

30 April 2001

Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Via facsimile: 1300 300 021 (11 pages including this page)

Dear Sir/Madam

<p style="text-align: center;">MINCOR RESOURCES NL – QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2001</p>

HIGHLIGHTS

- *With the successful acquisition of the Miitel Mine near Kambalda, Mincor became Australia's newest nickel sulphide producer – an “earnings-focused Kambalda Nickel Company offering strong long-term cashflows and outstanding exploration upside”.*
- *By quarter-end, one month after completing the acquisition of the 76%-owned project, mine performance had exceeded all production, grade and cost targets, achieved 94% of designed capacity, and generated an operating cash surplus estimated at \$3 million.*
- *Production subsequent to quarter-end is proceeding on schedule.*
- *Mincor has commenced exploration activities on the Miitel tenements and expects to start near-mine extensional drilling during the April-June quarter; and exploration target drilling during the July-September quarter.*
- *Mincor's self-funding 75%-owned subsidiary, the Tethyan Copper Company Ltd, successfully completed its drilling programme at Reko Diq in Pakistan and has commenced detailed pre-feasibility studies on the H4 Copper Project.*

1. MIITEL NICKEL MINE, KAMBALDA (Mincor 76%)

1.1 Production, Grade, Revenue and Costs

	MARCH ACTUALS	BASE CASE MODEL	ATTRIBUTABLE TO MINCOR
Ore Tonnes Mined (DMT)	16,900 tonnes	16,000 tonnes	12,844 tonnes
Ore Tonnes Treated (DMT)	16,900 tonnes	16,000 tonnes	12,844 tonnes
Average Nickel Grade	4.89% Nickel	4.5%	4.89%
Nickel in Concentrate Sold	743 tonnes	628 tonnes	564 tonnes
Copper in Concentrate Sold	68 tonnes		51 tonnes
Cobalt in Concentrate Sold	26,825 pounds		20,387 pounds
<i>Sales Revenue*</i> (A\$)	<i>\$6,100,000</i>		<i>\$4,636,000</i>
<i>Direct Operating Costs**</i> (A\$)	<i>\$2,021,000</i>		<i>\$1,536,000</i>
<i>Indirect Costs***</i> (A\$)	<i>\$1,007,000</i>		<i>\$765,000</i>
<i>Cash Operating Surplus****</i> (A\$)	<i>\$3,072,000</i>		<i>\$2,335,000</i>

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

** *Direct Operating Costs – Mining, milling, trucking, administration.*

*** *Indirect Costs – Royalties, hedging, interest charges.*

**** *Cash Operating Surplus – project only – provisional and un-audited, excludes Mincor's corporate overheads.*

Start-up costs incurred by Mincor during the quarter, and not entered in the above table, include \$532,000 in contractor mobilisation charges, \$240,000 in capital expenditure, and financing, stamp duty and legal costs of approximately \$750,000.

Mincor's share of the upfront acquisition cost (\$26.85 million paid 28 February) and approximately \$2.28 million in start-up and working capital, was funded as follows:

Cash equity:	\$5 million
Subordinated loan:	\$2.85 million
BankWest limited recourse loan:	<u>\$21.28 million</u>
Total	\$29.13 million

1.2 Mining Progress

Surface infrastructure and primary ventilation was established during January and February, before settlement of the acquisition, by agreement with the vendor.

Underground works commenced on 28 February, after settlement of the acquisition earlier the same day. All underground infrastructure, including electrical distribution and secondary ventilation, was established over the following three days.

From the existing decline, four of the existing partially developed cross-cuts were extended through to the NO1 ore body, achieving first exposure in early March. By mid-March ore production was proceeding along four strike drives from eight separate production headings.

Strike driving will continue throughout April, with the first production stope scheduled for activation in late April.

1.3 Health, Safety and the Environment

No lost time incidents or accidents were recorded during the quarter.

2. EXPLORATION – KAMBALDA NICKEL

Exploration on Mincor's 76%-owned Miitel tenement block commenced during the quarter. The area comprises 16 tenements covering 15 kilometres of the strike of the mafic-ultramafic contact zone – the prime host to nickel mineralisation throughout the Kambalda District.

Mincor has developed a three-pronged exploration strategy which recognises the following key parameters:

- **Extensional Exploration**: The Miitel ore body is open along strike in both directions. It has potential for the discovery of significant additional ore reserves.
- **Advanced Exploration and Evaluation**: In addition to the nickel resource at Redross Mine, which is scheduled to come into production in 2003, there are approximately 1,000,000 tonnes of unclassified 'resources' on the Miitel tenements. With Mincor's existing establishment at Miitel Mine and 'small company' focus and cost structure, the economics of these resources is likely to be substantially enhanced.
- **Grassroots Exploration**: There are numerous untested or partially-tested exploration targets on the tenements, as well as substantial areas of the contact zone which have not been drill tested at all. With a fresh mind-set, recent advances in exploration technology (especially down-hole geophysics and computer modelling), and the benefit of all previous exploration results, Mincor believes it has an excellent chance of making significant new discoveries on the Miitel tenements.

Mincor's strategy is to progress exploration on all three levels in parallel:

- Near-mine extensional exploration drilling will commence during the April-June quarter and will continue intermittently throughout the life of the mine.
- Evaluation and advanced exploration of other known resources will commence during the July-September quarter and continue indefinitely on a project by project basis.
- Early stage or 'grassroots' exploration has already commenced, with data compilation and computer modelling. Initial target selection will be completed during the April-June quarter, with drill testing likely to start during the July-September quarter.

The Miitel Joint Venture has nominally budgeted \$300,000 for exploration work during calendar 2001. This budget is being refined at present and is likely to be increased.

4. EXPLORATION – OTHER EXPLORATION PROPERTIES

Mincor's tenement applications in Western Australia have not yet been granted. No work was carried out on exploration tenements in Africa and the South Pacific.

5. CORPORATE STRATEGY

Mincor's future strategy is to focus exclusively on nickel production and exploration in the Kambalda District and elsewhere in Western Australia.

*Mincor defines itself as an earnings-focused
Kambalda Nickel Mining Company offering
strong long-term cashflows and outstanding exploration upside.*

With its superb Miitel asset base and core strengths in:

- mine management and strategic mine planning;
- nickel exploration; and
- project evaluation and acquisitions;

the Company believes that it is well placed to grow, both organically and through judicious acquisitions, into a premier mid-cap Australian nickel producer.

As part of Mincor's nickel-focused strategy, Mincor's high-quality gold exploration properties in Africa and the South Pacific may be moved out of the Company in a process directed towards value realisation for shareholders. A possible model is that developed for the Tethyan Copper Company Ltd, which is already a self-funding independent company for which a listing will be sought during the current calendar year.

6. THE TETHYAN COPPER COMPANY LTD (REKO DIQ COPPER PROJECT, PAKISTAN)

Mincor's interest in the Reko Diq project is held through its 75.6%-owned subsidiary the Tethyan Copper Company Ltd ("TCC"). The TCC is fully self-funding, with current cash resources of approximately \$1 million. The TCC holds an Alliance with BHP for the development of the copper and gold resources at Reko Diq.

Reko Diq is a very large copper-gold porphyry complex in the geological belt known as the Tethyan Arc. It lies in the western part of the Balochistan Province of Pakistan.

The system hosts nineteen known copper-gold porphyry deposits with hypogene (unweathered) mineralisation estimated to contain in excess of 15 million tonnes of copper metal and 32 million ounces of gold. The system was discovered and explored by BHP during the 1990's. Mincor has announced (*ASX Release 15 May 2000*) an Inferred Resource of 729 million tonnes at 0.64% copper and 0.39g/t gold (at a 0.5% copper cut-off) for a portion of this mineralisation. In addition there is a zone of supergene-enriched copper mineralisation known as the H4 Project, which is part of the Reko Diq system and the current focus of exploration.

Resource drilling at the H4 Project during the quarter totalled 1,420 metres in 12 drill holes. This completed the drilling programme, with a total of 3,467 metres in 30 holes drilled since October 2000. All results have been released to the market (*ASX Announcement 6 March 2001*).

The results appear to confirm a consistent zone of supergene-enriched copper mineralisation at the H4 Project, outlined by a total of 46 drill holes (including those previously completed by BHP).

Based on these drill results, TCC has commenced a detailed pre-feasibility study of the project. Resource modelling and classification is being carried out with the assistance of SRK Consulting, together with pit optimisation, production scheduling and costing. Process engineering design and costs are being examined by Signet Engineering Pty Ltd.

Cyanide bottle-roll test work was carried out during March at the BHP laboratory in Newcastle on four composite ore types from the H4 Project. The purpose was to determine the amenability of the ore to actual bio-leach column tests. The results indicate a projected average recovery of 82% of the total copper assay for a bio-heap leach operation. Column leach tests have now commenced. Independent Metallurgical Laboratories Pty Ltd in Perth completed additional metallurgical tests for work index classification.

High level discussions continued with the government of Pakistan. Detailed meetings were held with the federal Ministers of Finance, Mining and Commerce.

The Pakistani Government's strong desire to facilitate foreign investment was reiterated. A fiscal and stability agreement with the Government will be negotiated over the next few months.

Yours sincerely
MINCOR RESOURCES NL

DAVID MOORE
Managing Director

The information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by a person who is a Member of the Australasian Institute of Mining and Metallurgy and who has more than five years experience in the field of the activity being reported on. This report accurately reflects the information compiled by that member.