

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2001

**HIGHLIGHTS**

- Mincor's 76% owned Miitel Nickel Mine produced 52,243 tonnes ore for 2,079 tonnes nickel in concentrate during the quarter.
- Metal production, grade and costs all compare favourably to the budget; and the mine's excellent safety record continued.
- During the quarter the mine generated an operating surplus before amortisation, depreciation, tax and head office costs of \$7.7 million, of which Mincor's share is \$5.8 million. This brings to \$8.2 million Mincor's share of the total operating surplus generated by Miitel since operations began in March 2001.
- Exploration on the Miitel tenements commenced, with detailed data compilation and computer analyses revealing a wealth of targets requiring both initial and follow-up drilling.
- A major new resource estimate was announced for the H4 Project at Reko Diq in Pakistan:

<i>Indicated Resource</i>	68 million tonnes at 0.8% copper
<i>Inferred Resource</i>	7 million tonnes at 0.7% copper
<i>Total Indicated + Inferred:</i>	75 million tonnes at 0.8% copper (all at 0.6% copper cut-off)

1. MIITEL NICKEL MINE, KAMBALDA (Mincor 76%)**1.1 Production, Grade, Revenue and Costs**

	Quarterly Actuals	Quarterly Budget	Attributable to Mincor
Ore Tonnes Mined (DMT)	52,243 tonnes	52,725 tonnes	39,705 tonnes
Ore Tonnes Treated (DMT)	52,243 tonnes	52,725 tonnes	39,705 tonnes
Average Nickel Grade	4.44%	4.37%	
Nickel in Concentrate Sold	2,079 tonnes	2,076 tonnes	1,580 tonnes
Copper in Concentrate Sold	194 tonnes	180 tonnes	147 tonnes
Cobalt in Concentrate Sold	35 tonnes	29 tonnes	27 tonnes
<i>Sales Revenue* (A\$)</i>	<i>16,035,000</i>		<i>12,187,000</i>
<i>Direct Operating Costs** (A\$)</i>	<i>6,820,000</i>		<i>5,183,000</i>
<i>Indirect Costs*** (A\$)</i>	<i>1,535,000</i>		<i>1,167,000</i>
<i>Cash Operating Surplus (A\$)****</i>	<i>7,680,000</i>		<i>5,837,000</i>

* 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 excludes depreciation, amortisation and taxation.

1.2 Mining Progress

Mining operations continued satisfactorily, with strike-drive ore development proceeding in the central part of the N01 ore zone on four levels (the 206m, the 230m, the 254m, and the 278m levels), spaced at 24 metre intervals vertically.

bogging system was commissioned, and has operated in line with expectation, allowing removal of ore from stoping areas using state-of-the-art, safe, non-entry techniques.

Those areas of the orebody seen to date indicate continuous consistent high grades, which are at least in line with expectation. Ground conditions are generally good.

Extension of the Main Decline commenced according to plan, in order to provide future access to lower parts of the orebody. Preliminary work started on a planned upgrade to the mine ventilation system. A two-way communication system was installed throughout the mine, enhancing safety and providing other efficiencies.

Underground drilling was carried out to test the upper boundary position in the central part of the main N01 ore zone, and successfully located a modest extension to this high grade ore zone. Drilling of areas outside ore reserves in the lower grade N02 zone confirmed the sub-economic nature of some areas of this surface. Further drilling to locate additional extensions to the N01 is planned, but must await scheduled footwall development to provide suitable locations for underground drilling.

1.3 Health, Safety and the Environment

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

2. EXPLORATION – NICKEL

The Miitel Tenements comprise a contiguous block covering over 15km of strike of the prospective basalt–ultramafic (basal) contact that also hosts the Redross and Mariners orebodies. The contact appears to have been structurally repeated with Miitel and Redross on the inner contact and Mariners on the outer contact. A third repetition of this contact hosts mineralisation at North Dordie and potential exists for further repetitions.

The prospectivity of the area is underlined by the extensional potential of the known resources (Miitel, Redross, Mariners, North Dordie), by the untested potential of other known mineralisation (Anomaly A, Bradley and a number of other targets), and the demonstrated greenfields prospectivity of the basal contact. The discrete nature of this style of orebody means they can easily be missed by drilling – even drill holes that pass close to a massive nickel sulphide “channel” may contain little evidence of proximity to an orebody. This means that few areas have been sterilised by previous drilling. Instead, the existing drill-hole database, together with the existing geophysical and geochemical data, becomes a powerful resource with which to seek and find new orebodies.

Exploration during the quarter has concentrated on a review of all available historical data. This has involved a reorganisation of the drilling database into a form that can be readily interrogated, as well as a reassessment of surface and down-hole geophysical data. This has highlighted a number of target areas along known portions of the basal contact as well as possible repetitions of this contact. It has also highlighted the potential for the use of ground based electromagnetic surveys (EM) as a targeting tool. Apart from a small survey covering 1km of strike to the south of Miitel, this method does not appear to have been used on these tenements. Investigations are underway to determine the applicability this powerful tool throughout the Miitel tenements.

It is noteworthy that much of the previous drilling was relatively shallow (less than 25% of surface drill holes go deeper than 200m). This further emphasises that few areas have been fully tested by the previous drilling.

Three-dimensional modelling of data from North Dordie and Anomaly A has indicated untested down-plunge potential at both prospects. Mincor expects to begin drill testing these targets during the current (July-September) quarter.

3. EXPLORATION – OTHER EXPLORATION PROPERTIES

Applications for the renewal of Mincor’s South Pacific Gold properties were granted.

procedures to implement Stage One drilling at Bankole, as had been planned (before the approach of the gold mining company) for November 2000.

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

As announced during the quarter, consulting group SRK completed the resource calculations for the H4 Project (a supergene-enriched zone of copper mineralisation developed above one of the 19 known mineralised porphyry bodies at Reko Diq).

The resource, calculated according to the JORC code, is as follows:

Indicated Resource: 68 million tonnes @ 0.8% copper

*Inferred Resource: 7 million tonnes @ 0.7% copper
(both at a 0.6% copper cut-off)*

*Total Resource: 75 million tonnes at 0.8% copper
(Indicated plus Inferred using a 0.6% copper cut-off)*

The definition of an Indicated Resource at Reko Diq is a significant step for the Tethyan Copper Company, justifying the Company's decision in October 2000 to enter the Exploration Alliance with BHP and to undertake the major drilling programme, between October 2000 and February 2001, that has led to the confirmation of a significant new copper orebody.

Detailed negotiations commenced with the Government of Pakistan on the form and substance of a 'Fiscal and Stability Agreement' for the H4 Project. This is intended to fix the fundamental fiscal, regulatory and operating parameters of the project for the life of the mine.

The Scoping Study was nearing completion by quarter-end. This detailed study of the engineering, mining, resource and metallurgical aspects of the H4 Project is likely to be completed very shortly.

Yours sincerely
MINCOR RESOURCES NL

BRIAN LYNN
Company Secretary

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.

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