

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2003



HIGHLIGHTS

- ✓ Continued strong production at Miitel and Wannaway – 2,544 tonnes nickel in concentrate sold, bringing Mincor's attributable full year production to just under 10,000 tonnes nickel in concentrate, and generating a Quarterly Operating Surplus of \$10.57 million.
- ✓ Mincor's share register strengthened through the sale by 30% shareholder Kumba International BV of all its shares in Mincor to a range of Australian and overseas financial institutions.
- ✓ Continued excellent safety performance, with both mines recording 15 months free of Lost Time Incidents.
- ✓ Substantial resource upgrade to the new North Miitel nickel discovery, with a 26% increase in contained nickel metal announced during the quarter, and the commencement of feasibility and mining planning studies.
- ✓ Outstanding exploration results from South Miitel – latest results 3.18 metres @ 5.86% nickel (true width 2.2 metres) and 0.68 metres @ 6.15% nickel (true width 0.5 metres).
- ✓ Unexpectedly strong drill results from the NO2 ore body at Miitel – recent intersections of 13.5 metres @ 3.55% nickel (true width 5.5 metres) and 11.9 metres at 4.23% nickel (true width 7.5 metres) – forcing a re-evaluation of what was previously considered a narrow, low grade ore body.
- ✓ Ongoing regional exploration, with four nickel targets drill tested during the quarter. Major tenement acquisition sees Mincor acquire control of almost the entire Widgiemooltha Dome.
- ✓ Mincor's Nickel Expansion Strategy well-advanced, with intensive feasibility work throughout the quarter on Mariners and the Wannaway Southern Lobe, and investment decisions approaching on Redross and North Miitel.
- ✓ Drilling by Mincor's 81%-owned subsidiary Tethyan Copper Company Limited underway in Pakistan, testing new targets including a potential supergene copper system and a number of additional hypogene copper-gold systems.

1. MINING OPERATIONS, KAMBALDA (Mincor 76%)

1.1 Production, Grade, Revenue and Costs

	Miitel	Wannaway	Attributable to Mincor
Ore Tonnes Mined (DMT)	58,064 tonnes	47,490 tonnes	80,221 tonnes
Ore Tonnes Treated (DMT)	58,375 tonnes	48,224 tonnes	81,015 tonnes
Average Nickel Grade (%)	3.71	3.28	-
Nickel-in-Concentrate Sold	1,940.7 tonnes	1,407.2 tonnes	2,544.4 tonnes
Copper-in-Concentrate Sold	181.7 tonnes	131.7 tonnes	238.2 tonnes
Cobalt-in-Concentrate Sold	36.6 tonnes	26.7 tonnes	48.1 tonnes
Sales Revenue* (A\$)	16,070,000	12,313,000	21,571,000
Direct Operating Costs** (A\$)	7,260,000	5,629,000	9,796,000
Indirect Costs*** (A\$)	912,000	670,000	1,202,000
Operating Surplus (A\$)****	7,898,000	6,014,000	10,573,000

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

- ** Direct Operating Costs – mining, milling, trucking, administration.
- *** Indirect Costs – royalties, interest charges.
- **** Operating Surplus – project only – provisional and unaudited, excludes Mincor’s corporate overheads and other Mincor costs, excludes exploration costs, excludes depreciation, amortisation and tax.

1.2 Full Year Production Summary

Financial Year 02/03	Miitel	Wannaway	Attributable to Mincor
Ore Tonnes Treated (DMT)	210,698 tonnes	182,259 tonnes	298,647 tonnes
Average Nickel Grade (%)	3.96	3.43	-
Nickel-in-Concentrate Sold	7,492.6 tonnes	5,595.8 tonnes	9,947.2 tonnes
Copper-in-Concentrate Sold	699.6 tonnes	520.8 tonnes	927.5 tonnes
Cobalt-in-Concentrate Sold	145.4 tonnes	107.3 tonnes	192.3 tonnes
Sales Revenue* (A\$)	59,231,000	42,783,000	77,530,000

*Sales Revenue estimate, unaudited, reported as net of hedging

Average Cash Costs (C1): Reported in Australian Dollars per pound of payable nickel, for Financial Year 02/03, were:

	Miitel	Wannaway
Non-contractor Mining Costs + Admin	0.39	0.25
Contractor Mining Costs	1.50	1.73
Haulage	0.11	0.16
Milling	0.62	0.69
Royalties	0.33	0.33
By-product Credits	-0.17	-0.16
Total	A\$2.78	A\$3.00

1.3 Mining Progress - Miitel

A solid quarter of production was achieved at Miitel, with ore tonnage and nickel-in-concentrate above budget. Stoping continued in the main N01 ore body with crown pillar extraction on the 254 and 278 levels. Stoping proceeded normally on the 302, 326, 350 and 374 levels. In the N05 ore body at the south end, stoping continued on the 345 and 372 levels.

At the northern end of the mine driving of the 235 and 260 levels proceeded, exposing good ore grades in line with expectations.

Decline development continued towards the planned 285 level, and a ventilation rise was completed from the 260 to 210 levels, in preparation for stoping on these levels.

As reported in the highlights section above, recent better than expected drill intersections in the upper southern part of the N02 ore body has lead to a re-evaluation of this area, and new mine design work is underway to extract the additional ore.

Following the success of the initial round of underground drilling from the 370 south drill drive, this drive will be extended to provide continued access for further drilling.

1.4 Mining Progress - Wannaway

Wannaway performed strongly throughout the quarter. Total cumulative ore production, at 298,000 tonnes, has now surpassed the original Mine Plan tonnage of 290,000 tonnes.

Crown pillar extraction continued. Extraction of the 431 and 452 pillars was completed, and stoping of the 473 level was finalised, leaving a small pillar in lower grade mineralisation to provide regional stability. Pillar extraction is now proceeding on the 494 level, following the completion of flatback stoping. Flatback stoping continued on the 515 and 542 levels. Floor benching was completed on the 570 level to extract remaining ore below that drive. Driving of a sub-level commenced in the remaining high-grade 548 stoping block, to ensure complete extraction.

As reported below, two exploratory drives are in progress to evaluate the Southern Lobe Resource.

1.5 Health, Safety and the Environment

Mincor's strong emphasis on safety continued to pay off, with both mines setting new records of over 15 months free of Lost Time Incidents.

2. NICKEL EXPANSION STRATEGY (Miitel/Wannaway Tenements, Mincor 76%)

Work continued on all five projects comprising Mincor's Nickel Expansion Strategy:

North Miitel – Surface drilling was completed (as reported below) and new resource estimates prepared. This resulted in a substantial resource upgrade:

Indicated Resource: **306,800 tonnes @ 4.12%** nickel for 12,644 tonnes contained nickel metal (using a 2% nickel cut-off)

This represents an increase of 26%, in terms of contained nickel metal, over the previous estimate. Feasibility and mine planning studies have now commenced, with the favoured approach being the development of a twin decline extending from the end of the existing decline at the north end of the Miitel ore body. A development decision is expected before year end.

Mariners – Pumping testwork was completed during the quarter, confirming the rate of water inflow as 45 litres per second. This suggests that a pipe-line to Lake Lefroy is the only viable water disposal option. Permitting applications have been submitted. With the temporary and partial dewatering of the mine brought about by the pump testing, the portal of the mine was cleared of rubble and several hundred meters of the decline physically inspected, confirming that the decline remains in good condition. Detailed engineering studies on de-watering mechanisms are now underway.

Redross – Mine feasibility studies were completed. A tender process for the mining contract was implemented. A formal investment decision is expected during the quarter.

North Dordie – The feasibility study was completed, suggesting a modest project that will be evaluated over the next few months in the light of Mincor's other capital expenditure requirements.

Wannaway 'Southern Lobe' – Development of footwall accesses were completed and mining of the two exploration drives along the basal contact of the Southern Lobe commenced. By quarter-end the drives had reached approximately one third of their planned extent. Advance to date has successfully delineated moderate grade mineralisation on the upper strike drive (the 362 level) and, after an initial barren zone, moderate to high grade mineralisation on the lower strike drive (the 392 level). Due for completion in about four months, these strike drives are intended to define an ore reserve capable of substantially extending Wannaway's mine life.

3. EXPLORATION – NICKEL (Miitel/Wannaway Tenements, Mincor 76%)

Exploration drilling continued through the quarter at South and North Miitel as well as at regional targets at Talisker, Bradley, Anomaly A, and Location One:-

South Miitel

Initial underground drilling commenced from the southern drill drive (the 370 South). Two successful holes demonstrated likely extensions to the NO5 ore body, as previously announced:

UMI-03-48: 6.88 metres @ 3.12% nickel (true width 4.5 metres)

UMI-03-50: 4.88 metres @ 3.09% nickel (true width 4.4 metres)

(both intersections calculated at a 1% nickel cut-off)

Several barren holes were drilled down-dip of these intersections, but late in the quarter a further two significant intersections were achieved:

UMI-03-072: 3.18 metres @ 5.86% nickel (true width 2.2 metres)

UMI-03-071: 0.68 metres @ 6.15% nickel (true width 0.5 metres)

(both intersections calculated at a 1% nickel cut-off)

These intersections lie just over 100 metres south, in a down-dip sense, of the end of the NO5 ore body, and are interpreted as lying on the same contact as that ore body. The inferred resource known as the SO1 lies further to the south, and is interpreted as lying on the NO1 contact. This structural complexity, and multiplicity of contacts, suggests the potential for South Miitel to deliver substantial additions to ore reserves. Underground drilling at South Miitel has now paused to allow the drill drive to be extended further to the south.

North Miitel

Seven holes were drilled during the quarter, focussed on both extending the resource and increasing the density of drilling within the resource. These holes are shown in the attached long section (figure 1).

Three holes were drilled into the central part of the North Miitel resource and all three provided strong confirmation of the grade, width and continuity of the resource. As previously reported, the following intersections were achieved (using a 1% nickel cut-off):

MDD22 5.4 metres at 4.21% nickel from 579 metres down hole
(true width estimated at 3.0 metres)

MDD24 10.56 metres at 3.29% nickel from 551 metres down hole
(true width estimated at 6.0 metres)

MDD25 9.49 metres at 3.39% nickel from 453 metres down hole
(true width estimated at 5.0 metres)

Three wedges were drilled to test for continuing mineralisation up dip of drill holes MDD11, DRD1396 (drilled by a previous explorer) and MDD15W1 – essentially testing up dip positions in the southern, central and northern portions of the resource respectively. The best result was obtained with DRD1396W1, which intersected open contact mineralisation:

DRD1396W1 8.01 metres at 4.01% nickel from 481.81 metres down hole
(estimated true width 4.5 metres, using a 1% nickel cut-off).

This result indicates that the North Miitel resource remains open up-dip from this position. MDD11W1 intersected **2.5 metres at 1.88% nickel** from 480 metres down hole (true width estimated at 1.3m) and no significant intersection was obtained in MDD15W2. Drill hole MDD23 was drilled in the gap between Miitel and North Miitel and failed to intersect significant mineralisation.

Mincor believes there remains considerable additional resource potential at North Miitel, but that this will be more cost effectively delineated through underground drilling in due course. The focus of the exploration team has therefore now shifted to the large number of regional targets on the Miitel and Wannaway tenements. These include a mixture of regional (grassroots) targets as well as targets related to known mineralisation at a number of prospects and the strike potential of known resources.

Talisker

WDD5 was completed at the Talisker Prospect following down hole electromagnetic modelling of the sulphide mineralisation intersected in WDD2. The hole intersected minor pyrite and pyrrhotite at the basal contact but no significant nickel values. Further drilling is planned.

Bradley, Anomaly A and Location 1

An initial drill hole was completed at each of the Bradley, Anomaly A and Location 1 Prospects. All three prospects represent apparently isolated pods of nickel mineralisation, each of which may form part of a much larger series. In each case the initial drill holes targeted one of several possible trough directions. No mineralisation was intersected but further drilling is required.

Details of drill holes completed during the quarter are provided in the table below.

Prospect	Hole ID	MGA Easting	MGA Northing	Collar Azimuth	Collar Inclination	Total Depth (metres)
North Miitel	DRD1396W1	371787	6506407	-	-	528.1
North Miitel	MDD11W1	371743	6506307	-	-	480.0
North Miitel	MDD15W2	371746	6506675	-	-	637.0
North Miitel	MDD22	371746	6506675	239.69	63.51	627.2
North Miitel	MDD23	371852	6505886	250.85	61.61	423.4
North Miitel	MDD24	371805	6506452	244.00	58.58	599.7
North Miitel	MDD25	371728	6506367	245.32	63.40	501.0
Bradley	MDD26	372200	6491950	270	60	354.0
Anomaly A	MDD27	372753	6496357	270	60	230.5
Location 1	WDD4	357813	6508440	090	65	387.0
Talisker	WDD5	359062	6502888	070	60	381.0

3. EXPLORATION – WIDGIEMOOLTHA ACQUISITION

As reported on 24 July, Mincor has agreed to acquire a substantial package of tenements in the Widgiemooltha area, covering some 13,600 hectares of the highly prospective Norseman-Wiluna Greenstone Belt. The package comprises a total of 34 licences, including 22 granted Mining Licences, 6 granted Prospecting Licences, and 6 Licence applications. Most of the Licences to be acquired exclude rights to explore and mine for nickel.

Mincor intends to carry out a comprehensive gold exploration programme over these licences, which give Mincor control of almost the entire Widgiemooltha Dome. The Licences cover 42 historical gold workings and four known sub-economic gold resources. When taken together with Mincor's Tramways Licences to the south, this purchase establishes Mincor as a significant holder of gold exploration tenements on the Norseman-Wiluna Greenstone Belt, in addition to its already substantial and profitable nickel assets.

Mincor will pay St Ives Gold Mining Company Pty Ltd a total purchase price of \$130,000, and assume environmental liabilities of \$120,000. The transaction is subject to a number of conditions precedent standard for transactions of this nature.

4. TETHYAN COPPER COMPANY LIMITED (Reko Diq Copper Project, Pakistan)

Regional mapping on the Western Extension Reconnaissance License was completed. An extensive geophysical survey, comprising 25 line kilometers of Induced Polarisation, was completed over the Bukit Pashir Prospect on the Reko Diq Licence. A substantial programme of diamond and reverse circulation drilling commenced.

Eleven holes for 1,627 metres were drilled at Bukit Pashir, a large and poorly understood intrusive center that appears to contain both supergene copper mineralisation and at least three hypogene intrusive bodies with copper-gold mineralisation. All holes encountered significant sulphide content (about 2% sulphides) with some chalcopyrite and chalcocite. Hole BP-010 intersected 10 metres of chalcocite enrichment on the edge of a large magnetic anomaly measuring 700 metres by 1000 metres. Assay results are awaited.

Two core holes are now being drilled, one into the large Western Porphyries Inferred Resource, and one into the H4 Project Indicated Resource, to provide samples for metallurgical test work. Once this is completed the drill rig will move to the Kohi-Dalil prospect.

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 Richard Hatfield, Robert Hartley, and Darryl Mapleson, persons who are Members of the Australasian Institute of Mining and Metallurgy and who have more than five years experience in the field of the activity being reported on. This report accurately reflects the information compiled by those members.



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