

# WIDGIEMOOLTHA GOLD PROJECT MINING UPDATE

## HIGHLIGHTS

- Site establishment and mobilisation of mining fleet completed.
- Grade control drilling programs completed at the Flinders Main, Bass South and West Oliver South pits.
- Pre-strip waste mining commenced at Flinders Main pit.
- On track for first ore delivery in July 2018.
- At a flat A\$1,700/ounce gold price, the Project is estimated to generate after-tax undiscounted cash flow of A\$37.1 million<sup>1</sup> (spot gold price<sup>2</sup> A\$1,748/ounce).



Photo 1: First blast for Widgiemooltha Gold Project at the Flinders Main pit (photo taken by Red Sparrow Drone Services)

Mincor's Managing Director, Mr Peter Muccilli, said the first blast at the Flinders Main pit marked a key step towards the start of gold production at the Widgiemooltha Gold Project.

*"With the completion of pre-production works on time and on budget, we remain on track to deliver first ore in July 2018 and take advantage of the current strong Australian Dollar gold price. The recent site activity together with the toll treatment agreement for the nearby Higginsville gold processing plant, position us to generate near term cash-flows for the Company.*

*"Mincor's high quality landholdings continue to provide us with exciting opportunities for growth. We have been pleased with the exciting results being generated by our regional nickel exploration activities, as evidenced by the*

<sup>1</sup> As announced to the ASX on 16 March 2018

<sup>2</sup> A\$ gold price as at 8 May 2018

recent high-grade drilling results from Cassini and the promising pipeline of exploration opportunities across our Kambalda tenement holdings, which will be drill-tested over the coming months.”

Mincor Resources NL (ASX: MCR) is pleased to advise that its 100% owned Widgiemooltha Gold Project (WGP), located 30km southwest of Kambalda in Western Australia, remains on track to deliver its first ore in July 2018, following the completion of site mobilisation and commencement of pre-strip waste mining.

Main activities completed include:

- Clearing and grubbing of topsoil from the Flinders Main, West Oliver South and Bass South pits;
- Mining fleet mobilisation from Hampton Transport Pty Ltd (Hampton);
- Grade control drilling at Flinders Main, Bass South and West Oliver South pits;
- Topsoil removal and stockpiling for Flinders Main waste dump and ROM pad; and
- Installation of a site office, workshop and magazine compound;

Mincor will commence ore mining once the ore dig plans, based on the grade control drilling, have been finalised. A further production guideline update will be provided once all the results from the grade control drilling campaigns have been fully compiled.



Photo 2A: Hampton workshop set up; Photo 2B: First waste loading at Flinders Main pit

As announced to the ASX on 16 March 2018, key outcomes of the Project are summarised in Table 1 and 2.

Table 1: Widgiemooltha Gold Project Enhanced Feasibility Study (EFS)– Key Outcomes at a flat gold price of A\$1600/ounce

| EFS SUMMARY                        | Units      |         |
|------------------------------------|------------|---------|
| Life of Mine                       | months     | 29      |
| Strip Ratio                        | waste: ore | 5.7     |
| Ore Mined <sup>#</sup>             | kt         | 912     |
| Average Grade                      | g/t Au     | 2.7     |
| Average LOM Metallurgical Recovery | %          | 91.8%   |
| Recovered Gold                     | ounces     | 71,700  |
| Total Capital Costs                | LOM (A\$M) | \$2.2   |
| All-In Sustaining Costs (AISC)     | \$A/ounce  | \$1,133 |
| All-In Costs (AIC) *               | \$A/ounce  | \$1,171 |
| Undiscounted Cashflow (After-tax)  | LOM (A\$M) | \$30.7  |
| Maximum Cash Drawdown              | A\$M       | \$4.9   |
| Payback (months)                   | months     | 6       |

Note:

- Numbers may not add up due to rounding.
- Cost estimation has been completed to a ±15% accuracy level.
- Mincor Resources NL confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets continue to apply and have not materially changed.

<sup>#</sup> Ore mined based on 98.5% Probable Reserve and the inclusion of diluted and recovered Inferred Resources of 1.5% that are additional to the Probable Reserve.

\* AIC include AISC + infrastructure capital costs + rehabilitation, excludes head office corporate costs.

Table 2: EFS Project financials at various flat gold price scenarios

| Gold price per ounce | Undiscounted cash flow (After-tax) | NPV8% (After Tax) | Maximum Cash drawdown |
|----------------------|------------------------------------|-------------------|-----------------------|
| A\$1,500             | \$24.4M                            | \$21.7M           | \$4.9M                |
| A\$1,600             | \$30.7M                            | \$27.4M           | \$4.9M                |

|          |         |         |        |
|----------|---------|---------|--------|
| A\$1,700 | \$37.1M | \$33.2M | \$4.9M |
|----------|---------|---------|--------|

## Appendix 1: Widgiemooltha Gold Mineral Resources

Table 3: North Widgiemooltha Gold Mineral Resources as at March 2018 (excluding Jeffrey's Find)

| RESOURCE          | MEASURED |          | INDICATED        |            | INFERRED         |            | TOTAL            |            |                |
|-------------------|----------|----------|------------------|------------|------------------|------------|------------------|------------|----------------|
|                   | Tonnes   | Au (g/t) | Tonnes           | Au (g/t)   | Tonnes           | Au (g/t)   | Tonnes           | Au (g/t)   | Ounces         |
| West Oliver       | -        | -        | 314,900          | 2.1        | 153,600          | 2.3        | 468,500          | 2.2        | 33,100         |
| Bass <sup>^</sup> | -        | -        | 355,200          | 2.1        | 400,600          | 2.0        | 755,800          | 2.1        | 50,400         |
| Hronsky           | -        | -        | 249,600          | 2.5        | 144,300          | 1.8        | 393,800          | 2.3        | 28,600         |
| Darlek            | -        | -        | 549,100          | 2.0        | 342,300          | 1.6        | 891,400          | 1.9        | 53,100         |
| Flinders          | -        | -        | 1,216,600        | 2.1        | 576,500          | 1.5        | 1,793,200        | 1.9        | 108,500        |
| <b>TOTAL</b>      | -        | -        | <b>2,685,400</b> | <b>2.1</b> | <b>1,617,300</b> | <b>1.8</b> | <b>4,302,700</b> | <b>2.0</b> | <b>273,600</b> |

Notes:

- Figures have been rounded and hence may not add up exactly to the given totals.
- Resources are inclusive of Reserves reported at 0.5g/t cut-off.

<sup>^</sup> Bass Resource area within tenement M15/94.

Mincor Resources NL confirms that it is not aware of any new information or data that materially affects the information included in this announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

The information in this report that relates to Mineral Resources is based on information compiled by Rob Hartley who is a full-time employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hartley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Member of the AusIMM.

## Appendix 2: Widgiemooltha Gold Ore Reserves

Table 4: Ore Reserves as at March 2018

| DEPOSIT      | PROVED |          | PROBABLE       |            | TOTAL          |            |               |
|--------------|--------|----------|----------------|------------|----------------|------------|---------------|
|              | Tonnes | Au (g/t) | Tonnes         | Au (g/t)   | Tonnes         | Au (g/t)   | Ounces        |
| Flinders     | -      | -        | 440,000        | 2.8        | 440,000        | 2.8        | 40,000        |
| West Oliver  | -      | -        | 121,000        | 2.5        | 121,000        | 2.5        | 9,600         |
| Hronsky      | -      | -        | 126,000        | 2.7        | 126,000        | 2.7        | 11,100        |
| Darlek       | -      | -        | 185,000        | 2.2        | 185,000        | 2.2        | 13,100        |
| Bass         | -      | -        | 27,000         | 3.6        | 27,000         | 3.6        | 3,100         |
| <b>TOTAL</b> | -      | -        | <b>899,000</b> | <b>2.7</b> | <b>899,000</b> | <b>2.7</b> | <b>76,900</b> |

Notes:

- Calculations have been rounded to the nearest 1,000 tonnes, 0.1g/t Au grade and 100 ounces. Differences may occur due to rounding.
- For further details please see ASC release on 16 March 2018).
- Difference in the Reserves and the Production target (Table 1) is the inclusion of 1.5% of diluted and recovered inferred material.

Mincor Resources NL confirms that it is not aware of any new information or data that materially affects the information included in this announcement and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

The information in this report that relates to Ore Reserves is based on information compiled by Dave Clark who is a full-time employee of Minero Consulting and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Fellow of the AusIMM.

- ENDS -

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## About Mincor

Mincor Resources (ASX : MCR) is a proven explorer and miner in the Eastern Goldfields of Western Australia. The Company holds both nickel and gold assets with estimated Mineral Resources and Ore Reserves for each commodity, in the Kambalda District of Western Australia, a major nickel and gold producing area with a rich mineral endowment and developed mining infrastructure.

Mincor's strategy is to rapidly progress the exploration and development of its nickel assets to take advantage of the forecast growth in the nickel market over the next few years. A major exploration push is underway to grow high-grade nickel Ore Reserves within in the Company's Kambalda land-holdings. The 2018 nickel exploration program will progress multiple targets, with an initial focus on shallow regional targets.

In addition, the development of the 100% owned Widgiemooltha Gold Project allows the Company to crystallise significant value from its gold assets by adopting a conservative development strategy, supported by a processing agreement with a highly-respected operator. The gold development will include the mining of a series of shallow pits with an opportunity for growth with further exploration.

## Forward Looking Statement

This ASX Release may include certain forward-looking statements and opinions. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of Mincor and which are subject to change without notice and could cause the actual results, performance or achievements of Mincor to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Nothing contained in this ASX Release is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Mincor.