182,090
Loan advanced by controlled entity	-	-	(25,652,257)	-
Amounts due under tax funding agreement	-	-	(16,735,477)	-
End of year	-	-	(40,147,204)	467,375

No provision for doubtful debts has been raised in relation to any outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

f) Key Management Personnel

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

NOTE 30
BUSINESS COMBINATIONS

a) Summary of Acquisition

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

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

The acquired business contributed revenues of $96.9 million and a profit before tax of $39.7 million to the Group for the period 2 July 2007 to 30 June 2008.

Details of the fair value of the assets acquired are as follows:

	$'000
Purchase consideration	
Cash paid	68,500
Direct costs relating to the acquisition	3,550
Working capital payment	33,800
Future royalty payment	5,679
Total purchase consideration	111,529
Fair value of net identifiable assets acquired (refer to Note 30 (c))	111,529

b) Purchase Consideration

Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(51,750)
Direct costs relating to the acquisition	(5,149)
Working capital payment	(33,800)
Payments for liabilities assumed	(19,662)
Less: Cash balances acquired	55,287
Outflow of cash	(55,074)

A deposit of $11.75 million was paid in June 2007 and the remaining $5 million was paid in July 2008 on satisfaction of certain conditions pertaining to tenement licences.

c) Assets and Liabilities Acquired

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

	Acquiree's Carrying Amount $'000	Fair Value $'000
Cash	55,287	55,287
Trade and other receivables	1,691	1,691
Inventories	1,600	1,600
Property, plant and equipment	4,506	44,273
Exploration and evaluation expenditure	-	32,562
Development expenditure	-	34
Deferred tax asset	997	145
Trade and other payables	(2,256)	(2,256)
Provisions	(2,410)	(2,410)
Tax liabilities	(19,397)	(19,397)
Net identifiable assets acquired	40,018	111,529

NOTE 31
RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

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

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Profit for the year	64,041	101,330	37,326	101,513
Add/(Less): Non-Cash Items				
Depreciation	8,494	10,888	7,067	10,888
Amortisation	47,144	24,114	29,980	24,114
Net loss on sale of non-current assets	53	19	53	19
Exploration expenditure written off	12,823	10,333	4,839	10,153
Employee benefits expense – share-based payments	560	807	560	807
Change in operating assets and liabilities				
(Increase)/decrease in trade receivables	(3,375)	(13,995)	2,266	(13,995)
(Increase)/decrease in inventories	(709)	783	(260)	783
Increase in prepayments	(292)	(111)	(54)	(111)
(Decrease)/increase in creditors and accruals	(9,091)	27,525	(13,732)	27,522
(Decrease)/increase in income tax payable	(31,085)	26,289	(14,295)	26,289
Increase/(decrease) in deferred tax	5,177	3,940	(7,102)	3,940
Increase in employee entitlement provisions	98	236	98	236
Net cash inflow from operating activities	93,838	192,158	46,746	192,158

b) Cash and cash equivalents

	CONSOLIDATED 2008 $'000	CONSOLIDATED 2007 $'000	PARENT ENTITY 2008 $'000	PARENT ENTITY 2007 $'000
Cash at bank and in hand	4	5	3	5
Deposits at call	112,495	169,562	75,997	169,562
	112,499	169,567	76,000	169,567

The consolidated entity and parent entity's exposure to interest rate risk is disclosed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 32
NON-CASH FINANCING AND INVESTING ACTIVITIES

	CONSOLIDATED		PARENT ENTITY	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Acquisition of property, plant and equipment by means of finance leases	-	98	-	98

NOTE 33
EARNINGS PER SHARE

		CONSOLIDATED 2008	2007
a)	**Basic earnings per share (cents)**		
	Profit attributable to the ordinary equity holders of the company	32.4	51.8
b)	**Diluted earnings per share (cents)**		
	Profit attributable to the ordinary equity holders of the company	32.1	51.3
c)	**Earnings used in calculating earnings per share ($'000)**		
	Basic and Diluted earnings per share		
	Profit for the period	64,041	101,330
	Profit attributable to the ordinary equity holders of the company	64,041	101,330
d)	**Weighted average number of shares used as the denominator**		
	Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	197,839,506	195,453,396
	Adjustments for calculation of diluted earnings per share:		
	Options on issue	1,814,727	2,207,461
	Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	199,654,233	197,660,857

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
2008								
17 December 2003	6 November 2008	84 cents	28,000	-	28,000	-	-	-
22 December 2005	25 October 2010	70 cents	142,000	-	82,000	-	60,000	60,000
6 December 2006	5 December 2011	216 cents	530,000	-	130,000	80,000	320,000	320,000
Total			700,000	-	240,000	80,000	380,000	380,000
Weighted average exercise price			$1.81	-	$1.51	$2.16	$1.93	$1.93

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

Fair Value of Options Granted

No options were granted under the 2002 Employee Share Option Plan during the year ended 30 June 2008.

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2008 was $4.05 (2007:$2.65).

The weighted average remaining contractual life of share options outstanding at the end of the period was 3.26 years (2007: 4.07 years).

Options Issued Pursuant to Prospectus Dated 6 December 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
2008								
1 April 2008	5 December 2013	440 cents	-	695,000	-	-	695,000	-
Total			-	695,000	-	-	695,000	-
Weighted average exercise price			-	$4.40	-	-	$4.40	-

The weighted average remaining contractual life of share options outstanding at the end of the period was 4.44 years (2007: Nil)

The assessed fair value at grant date of options granted under the 2007 Prospectus during the year ended 30 June 2008 was 90.23 cents per option (2007: Nil). 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 2008 included:

a) options are granted for no consideration and are exercisable any time between 5 June 2009 and the expiry date
b) exercise price: $4.40
c) grant date: 1 April 2008
d) expiry date: 5 December 2012
e) share price at grant date: $2.89
f) expected price volatility of the Company's shares: 75%
g) expected dividend yield: 4.3%
h) risk-free interest rate: 6.1%

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.

NOTE 34
SHARE-BASED PAYMENTS (continued)

Mincor Resources Executive Share Option Scheme

The Mincor Resources Executive Share Option Scheme ("Scheme") was introduced on 8 May 2006. Persons eligible to participate in the Scheme include key employees, who are determined at the discretion of the Directors. Options are granted under the Scheme for no consideration for a maximum period of 5 years and can be exercised at any time on or after the following dates.

Grant Date	Number of Options Exercisable	Vesting and Date Exercisable
8 May 2006	33 1/3% of options	8 May 2007
8 May 2006	66 2/3% of options	8 May 2008
8 May 2006	100% of options	8 May 2009
9 September 2006	100% of options	1 July 2007
20 October 2006	33 1/3% of options	19 October 2007
20 October 2006	66 2/3% of options	19 October 2008
20 October 2006	100% of options	19 October 2009
24 July 2007	33 1/3% of options	22 July 2008
24 July 2007	66 2/3% of options	22 July 2009
24 July 2007	100% of options	22 July 2010
25 March 2008	25% of options	6 March 2009
25 March 2008	50% of options	6 March 2010
25 March 2008	75% of options	6 March 2011
25 March 2008	100% of options	6 March 2012

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.

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
2008								
8 May 2006	7 May 2011	85 cents	2,550,794	-	918,332	-	1,632,462	132,462
9 September 2006	8 September 2011	121 cents	250,000	-	250,000	-	-	-
20 October 2006	19 October 2011	174 cents	850,000	-	182,999	-	667,001	100,334
24 July 2007	22 July 2012	423 cents	-	100,000	-	-	100,000	-
25 March 2008	5 March 2013	323 cents	-	200,000	-	-	200,000	-
Total			3,650,794	300,000	1,351,331	-	2,599,463	232,796
Weighted average exercise price			$1.08	$3.56	$1.04	-	$1.39	$1.23

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance	Vested and Exercisable at End of the Year
			Number	Number	Number	Number	Number	Number
2007								
8 May 2006	7 May 2011	85 cents	4,500,000	-	1,199,206	750,000	2,550,794	50,794
9 September 2006	8 September 2011	121 cents	-	250,000	-	-	250,000	-
20 October 2006	19 October 2011	174 cents	-	850,000	-	-	850,000	-
Total			4,500,000	1,100,000	1,199,206	750,000	3,650,794	50,794
Weighted average exercise price			$0.85	$1.62	$0.85	$0.85	$1.08	$0.85

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 2008 was 153 cents for options granted on 24 July 2007 and 95.52 cents for options granted on 25 March 2008. 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 2008 was $3.62 (2007: $4.42).

The weighted average remaining contractual life of options outstanding at the end of the period was 3.00 years (2007: 3.98 years).

The model inputs for the options granted during the year ended 30 June 2008 included:

	2008		2007	
	Options are granted for no consideration and will vest over 4 annual instalments	**Options are granted for no consideration and will vest over 3 annual instalments**	**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**
Exercise price	$3.23	$4.23	$1.21	$1.74
Grant date	25 March 2008	24 July 2007	9 September 2006	20 October 2006
Expiry date	5 March 2013	22 July 2012	8 September 2011	19 October 2011
Share price at grant date	$2.78	$3.98	$1.305	$1.98
Expected price volatility of the Company's shares	75%	67%	50%	50%
Expected dividend yield	4.3%	2.55%	1.59%	1.59%
Risk-free interest rate	6.1%	6.5%	5.775%	6.0%

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	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Options issued under employee option plans (refer Note 19)	560	807	560	807

NOTE 35
EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 20 August 2008 the Directors declared a full franked dividend of 6 cents per share in respect of the year ended 30 June 2008.

The financial effect of this post balance date event has not been recorded in the 30 June 2008 financial statements.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 58 to 107 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 2008 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 remuneration disclosures set out on pages 46 to 54 of the directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*; and

d) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 27.

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 20th day of August 2008.

DCA Moore
Managing Director

INDEPENDENT AUDITOR'S REPORT

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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Australia
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999

Independent auditor's report to the members of Mincor Resources NL

Report on the financial report

We have audited the accompanying financial report of Mincor Resources NL (the company), which comprises the balance sheet as at 30 June 2008, 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.

Directors' responsibility for the financial 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 controls 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.

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.

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

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.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Mincor Resources NL (continued)

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

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 2008 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 financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 54 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Mincor Resources NL for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

John O'Connor
Partner

Perth
20 August 2008

ADDITIONAL SHAREHOLDER INFORMATION

AS AT 29 AUGUST 2008

SUBSTANTIAL HOLDERS (holding not less than 5%)

Name of Shareholder	Total Number of Voting Shares in Mincor Resources NL which the Substantial Shareholders and its Associates hold Relevant Interests	Percentage of Total Number of Voting Shares
Barclays Group	21,324,810	10.31%

DISTRIBUTION OF SHAREHOLDERS

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1 – 1,000	2,019	1,330,447
1,001 – 5,000	4,000	11,525,323
5,001 – 10,000	1,793	14,561,959
10,001 – 100,000	1,680	45,500,240
100,001 and over	123	125,964,373

NUMBER OF SHAREHOLDERS HOLDING LESS THAN A MARKETABLE PARCEL

288 shareholders (minimum parcel size of 264 shares/$500 parcel at $1.90 per share).

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.

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

50.43%

LISTING OF 20 LARGEST SHAREHOLDERS

Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held (%)
JP Morgan Nominees Australia Limited	24,501,359	12.32
National Nominees Limited	18,842,591	9.47
HSBC Custody Nominees (Australia) Limited	17,068,526	8.58
ANZ Nominees Limited	12,235,031	6.15
David Charles Moore	4,000,000	2.01
Citicorp Nominees Pty Limited	3,579,197	1.80
HSBC Custody Nominees (Australia) Limited – A/C 2	2,711,554	1.36
Cogent Nominees Pty Limited	2,601,751	1.31
Australian Reward Investment Alliance	1,866,426	0.94
Citicorp Nominees Pty Limited	1,714,518	0.86
Anthony Hubert Shields	1,500,000	0.75
Cogent Nominees Pty Limited	1,334,420	0.67
John William Gardner & Janet Leigh Gardner	1,218,175	0.61
Ravex Pty Ltd	1,115,000	0.56
Robert Euan Macmillan & Ruth Durelle Macmillan	1,100,000	0.55
Daphne Georgina Balaam	1,070,820	0.54
UBS Nominees Pty Ltd	1,042,363	0.52
AMP Life Limited	1,019,066	0.51
Anthony Hubert Shields & Amanda Carol Nayton	1,000,000	0.50
Invia Custodian Pty Limited	835,000	0.42

ADDITIONAL SHAREHOLDER INFORMATION

AS AT 29 AUGUST 2008

STOCK EXCHANGE LISTING

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

UNLISTED SHARE OPTIONS

Number of Options	Exercise Price	Expiry Date	Number of Holders
2002 Employee Share Option Plan			
60,000	70 cents	25 Oct 2010	6
320,000	216 cents	5 Dec 2012	52
Mincor Resources Executive Share Option Scheme			
1,632,242	85 cents	7 May 2011	6
667,001	174 cents	19 Oct 2011	8
100,000	423 cents	22 Jul 2012	1
200,000	323 cents	5 Mar 2013	1
Options Issued Pursuant to Prospectus dated 6 December 2007			
695,000	440 cents	5 Dec 2012	139

CORPORATE DIRECTORY

DIRECTORS
DAVID HUMANN (CHAIRMAN)
DAVID MOORE (MANAGING DIRECTOR)
IAN BURSTON
JACK GARDNER

COMPANY SECRETARY
BRIAN LYNN

REGISTERED OFFICE
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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 6000
WESTERN AUSTRALIA

BANKERS
COMMONWEALTH BANK OF AUSTRALIA
SOCIÉTÉ GÉNÉRALE GROUP
WESTPAC BANKING CORPORATION

SOLICITORS
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SHARE REGISTRY
COMPUTERSHARE INVESTOR SERVICES PTY LTD
LEVEL 2, RESERVE BANK BUILDING
45 ST GEORGES TERRACE
PERTH 6000
WESTERN AUSTRALIA

DATE AND LOCATION OF ANNUAL GENERAL MEETING
WEDNESDAY, 5 NOVEMBER 2008 AT 11.00AM
VENUE: CELTIC CLUB, 48 ORD STREET, WEST PERTH

MINCOR
RESOURCES NL

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