

21st July 2000

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

**QUARTERLY REPORT FOR THE PERIOD ENDED
30 JUNE 2000
FOR MINCOR RESOURCES NL**

HIGHLIGHTS

- *Mincor is pleased to announce that it today completed its transaction with the Iscor Group for the purchase of gold exploration properties in East Africa. With the issue of 15.42m shares to Iscor International BV at a price of 15c per share Mincor has taken control of an excellent tenement position in the exciting Lake Victoria Gold Fields of Tanzania.*
- *Preparations for drilling the Geita Project, one of the tenements just purchased from Iscor, are already well-advanced and drilling should commence by the end of July.*
- *BHP has satisfied the conditions precedent required to allow Mincor to exercise its option to enter into an Alliance with BHP for the development of the giant copper-gold system at Reko Diq in Pakistan.*
- *Mincor has announced ambitious drilling plans for the remainder of calendar year 2000:*
 - *July/August 2000: 4000m RAB drilling at the Geita Gold Project, Tanzania;*
 - *September/October 2000: 3000m of RC drilling at the advanced stage H4 copper project at Reko Diq, Pakistan;*
 - *October/November 2000: 1000m of RC drilling in two untested porphyry copper-gold targets at Reko Diq;*
 - *November 2000: 4000m RAB drilling at the Bankole Gold Project in Guinea.*

1. KEY OBJECTIVES FOR THE CURRENT QUARTER

- Drill test the Geita Project, Tanzania. This will be the first drilling into this high-quality target.
- Finalise due diligence and structuring and commence resource drilling at the H4 copper project, Reko Diq: 3000m of drilling is proposed. This will, if successful, convert this advanced project into an indicated resource.
- Conclude negotiations, if warranted, on one of two advanced opportunities currently under evaluation in Australia.

2. GEITA PROJECT, TANZANIA (MINCOR EARNING UP TO 100%)

Mincor has the right to earn 60% of this Licence by carrying out a pre-feasibility study. The terms of the joint venture agreement allow Mincor to earn up to 100% subject to a 5% net profits interest or a 0.5% royalty.

The Licence lies in the Geita Greenstone Belt, historically the most productive of the Tanzanian Belts. The Licence lies about 50km west of the old Geita Mine, where over nine million ounces of gold have been discovered during the last decade.

Mincor's Licence covers a comparatively small area of 2km by 2km, but appears to be a classic structural "sweet spot", and the possible focal point of a number of regional exploration vectors. At Mincor's Licence local artisanal miners have exposed gold bearing quartz veins beneath variable thicknesses of laterite at several locations along a strike length of 2.2km.

Unverified selected rock chip sampling by Iscor produced an average of 5g/t gold from 32 samples of the quartz vein material, where exposed.

In anticipation of Completion of the Iscor transaction, Mincor commenced field work at the Licence early in July. Fifty kilometers of survey lines have been cut and Mincor is currently carrying out a ground magnetic survey and completing detailed geological mapping over the entire Licence.

Towards the end of July a 4000m reverse air blast (RAB) drilling programme will commence, and is expected to take 3 weeks to complete. The goals of the programme are to:

- test a number of near surface structural targets formed by kinks and intersections in the vein systems;
- test for hidden parallel vein systems;
- define the precise location of the vein systems in areas of cover;
- obtain intersections through the vein systems.

Although evidently a well-mineralised zone and the scene of artisanal gold production, Mincor's Geita Project has never been subjected to modern exploration.

Exploration and Drilling Budget for the quarter is \$200 000.

3. REKO DIQ PROJECT, PAKISTAN (MINCOR OPTION TO ENTER ALLIANCE WITH BHP)

As announced on 28 April 2000, Mincor has an option to enter into an alliance with BHP on the giant Reko Diq copper-gold complex in Pakistan. The complex hosts at least 19 known mineralised porphyry systems in an area of about 10km by 15km. The

During the quarter Mincor completed the first resource estimate for the Reko Diq Complex and announced the following Inferred Resource for the Western Porphyries:

**729 million tonnes at 0.64% copper and 0.39g/t gold,
at a cut-off of 0.5% copper.**

This resource is derived from just over half the mineralised envelope of four of the porphyry systems.

The total tonnage of mineralised material in the Complex could be well in excess of 3 billion tonnes, containing over 32 million ounces of gold and 15 million tonnes of copper metal (these figures are an indication of the size of the system and carry no implication as to whether any or all of the metal could be profitably mined).

However Mincor's initial target is the advanced stage H4 copper project, in which 16 drill holes have intersected supergene copper mineralisation below 20-60m of leached cap. The supergene mineralisation is in the form of secondary sulphides and may be amenable to heap leaching and solvent extraction/electrowinning and the direct production of copper metal on site. At the H4 Project Mincor is targeting 60mt at 0.90% copper – a resource which preliminary modelling indicates would be an economically robust project at a copper price of US\$0.85c per pound.

During the quarter BHP fulfilled all the conditions precedent required for the Alliance to proceed. In particular, BHP's partner, the Government of the Province of Balochistan, signed a Deed of Waiver in which the government waived its preemptive right to any future transfer of interest between BHP and Mincor in terms of the Alliance Agreement. To the best of Mincor's knowledge there now remain no further regulatory or legal hurdles to Mincor exercising its option to enter the Alliance Agreement.

Also during the quarter Mincor conducted due diligence examinations of the technical, legal and other aspects of the project. The due diligence programme is nearly complete.

Mincor and BHP have also arrived at an agreement giving Mincor access to BHP's existing exploration infrastructure in Pakistan. This includes a fully equipped office in Karachi, another at Nok Kundi about two hours drive from Reko Diq, and a core yard with basic facilities at Reko Diq, as well as vehicles and other equipment. Access to this infrastructure saves Mincor set-up costs estimated at over US\$250 000, and allows the early commencement of drilling.

Mincor is now finalising the structuring and financing of the project, and completing its due diligence. The Company expects to commence drilling in September. It is estimated that less than 3000m of drilling will, if successful, produce sufficient data for the calculation of a Indicated Resource for the H4 Project.

4. OTHER PROJECTS

Bankole Licence (*Guinea, Mincor earning 80%*)

No work was completed during the quarter. Mincor is planning a 4000m RAB drilling programme for November 2000, to test the high-quality gold-in-soils target which may represent an outcropping resource of supergene enriched lateritic gold.

Sabeto Licence (*Fiji, Mincor 100%*)

By late May 2000 Mincor had completed a re-mapping of the Banana Creek Project, based on the results of the previous successful round of drilling, and had completed access roads and drill platforms for follow-up drilling. However Fiji's sudden

Tanzanian and Ugandan Licences (*Mincor various earn-in rights*)

Having just completed its purchase of these properties Mincor plans a focused campaign to select the best of them for further work.

Preliminary indications are that the **Diabohika Licences** in the Ushirombo Greenstone Belt are exceptionally prospective. They lie less than 20km from Pangea Goldfields Inc's new discovery at Tulawaka (1.6 million tonnes @ 18.96g/t gold for 1.018 million ounces gold). Mincor's interpretation of photogeological studies carried out by Pangea suggest that the Diabohika targets may lie on the same structural system that hosts Tulawaka. There is very little outcrop on the Licences. Initial soil sampling and limited follow-up RAB drilling by Iscor has demonstrated widespread near-surface gold mineralisation (typical RAB intersections of the order of 1.5g/t gold over 8 meters), but too little work has been completed to be able to put these results into a geological context.

A number of newly acquired Licences in the Musoma Greenstone Belt also appear to be of great interest, in particular the Suguti and Mrangi Licences, where drilling has demonstrated gold mineralisation in shear zones adjacent to a granite-greenstone contact. The contact zone and associated shear have a strike length, on these two Licences, of 10km.

Mincor notes that exploration in Tanzania over the past decade has been remarkably successful in delineating new gold deposits. In many cases this exploration success has translated into spectacular value for the shareholders of junior exploration companies. The most recent example is the friendly take-over by Barrick Gold Corporation of Pangea Goldfields Inc at a 52% premium to Pangea's share price. The deal values Pangea at C\$204m, based almost entirely on the value of Pangea's exploration properties in Tanzania.

Vanuatu Licences (*variably Mincor 100% or 75%*)

No work was completed on these epithermal gold targets during the quarter.

Nangodi Prospecting Licence (*Relinquished*)

Mincor relinquished this Licence during the quarter.

5. BUSINESS DEVELOPMENT

The Company continued its business development activities aimed at obtaining a producing or near-production gold or base metal asset in Australia. Two projects are currently under evaluation.

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 activity being reported on. This report accurately reflects the information compiled by that member.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information

to qualify as a Competent Person as defined in the 1999 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Robert Hartley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.