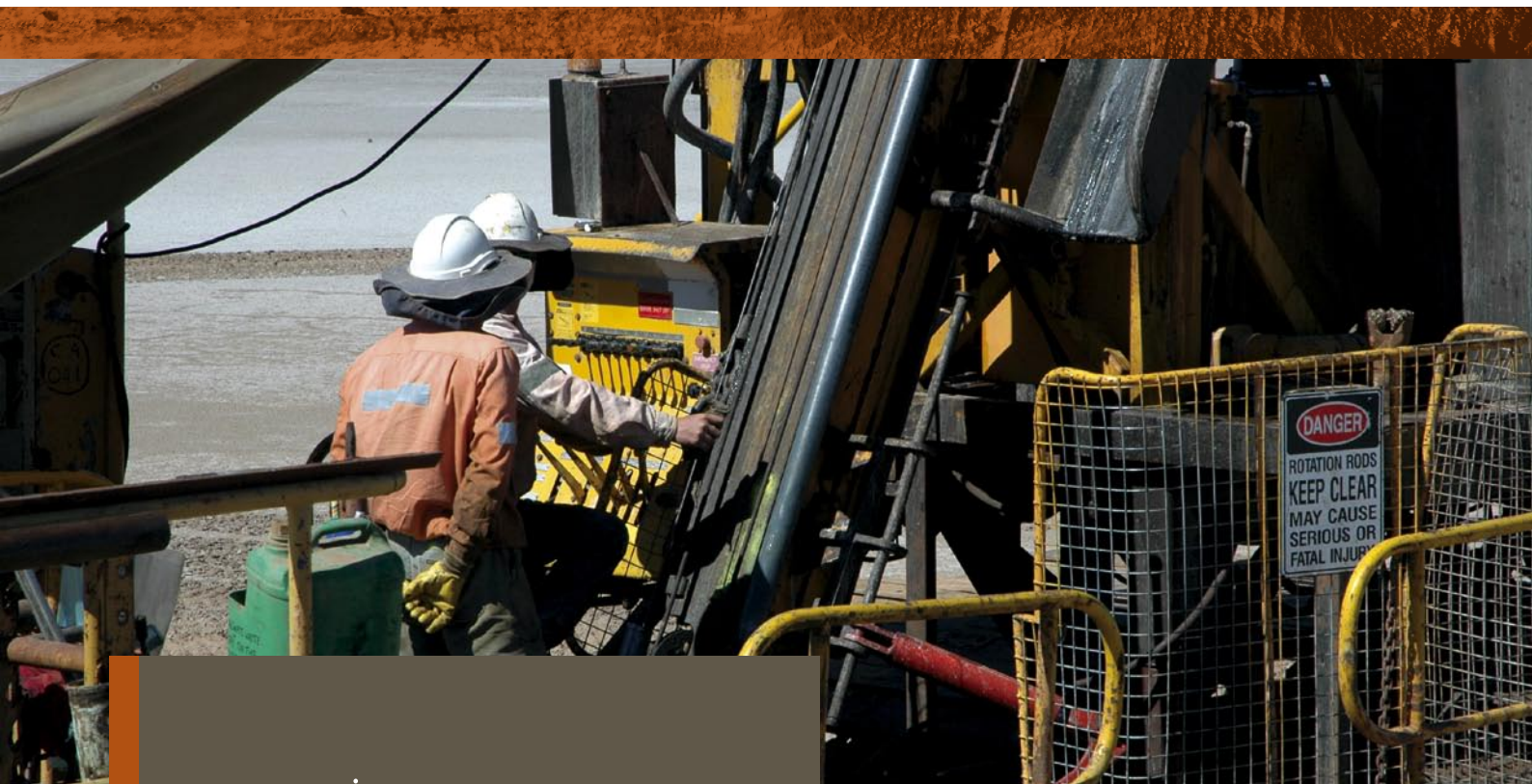


**ANNUAL
REPORT**
2004/**05**



www.mincor.com.au

Directors

David Humann (Chairman)
David Moore (Managing Director)
Ian Burston
Jack Gardner

Company Secretary

Brian Lynn

Registered Office

Level 1, 1 Havelock Street
West Perth, Western Australia 6005
AUSTRALIA

Postal Address

PO Box 1810
West Perth, Western Australia, 6872
AUSTRALIA

Contact Details

Telephone: (+618) 9321 7125
Facsimile: (+618) 9321 8994
Website: www.mincor.com.au
Email: mincor@mincor.com.au

Stock Exchange Listing

Mincor Resources NL shares are listed
on the Australian Stock Exchange
(Home Branch – Perth)
ASX Code: MCR

ACN & ABN Numbers

ACN: 072 745 692
ABN: 42 072 745 692

Auditors

PricewaterhouseCoopers
QV1 Building, 250 St Georges Terrace
Perth, Western Australia 6000

Bankers

Commonwealth Bank of Australia
Société Générale Group
Westpac Banking Corporation

Solicitors

Blakiston & Crabb
1202 Hay Street
West Perth, Western Australia 6005

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000

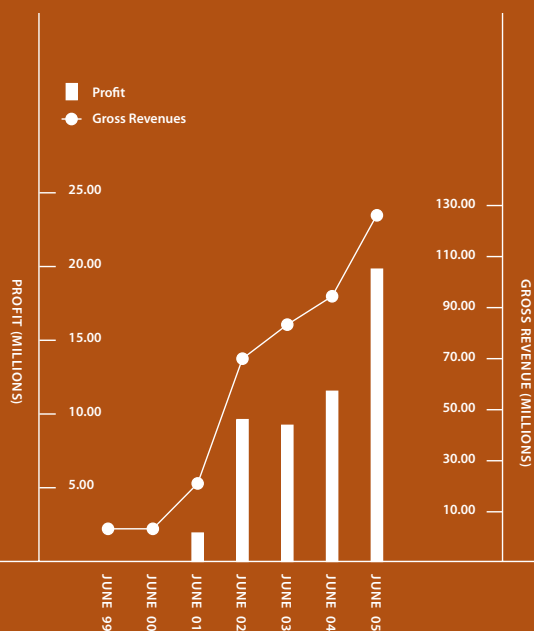
Date and Location of Annual General Meeting

Thursday, 10 November 2005 at 10.30am
Venue: Celtic Club, 48 Ord Street, West Perth

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GROWTH IN NET PROFIT AFTER TAX
AND GROSS REVENUES

DIRECTORS AND COMPANY SECRETARY - MINCOR RESOURCES NL

COMPANY PROFILE

Mincor is a profitable mid-tier nickel mining company based in Perth, Western Australia. The Company owns and operates four mines in the world famous Kambalda Nickel District, and has produced over 39,000 tonnes of nickel metal in concentrate since start of production in 2001.

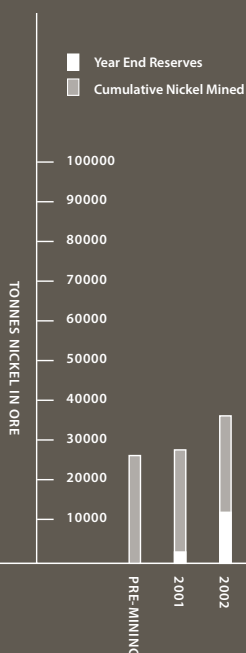
Mincor has grown its ore production, revenues and profits steadily, and has demonstrated an outstanding record of growth in ore reserves. For the financial year under review, this growth has continued, with record production, revenues, profits and dividends.

The Company is strongly focused on the health and safety of its workforce and has developed an excellent track record in this regard. Mincor values its employees and contractors most highly and applies a simple but effective policy of mutual respect for its entire workforce – the people that have made Mincor one of the most successful small mining companies in Australia.

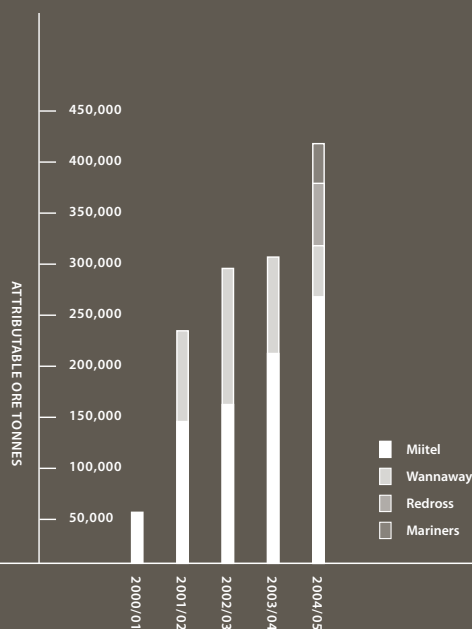
The Company holds a dominant land position in the Widgiemooltha area of the Kambalda Nickel District and has outstanding exploration potential in which it invests considerable resources.

Mincor today offers a strongly rising production profile as a result of the successful implementation of its ambitious Nickel Expansion Strategy – a strategy that has seen the Company develop three new mines over the past 18 months – and ongoing exposure to the tremendous exploration potential of its landholdings, in a dedicated nickel mining company with a history of profits, dividends and growth.

GROWTH IN NICKEL METAL IN RESERVES



ATTRIBUTABLE ORE PRODUCTION SINCE START OF MINING



COMPANY HIGHLIGHTS 2004/05

Safety

Mincor achieved another 12-month period free of lost time incidents – despite having more mines and more personnel than ever before.

Six Consecutive Years of Growth in Shareholder Wealth

A record year for Mincor – the numbers tell the story:

Nickel Production: **up 15%**
 Gross Revenues: **up 42%**
 Net Profit after Tax: **up 80%**
 Dividends to Shareholders: **up 100%**

Robust Operations Generate \$53 million in Operational Cashflows

Despite investing \$32 million in mine development and exploration, Mincor ends the financial year free of debt and with a 100% increase in dividends – generated from outstanding operational cashflows of \$53 million.

Nickel Expansion Strategy Delivers Three New Mining Operations

Intense effort underway all year on the development of three new operations, funded entirely from Mincor's operational cashflows – by year-end the Mariners, Redross and North Miitel mines in production.

Continued Growth in Ore Reserves

With extensive exploration underway in the last 6 months of the year, Mincor has replaced half the nickel metal that it mined during the year – without yet capturing, in the June 2005 ore reserves, the breakthroughs in geological understanding which started to emerge late in the financial year.

Growing Exploration Success

Burgeoning exploration momentum late in the financial year as the exploration programme began delivering consistent results – leading to expectations of a further upgrade to ore reserves by early 2006.



To our Shareholders

The highlights for the year under review and the best indicators of our performance in the current financial year are:

- The June quarter saw all four of our nickel mines in operation together for the first time. These mines will continue to underpin production for the foreseeable future.
- Our new contractor Barmenco has settled in well and has vindicated our decision to award them the contract.
- We exceeded one year free of lost time incidents. The health and safety of our people is our top priority.
- Exploration and development drilling continues at a high rate and promising new resources look likely to be identified at North and South Maitel, at Mariners, and at Redross.
- Our revenue has increased by 42% to \$122.5 million, profits after tax increased by 80% to \$20.3 million and net cash inflow from operations rose by 322% from \$12.5 million to \$53 million.

Total current assets at 30 June 2005 are \$53.8 million, including \$18.2 million in cash. We have no debt apart from \$4.3 million in leased asset commitments.

In the coming year, we will emphasise:

- Continued exploration with the objective of increasing nickel reserves at a low discovery cost per pound. We are encouraged by the success of these programmes to date;
- An increased budget for gold exploration;
- A continuous focus on safety and environmental matters, on general cost control and on mine planning and productivity;
- We have protected the revenue of the Company to an appropriate degree by selling forward nickel at the high prices prevailing in recent years.

The report of David Moore, our Managing Director, follows and this, together with the detailed review of mining operations included in this report, gives comprehensive information on our operations.

Mincor paid a fully franked dividend of 1.5 cents per share on 24 September 2004 and a further fully franked dividend of 1.0 cent per share was paid on 30 March 2005.

Your directors have approved a further fully franked dividend of 2.0 cents per share which will be payable on 30 September 2005.

The Mincor team – our management, staff and contractors – has worked superbly well to produce excellent financial and operating results. I thank them for their skills and energy, which has further consolidated our position as a leading Australian nickel producer.

I should also like to thank my Board of Directors and Company Secretary for their strong support during the year.

We will continue to work hard in your interest, aiming for further growth in profits and dividends into the future.

A handwritten signature in dark ink, appearing to read 'D Humann'.

David Humann
Chairman



Dear fellow Shareholders

As the numbers show, **our Company had a good year**. A hard-earned 15% increase in nickel production, in a strong nickel price environment, translated into an 80% increase in profits and, the most important number, **a massive 100% increase in dividends**. This comes despite a heavy investment in new mines and exploration – an investment that will enable Mincor to continue its outstanding record as one of Australia's premier mid-tier mining companies.

Mincor's employees and our contractors have worked hard to achieve this – there were no easy wins. At the very start of the year we changed out our mining contractor, a period of intense effort and risk that has ultimately paid off. We then had to run the mines under a sub-optimal shift structure for several months to cope with the political delays we had experienced in building our accommodation village – this period was particularly hard on our shift workers, and I want to thank them again for their efforts and patience. Through all of this of course, we had three new operations under development – representing not only a significant cash drain and an extra work load on our people, but a massive challenge in manning up these new operations in the face of a booming mining industry.

It is worth dwelling for a moment on the achievement represented by those three new operations. This becomes clear when one considers the number of new mining projects that have been shelved over the past year due to rising costs, the inability of the companies concerned to attract operating personnel, and the general tightness in all mining-related supplies, not to mention record oil prices. Through all this, by dint of extraordinary effort on the part of our employees and contractors, Mincor succeeded in developing two new mines and one major mine expansion. All are now in production, and it is these new mines that have given us the capacity to lift production over the past year, and to lift it again in the year to come.

We have also managed to keep our costs under control – itself a major challenge in the current environment. While costs measured on a per pound of nickel basis have risen (these are largely dictated by grade – an inherent characteristic of the ore body), our actual costs per tonne of ore mined have stayed flat. This is despite the fact that only a relatively small proportion of our costs are fixed – meaning that we gain only limited unit cost benefits from increases in production. Looking to the future, while Mincor will maintain its cost focus, it is certain that costs will rise – the cost pressures experienced by the industry are real and will remain a feature of the industry for some time to come.

Throughout the past year we continued our relentless focus on safety. In this we were largely successful, and achieved a second 12-month period free of lost time incidents. Given that we now have more mines and more personnel than ever before, this is significant. In addition, and as a reflection of the state of the industry, a higher proportion of our underground personnel are new to mining, creating both productivity and safety challenges. However I am sorry to report that since the end of June, we have had four lost time incidents. While none of these were serious injuries, and none were life threatening, this sudden spate again drives home the need for constant effort and vigilance in the area of safety.

Mincor holds a dominant land position around the Widgiemooltha Dome, which is part of the Kambalda Nickel District. This area has historically received less exploration attention than elsewhere and the remaining prospectivity is high. We have 45 kilometres or more of the strike of the all-important basal contact, and we have only just begun the sort of sustained exploration effort required to make a new discovery.

While we have always had some exploration underway on our tenements (and in 2002 discovered the North Miitel ore body, which is now in production) our main focus over the past 2 years has been the development of our new mines. This started to change about half way through the year under review, and from about January we have had an intensive exploration effort underway. Despite early successes north of North Miitel, and due to the length of time it takes to drill these deep holes, it took some months to reach the level of geological understanding we now have. Late in the financial year the additional resource potential at Mariners began to reveal itself, and it was only after June 30 that breakthroughs in the understanding of the South Miitel geology began to emerge. We are now able to consistently intersect mineralisation north of North Miitel, at South Miitel, and at Mariners, and we have a high expectation that new ore reserves will be defined in all these areas over the next 6 months.

Our hunt for a wholly new ore body continues, and we have had some positive indications in a number of areas, most particularly in the fertile contact zone between Miitel and Mariners. Again we believe it is only a matter of time. On the gold front we have tested about half of our originally defined targets and will continue this exciting and comparatively low cost programme over the coming year.

Looking to the future, we are targeting a further 30% increase in production for the new financial year, and would like to see production from our existing operations settle at between 12,000 to 13,000 tonnes nickel in concentrate per annum into the future. Our focus on the safe and cost-effective management of our mines, and on exploration for extensions and new ore bodies, puts us on an organic growth path that has the potential to add great value for shareholders over the coming years. In addition we will seek other growth opportunities via our preferred mechanism of project level acquisitions, where these can be found at prices that make sense.

I wish to thank all Mincor's employees for their extraordinary efforts during the year. It was hard work, but it has paid off. It has been a great honour for me to work with such skilled and dedicated



professionals, and Mincor is fortunate indeed to have their services. I also thank Barmenco and all their employees at our mine sites for their hard work during the year, they have more than vindicated our decision to bring them in. Finally I thank our shareholders for your support and patience during the intensive capital development phase of the past 18 months – and I look forward to our continued association as your Company reaps the rewards over the years to come.

David Moore
Managing Director

REVIEW OF MINING OPERATIONS

Overview: The past year was a period of busy expansion for Mincor, as the Company's nickel expansion strategy started to come to fruition.

Mincor now operates four nickel mines, all of which are located in the Widgiemooltha district south of Kambalda, Western Australia. Mincor has operated the **MIITEL** and **WANNAWAY** nickel mines for the past 4 years, and has successfully brought the nearby **REDROSS** and **MARINERS** nickel mines into production in the past year. In addition, the **NORTH MIITEL** extension entered production, with first mining from the N14 Ore Zone in the last quarter of the year.



Production volumes from Miitel and Wannaway for the year were generally in line with expectation, and the ramp-up to full production at Redross and Mariners proceeded well, although some delay was experienced at Mariners as a result of additional ground support requirements.

At the **Miitel Mine** we continued to extend stoping operations towards both the northern and southern ends of the ore body. The original Miitel 'Central' ore body is now at an advanced stage of mining, with many areas at a remnant phase, and crown pillar extraction in progress. In the coming year, an increasing amount of ore will be sourced from North Miitel. The smaller N14 ore body at North Miitel has now been developed on three levels with good widths of continuous ore encountered. Deliveries of ore were in line with planned production tonnages, which represented an increase of about 16% on the previous year. The average mined grade was slightly lower than for the previous year, as stoping operations moved into lower grade areas of the Miitel 'Central' ore body. Overall, it was another very good year for Miitel, and total ore produced to date now considerably exceeds the original pre-mining Ore Reserve.

The **Wannaway Mine** continued to operate successfully, but at a lower production tonnage. This operation has now moved largely to a remnant phase, apart from stopes in the upper south end of the 'Southern Lobe'. Overall, tonnage was lower than planned for the year, largely because the low-grade sediment-hosted ore at the bottom of the 01 Ore Zone turned out to be lower grade than expected, and the planned open stopes in this area were



FIGURE 1: Location Plan

curtailed. The mine moved to totally airleg (hand-held) mining and appropriate downsizing has occurred. In addition, Mincor will move to owner-mining at Wannaway by amicable agreement with Barminto, our mining contractor. From the beginning of September 2005, Mincor will operate the mine and employ all operational personnel directly. It is expected that Wannaway will continue to operate for at least the current year, at around the current level of 3,000 to 4,000 tonnes ore per month.

The **Redross Mine** commenced ore production in August 2004, and the ramp-up to full production is now well advanced. This mine was operated as an underground mine from a vertical shaft access in the 1970's by a joint venture between Anaconda Australia and CRA Pty Ltd. It was closed in 1978, after mining a total of 438,000 tonnes at 3.2% nickel. WMC mined a further 97,000 tonnes at 2.4% from an open pit in 1989. The closed Redross mine was purchased by Mincor as part of the Miitel acquisition. Decline development was commenced by Mincor in December 2003, from the bottom of the shallow open pit. The top of the remaining ore body (at approximately 200 metres below surface) was reached by August 2004, and level development commenced. The past year's activity has mainly consisted of continued development of the access Decline (which was just below the 14 Level at year-end) and progressive development of each of the ore body access levels. The Redross ore body is generally narrow, but of quite reasonable grade. Thus there is a strong incentive to mine the ore body with minimal dilution. For this reason, we have adopted the selective method of 'split-firing' when driving the ore on the levels. This method allows ore and waste to be separated, and results in a higher grade of production. This partly explains why Redross's production tonnage was somewhat lower than expected, but overall the grade was higher.

Reopening of the **Mariners Mine** represented a significant engineering challenge over the past year, but this operation has now been successfully brought into production. The Mariners Mine was operated by WMC between 1991 and 1999 as an underground operation. Over this period, Mariners produced a total of 1.1 million tonnes at 2.5% nickel. The mine was closed in 1999 due to high water inflows and low nickel prices. The closed Mariners Nickel Mine was purchased by Mincor as part of the Miitel acquisition. Mincor commenced studies into the reopening of Mariners in early 2003, and gave the project the go-ahead in January 2004. Central to the successful reopening was the ability to pump out the large amounts of water in the mine, and handle the ongoing water inflows for the life of the operation, and to be able to dispose of this highly saline water in an environmentally acceptable manner. This was achieved by constructing an 11 km pipeline to nearby Lake Lefroy. Following permitting and the

installation of the extensive pumping infrastructure, dewatering of the mine commenced in May 2004. As the water level dropped, the Decline access was progressively cleared and rehabilitated. The full dewatering to the bottom of the Decline was achieved in January 2005. This allowed all previously excavated strike-drives in the 07 Ore Zone to be accessed and prepared for stoping. First ore deliveries commenced in February 2005. Although some delays were experienced because of additional ground support requirements in the 07 ore drives, there was nevertheless significant ore production in the last quarter. Progressive stoping of the 07 Ore Zone is now in progress and the excavation of the Decline to the undeveloped 08 Ore Zone had commenced by year-end.

The **North Dordie Open Pit** remains as the only undeveloped component of the Nickel Expansion Strategy. This small, fairly marginal project requires a successful blending strategy to be profitable, and this opportunity does not exist at present. This project will be kept under review.

Safety

Mincor continues to place the highest priority on the safety of its employees and contractors. Whilst we are justifiably proud of our record, safety continues to be an area of focus for further improvement.

Mincor's Kambalda operations continued throughout the full year without a Lost-Time Injury, a very significant achievement given the increased number of people at our operations.

We regret to advise, however, that there have been four Lost-Time Injuries since the end of the year. A diamond driller lost part of the tip of his finger when it was caught in a sling while using a lifting device, a shotcrete operator received splash into his eyes and was flown to Perth for specialist medical attention, an airleg miner broke his thumb when he slipped while operating his machine, and a jumbo operator sustained a fall and received abrasions and bruising. All four operators are progressing satisfactorily through return-to-work programmes.

There were a number of Medically-Treated Injuries and also a number of potentially serious incidents which did not cause injury. These continue to illustrate that we cannot be complacent about safety, and must be constantly driving towards greater hazard awareness and improvement in our safety systems. To this end, all incidents are investigated by site-based teams, and changes to work practices are made where appropriate.

A number of new safety initiatives were implemented during the year, including a system of Safety Key Performance Indicators, and a Risk Assessment Programme.



Ownership

All of Mincor's mines and development projects in this area are 100% owned by Mincor Resources NL, and are operated and managed by Mincor's wholly-owned operating arm, Mincor Operations Pty Ltd.

Mining Contract

Over the past year, all mining at Miitel, Wannaway, Redross and Mariners was carried out under contract by Barminto Mining Contractors. Barminto had been our Contractor at Redross prior to July 2004, but they took over the mining contract at our other mines, Miitel, Mariners and Wannaway from the beginning of July 2004. Overall, this transition went smoothly. However, the ramp-up following the changeover (and with our Redross and Mariners Mines gearing up) was delayed by an extended permitting process for our site accommodation village.

The past year has been a particularly challenging one in the Western Australian mining industry, as increasing demand led to shortages of skilled operators and mining equipment. Fortunately, our operations have generally fared well despite these shortages. However, there was some impact on total production tonnages, particularly in the early part of the year.

Mincor has made the decision to change to owner-miner at Wannaway (as from the start of September 2005). This is considered more appropriate for the small-scale remnant mining operation that Wannaway has become.

Sales

Mincor's Ore Tolling and Concentrate Purchase Agreement ("OTCPA") with WMC Resources Ltd ("WMC") continued to work satisfactorily throughout the year. Under this long-term agreement, ore produced at each of our nickel mines is

transported to WMC's Mill at Kambalda, where it is toll-treated by WMC. Ore trucks arriving at the mill are weighed before the ore is dumped on the ore pad. A random selection procedure is used to divert an average of 1 in 5 truckloads to a sample stockpile, and the accumulated ore is sampled according to an agreed procedure. This allows average grades for nickel, copper and cobalt to be determined and assigned to the entire delivery. The moisture content is also determined, and a correction applied to arrive at a total dry tonnage.

The ore is milled through the Kambalda Mill, and the concentrates sold to WMC under a long-term off-take agreement. Payment is made by WMC in US dollars, based on the average spot price for the third month after the month of delivery. Approximately 97% of revenue comes from nickel, with copper and cobalt making up the balance.

Late in the year WMC was acquired by BHP Billiton and the former WMC nickel operations were renamed Nickel West. We expect no adverse change from this and look forward to the opportunity to build a close working relationship with Nickel West.

Metal Prices

Over the past year, 96.6% of Mincor's revenue came from sales of nickel, 1.9% from sales of cobalt, and 1.5% from sales of copper.

We continued to enjoy another year of very strong prices for all three products. The average nickel price realised by Mincor for the year was A\$8.11/lb (up from an average of A\$6.85/lb in the previous year), the average copper price was A\$1.90/lb (A\$1.48/lb in the previous year), while the average cobalt price was close to \$24/lb for both last year and the previous year.

Royalties

For the 2004/05 year, Mincor incurred royalties of \$5.13 million payable to the WA State Government. The State royalty is paid on nickel and copper production, with a royalty on cobalt production to commence at the beginning of this year. The actual amount payable in royalties is dependent on the prevailing prices for these metals.

An additional \$2.77 million was paid to private royalty holders, who are previous owners of the leases retaining an ongoing interest in production.

Infrastructure and Facilities

During the year, Mincor installed an accommodation village at a greenfields site located between the Mariners and Redross mines, and adjacent to the Coolgardie - Esperance Highway.

Consisting of an initial 191 accommodation rooms and additional dining and recreational facilities, this village provides accommodation for fly-in/fly-out ("FIFO") operators in our Contractor workforce, and for our own Mincor staff. Although we remain committed to residentially-based personnel wherever possible, this development recognises the fact that many people working in the mining industry today favour a capital city location for their families. Additionally, Mincor's four mines are further from Kambalda by road than any other mine serviced residentially from the township of Kambalda, and hence are at a geographic disadvantage in terms of travel safety and time. Recognising this reality, Mincor made the decision early last year to make provision for FIFO personnel. Construction of the 'Lake Eaton Village' commenced in November 2004 and was completed by April 2005.

Operating Results

Table 1: Operating Results – Financial Year 2004/05

	Miitel ⁽¹⁾	Redross	Mariners	Wannaway	Total
Ore Tonnes Treated (DMT)	266,912	64,069	37,543	50,786	419,310
Average Nickel Grade (%)	2.95	2.74	2.15	2.18	2.75
Nickel-in-Concentrate Sold	6,873.3	1,532.1	700.7	922.3	10,028.4
Copper-in-Concentrate Sold	661.3	110.3	71.7	105.8	949.1
Cobalt-in-Concentrate Sold	131.5	28.2	13.8	21.1	194.6
Sales Revenue* (A\$)	82.32m	18.25m	8.50m	12.10m	121.17m
Direct Operating Costs** (A\$)	33.80m	11.68m	8.05m	9.13m	62.66m
Indirect Costs*** (A\$)	5.54m	1.23m	0.37m	0.76m	7.90m
Operating Surplus (A\$)****	42.98m	5.34m	0.08m	2.21m	50.59m
Capital and Development Costs ⁽²⁾	13.69m	6.00m	9.14m	0.87m	29.71m
Costs Per Pound Payable Nickel					
Payable Nickel Produced (lbs)	9,849,503	2,195,533	1,004,096	1,321,659	14,370,791
Mining Costs (A\$/lb)	1.83	3.36	4.46	4.27	2.47
Milling Costs (A\$/lb)	0.92	0.96	1.25	1.24	0.98
Ore Haulage Costs (A\$/lb)	0.15	0.17	0.23	0.27	0.17
Other Mining/Admin (A\$/lb)	0.54	0.82	2.09	1.13	0.74
Royalty Cost (A\$/lb)	0.56	0.56	0.37	0.57	0.55
By-Product Credits (A\$/lb)	(0.29)	(0.24)	(0.29)	(0.35)	(0.29)
Cash Costs (A\$/lb) – Full Year	3.71	5.64	8.11	7.13	4.62

(1) "Miitel" includes North Miitel.

(2) These figures include \$5 million in Village Construction and Extensional Exploration Costs.

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

** Direct Operating Costs – mining, milling, ore haulage, administration.

*** Indirect Costs – royalties and net finance costs.

**** Operating surplus - project only - provisional, excludes corporate overheads and other corporate costs, excludes exploration costs, excludes depreciation, amortisation and tax

Miitel Nickel Mine

Production

The Miitel Mine continued to perform well throughout the year, producing a record tonnage that was 16% higher than for the previous year. Some difficulties were experienced in obtaining the full complement of skilled underground workforce, as a result of the extremely buoyant conditions prevailing throughout the mining industry. This impacted production particularly in the first quarter, immediately after the changeover of mining contractor. The overall nickel grade was lower, as the higher grade sections of the ore body were mined out and stoping operations focused more on the lower grade peripheral sections of the ore body. During the year mining was essentially completed in the higher grade central N01 ore body.



Table 2: Production for 2004/05 – Miitel Nickel Mine (including North Miitel production)

	Total Ore Tonnage Mined (dry)	Total Ore Tonnage Delivered (dry)	Ni (%) Grade	Cu (%) Grade	Co (%) Grade
2004/05	265,611	266,912	2.95	0.28	0.06

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the finalisation of tonnages and grades at the Kambalda Mill. The above figures are final.)

Mining progressed throughout all areas of the ore body according to plan, with stoping now completed in large sections of the Miitel 'Central' area. At the south end, final crown pillar extraction was carried out on the 350 and 372 Levels in the high-grade N01 Ore Zone, and on the 350, 374 and 396 Levels on the N01S Ore Zone. Large tonnages of medium-grade matrix and disseminated ores were produced from the N02S ore body, from stopes at the 254, 278 and 303 Levels. Significant tonnages were also produced from the 396 Level on the N05 ore body. At the northern end, large amounts of medium-grade disseminated ore were produced from the wide 210 Level stope, while stopes from the 235, 260 and 285 Levels contributed strongly.

In addition to the above, airleg mining was carried out on a number of small narrow stoping areas throughout the mine, on sections of mineralisation that are not suitable for mechanised mining.

North Miitel

Development of the major twin decline access into the North Miitel ore bodies commenced in late 2003, and has continued since. At times, when manpower resources were short, this development has been slow-timed in order to redirect the mining resources to maintain production in the stoping areas of Miitel. However, the first access into the N14 Ore Zone was achieved in April this year, and development has proceeded on three levels; the 361, 375 and 389 Levels. Good consistent ore 'runs' have been encountered on all three levels, which augurs well for future stoping production from this area. A total of 13,815 tonnes at 3.22% nickel was mined from this ore zone to end of June. Subsequent to the end of the year, driving of the ore body on the 403 Level has commenced, indicating good continuous ore.

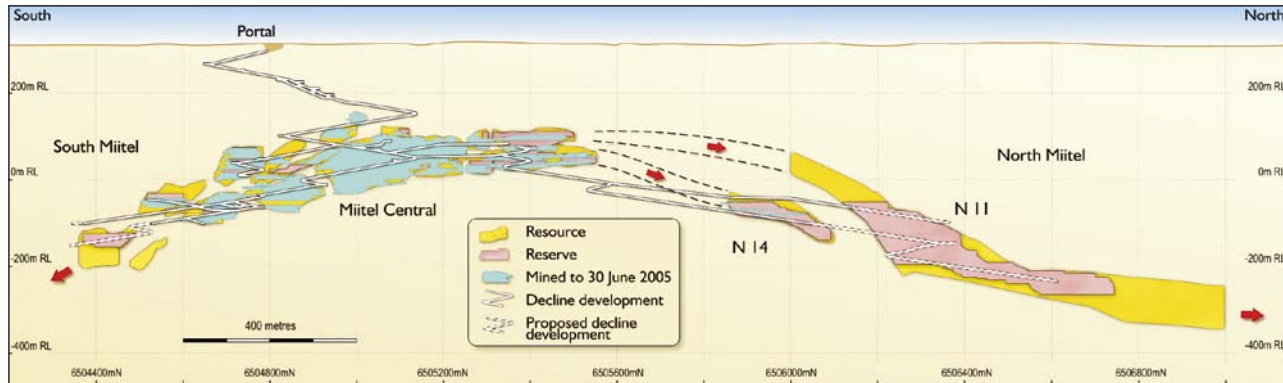
Development of the twin declines continued further north and by mid-August 2005 the first cross-cut into the larger N11 Ore Zone had encountered ore. The 421 Level intersected a good profile of massive and matrix ore, and strike-driving is about to commence.

Figure 2 illustrates the current interpretation of the ore body in long section, with Resources, Reserves, and mined areas as at 30 June 2005.

Costs

Cash costs per pound nickel are presented in Table 1. Direct costs per tonne of ore averaged \$140 per tonne (mining, administration, milling, trucking and royalties).

FIGURE 2: Miitel Long Section



Drilling

An ongoing programme of underground drilling continued throughout the year. Much of this work was aimed at resolving the detailed structure of the ore body, prior to finalisation of stoping plans. This drilling also allowed the upper part of the northern end of Miitel 'Central' to be more closely defined for the extraction of the 210 stope.

Underground drilling was also carried out in the area between the north end of Miitel 'Central' and the North Miitel N14 Ore Zone, as the access Decline was pushed north into this area. Generally, this 'in between' area appears to be poorly mineralised, and no additional ore zones were identified. Drilling was also directed at more closely defining the up-plunge margins of the N14 and N11 Ore Zones at North Miitel. This data has been incorporated into the new outlines shown in the accompanying long section (Figure 2). Drill-testing of this area will continue.

Major surface drilling programmes were conducted at both the north and south ends of the Miitel/North Miitel channel. These programmes are described in the section dealing with Extensional Exploration.

Resources and Reserves

Resources and Reserves were recalculated for Miitel as at 30 June 2005, and the current figures are shown in Tables 6 and 7.

The original Ore Reserve at Miitel, on which the project was evaluated, acquired and financed was 844,000 tonnes at 3.96% nickel, containing 33,422 tonnes of nickel. At the end of June 2005, a total of 954,339 tonnes at 3.65% nickel had been mined and delivered to the Kambalda Mill, containing 34,871 tonnes of nickel.

The end-of-June remaining Ore Reserve of 153,000 tonnes at 2.9% nickel, when added to the ore that has already been mined, gives a notional pre-mined Ore Reserve figure of 1,107,000 tonnes at 3.54% nickel, containing 39,320 tonnes of nickel for Miitel (excluding North Miitel). This represents an increase of around

5,900 tonnes of contained nickel against the original Ore Reserve, or an 18% increase (these figures do not include the North Miitel ore reserves).

However in addition to the above, a total of 13,815 tonnes at 3.22% nickel grade were mined from North Miitel. The re-estimated June 2005 Ore Reserve at North Miitel is 635,000 tonnes at 2.5% nickel. This represents an increase of 149,000 tonnes, containing an extra 3,750 tonnes of contained nickel, over the ore reserve on which the feasibility study was based. Most of this increase comes from the northern extension to the N11 Ore Zone, which now includes drill-hole MDD46 (4.8 metres at 5.67% nickel), drilled in January 2005. Other increases come from reinterpretation of the upper areas of both the N14 and N11 Ore Zones, on the basis of development and drilling.

In total then, the original Ore Reserve at Miitel of 844,000 tonnes for 33,422 nickel tonnes compares with a pre-mined 1,756,000 tonnes containing 55,440 tonnes of nickel (Miitel and North Miitel). This represents an increase of 66% in contained nickel metal over the original purchase. The latest ore reserve figures do not yet include further additions that are likely at South Miitel and north of North Miitel.

Future Developments

In the coming year, effort will focus on bringing the North Miitel ore zones into production. Strike-driving of the N14 will be completed and stoping will commence as soon as possible. The twin declines will continue to advance towards all planned levels of the larger N11 Ore Zone. Further underground drill exploration of this area will be carried out, as the opportunity becomes available from the advancing development.

At the south end, a major surface drilling programme is in progress to fully evaluate the highly prospective southern extension of the ore channel. Once completed, and if successful, this work may lead to the delineation of a further significant expansion of ore reserves in this area.



Redross Nickel Mine

Overview

The closed Redross Mine was part of the original Miitel Sale Block purchased by Mincor in early 2001. Situated in the southern part of the block, this ore body was one of the original discoveries in the Widgiemooltha area in 1968. The original mine was brought into production in 1971 by the Anaconda-CRA joint venture. The mine produced about 438,000 tonnes at 3.2% nickel before closing in 1978 because of depressed nickel prices. WMC gained control of the property and mined about 97,000 tonnes at 2.4% nickel from an open pit at the top of the ore body in 1989.

Mincor re-evaluated several mining proposals for the remaining lower half of the ore body as part of its Nickel Expansion Strategy, and gave the project the go-ahead in October 2003. Decline development from the base of the open pit commenced in December 2003. This decline reached first ore in August 2004 and production has steadily increased from that time onwards. Throughout the year, the necessary mine infrastructure was installed, including development for escapeways and ventilation. A large surface fan was installed at the surface to provide ventilation for the mine. Installation of surface buildings, including mine offices, change-rooms and workshops was also finalised.

Production

First ore was delivered in August 2004, and production steadily increased to about 7,000 to 8,000 tonnes per month by year-end. Most of the ore was sourced from strike-driving of the main N01 Ore Zone from the 7 Level down. The ore runs exposed in this level development were largely as expected from drilling, and from data projected down from the upper levels mined in the 1970's. The ore zone is relatively narrow but of high-grade. This focuses the effort on mining as tightly as possible to avoid excess dilution. In the level drives (which have to be taken wider than

Table 3: Production for 2004/05 – Redross Nickel Mine

	Total Ore Tonnage Mined (dry)	Total Ore Tonnage Delivered (dry)	Ni (%) Grade	Cu (%) Grade	Co (%) Grade
2004/05	64,069	64,069	2.74	0.19	0.06

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are final.)

the ore body in order to allow access for mining equipment), Mincor successfully employed a technique known as split-firing. This ensures that the ore is taken separately from the waste and has resulted in a higher grade than budgeted for this phase of mining.

By year-end, the Decline had advanced to the 14 Level and a total of 1,630 metres of ore strike-driving was completed. Strike-driving was completed on the 7A, 10 and 11 Levels, and is continuing on the 8, 9 11A, 12 and 13 Levels. Stopping operations have commenced on the 7A and 11 Levels, and have already demonstrated the effectiveness of the airleg mining method planned for use throughout the mine.

Costs

Cash costs are presented in Table 1. Direct costs per tonne of ore (mining, milling, trucking, administration and royalties) averaged \$191 per tonne. Though general cost pressures remain high, costs at Redross should improve as the proportion of ore sourced from stoping operations (as opposed to strike driving) and total production tonnages increase.

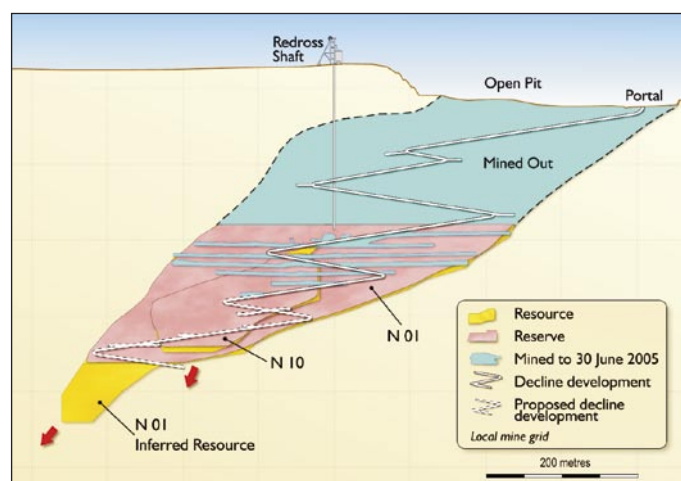


FIGURE 3: Redross Long Section

Drilling

The focus of our efforts this year has been to bring the Redross Mine into production, and to get the ore strike-drives in place as quickly as possible. Consequently, little in-mine drilling has been carried out. However, there are some opportunities for additions to the Reserves in the immediate area, and we will have the ability to investigate these from suitable underground positions in the coming year. The adjacent minor mineralised surface previously known as 'West Vein' will be tested by underground drilling. Further testing of the basalt contact which hosts the nearby subsidiary N10 Ore Zone will also be drilled to further evaluate its potential.

Several surface drill-holes were drilled to test the down-hole plunge of the main Redross Ore Zone during the year. Additional testing of the nearby Jeremy Dee trend was also carried out. These programmes are described in the Review of Exploration Operations section.

Resources and Reserves

The Resources and Reserves are shown in Tables 6 and 7.

There has been a slight decrease in overall Ore Reserves at Redross, as a result of a reinterpretation of the lower areas of the N01 and N10 Ore Zones. The net effect is a reduced tonnage attributed to the lower grade N10 Ore Zone. Mining has also indicated that there are some parts of the upper N01 Ore Zone that are narrower than expected, and this has impacted on the modelling as at the end of June. However, the mining grade has been higher than expected (largely due to dilution control that is better than originally modelled), and there is some evidence that the areas mined since the end of June are thicker than modelled. Overall therefore, we do not expect any major departure from the original estimations.

Future Developments

Development of the Decline will continue, and will progressively provide access to the lower levels of the ore body. Over the next 6 months the rapid increase in the rate of stoping of the ore blocks above the currently developed levels will see Redross change from largely development production to largely stoping production.

Further surface drilling exploration of the southern extension of the Redross trend will continue, following an encouraging intersection drilled in July 2005, which indicates significant nickel mineralisation a distance of 600 metres beyond the current Ore Reserve boundary.



Mariners Nickel Mine

Re-establishment and Production

The Mariners Nickel Mine was purchased by Mincor as part of the Miitel Sale Block in 2001. The Mariners ore body was discovered by WMC in 1989, and the mine was established and operated by WMC from 1991 to 1999, producing 1.1 million tonnes at 2.5% nickel. The mine was closed because of low nickel prices as well as the difficulty of dealing with water inflows that developed during the latter part of its period of operation.

Mincor commenced investigations into reopening Mariners Mine in 2003 and announced the go-ahead for this project in January 2004. In order to remove and dispose of the highly saline water, large capacity pumping infrastructure was installed at the mine, including a 11 km long pipeline to Lake Lefroy. Pumping commenced in May 2004 and was essentially complete by end of January 2005. Pumping rates averaged 80-90 litres per second during this period, while ongoing inflows started at around 75 litres per second and gradually decreased to their present levels of about 45 litres per second as draw-down drainage of the overlying rock mass occurred.

Rehabilitation of the main Decline was undertaken progressively as the water level was drawn-down. Other major challenges were the clearing of the escapeway and ventilation shafts, both of which had been back-filled with rock waste when the mine

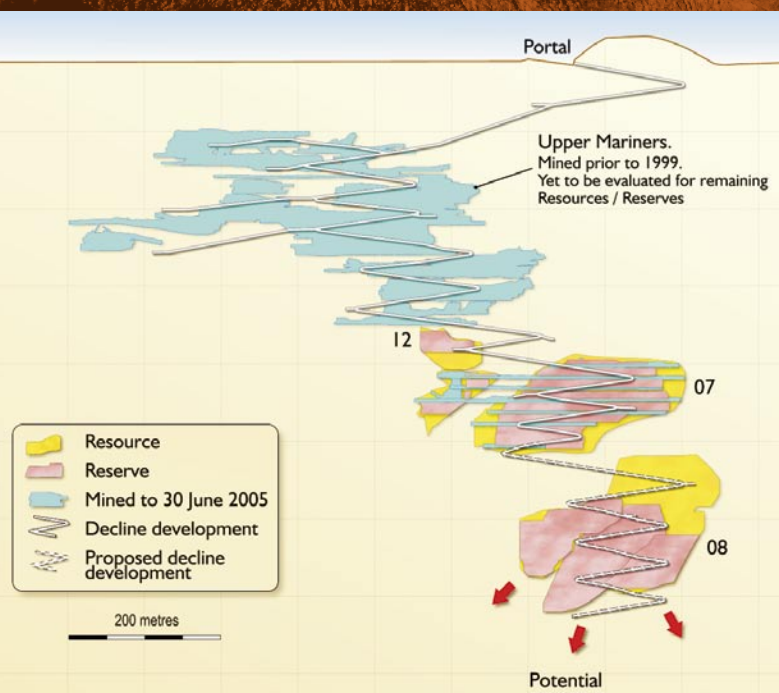


FIGURE 4: Mariners Long Section

closed in 1999. Fortunately, these were cleared without major difficulties. In the latter half of the year, all mine services and infrastructure were reinstated, including surface mine offices and change-rooms, workshop, mine permanent pumping systems, ventilation and electrics.

Production

Most of the remaining Ore Reserve at Mariners is contained in two ore zones at the bottom of the known ore body. Prior to closure in 1999 the 07 Ore Zone had been accessed and strike-driven on eight Levels at 15 metre vertical intervals. The lower ore body, designated the 08, has not yet been developed and does not have Decline access.

Mincor's strategy was to rehabilitate and re-enter each of the original levels of the 07 ore body as quickly as possible and re-establish production, using jumbo flatback stoping, followed by longhole stoping methods. At the same time we planned to commence the access Decline to the 08, and bring that ore zone into production to immediately follow mining of the 07.

Ore production at Mariners began in a small way in February 2005 and March 2005, with small tonnages of clean-up ore being delivered. By April 2005 however, flatbacking of the upper levels of the N07 Ore Zone had commenced and production tonnages started to increase. However a number of zones of instability developed in the old 850 and 865 drives in the central part of the 07 Ore Zone. A rehabilitation programme of additional

Table 4: Production for 2004/05 – Mariners Nickel Mine

	Total Ore Tonnage Mined (dry)	Total Ore Tonnage Delivered (dry)	Ni (%) Grade	Cu (%) Grade	Co (%) Grade
2004/05	37,656	37,543	2.15	0.21	0.05

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are final.)

shotcreting and cable-bolting was implemented and the problem brought under control. Nevertheless production from the 07 is likely to be constrained until mining has been completed in the problem areas.

By mid August 2005, all levels on the 07 had been successfully re-entered and rehabilitation and stoping was well under way, with increasing rates of production. Mariners now looks well set to become a major contributor to Mincor's production over the coming years.

Costs

Cash costs are shown in Table 1. These costs are not representative of ongoing cash costs, as they derive from the early, low-production and high-cost start-up phase of the mine. Direct mining costs per tonne of ore (mining, milling, administration, trucking and royalties) were \$158 per tonne.

Drilling

Once water levels had been lowered, preparations were made for testing of the ore environment. Underground diamond drilling was carried out to test the extensions of the 07 and 08 Ore Zones. This drilling was done from positions in the decline in the footwall of the 07 and from a major hangingwall drill-drive extending out to the east from the 880 Level strike-drive on the 07 Ore Zone. This drill-drive had been installed during the mine's previous production history and was rehabilitated for re-entry.

Overall, drilling of the 07 area did not locate any significant extensions to this ore zone. However, limited drilling of positions to the north and south of the 08 Ore Zone has indicated significant extra strike-length, and these additions are included in the reinterpretation shown in Figure 4. This ore zone is still open to the south and down-dip. Further drilling will be done once suitable drill locations become available from the advancing decline.

Resources and Reserves

The Resources and Reserves are shown in Tables 6 and 7.

The Mariners Ore Reserve has shown an increase of about 1,650 tonnes of contained nickel against last year's figure (including production). Most of this increase comes from extensions at the north and south end of the 08 Ore Zone. However, part of the increase has come through the development of the N12 Ore Zone on the 924 Level. It is considered likely that further additions will be made as additional drilling is completed.

Future Developments

The immediate focus at Mariners is to ensure the success of the current ramp-up in the production profile from the 07 Ore Zone, while at the same time gaining decline access to the 08 Ore Zone in order to commence strike-driving in preparation for stoping of this block.

There appears to be enormous potential for further additions to the Mariners ore body, as the lower limit of the N08 Ore Zone has not been closed off and the wider down-plunge extent of the mineralised trend has not been tested.

In the coming year, we expect to continue the underground drill programme to test the extensions to known ore zones, particularly the lower and southern limits of the 08 Ore Zone. However, we also expect to commence surface drilling for major step-out testing of the wider ore body environment.

Wannaway Nickel Mine

Overview

The Wannaway Nickel Mine operated satisfactorily throughout the year, but at a reduced tonnage and in a largely remnant-mining mode. Although originally planned with just an 18 month mine life, Wannaway has now operated profitably for 4 years (as at October 2005). This has been possible largely as a result of the continuing high nickel price and the discovery of incremental ore.



As the mine moves further into a remnant phase, it is important for Mincor to have the flexibility to ensure all remaining opportunities are followed up. For this reason, and after extensive consultation with our mining contractor, Barmenco, Mincor decided to move to owner-mining at Wannaway. The change will take place from the beginning of September 2005, and will require some capital expenditure in order to acquire second-hand mobile mining equipment.

Production

Wannaway produced an average of just over 4,000 tonnes of ore per month over the past year. This was lower than budgeted, mainly because the large tonnages of lower grade sediment-hosted ore interpreted at the lower reaches of the N01 Ore Zone proved to be of very marginal grade. Development through this area was generally disappointing and as a result mining was terminated earlier than expected, bringing about a write-off of about 300 nickel tonnes from the June 2004 ore reserve. The mine was then downsized to an airleg (hand-held) operation at the end of February 2005.

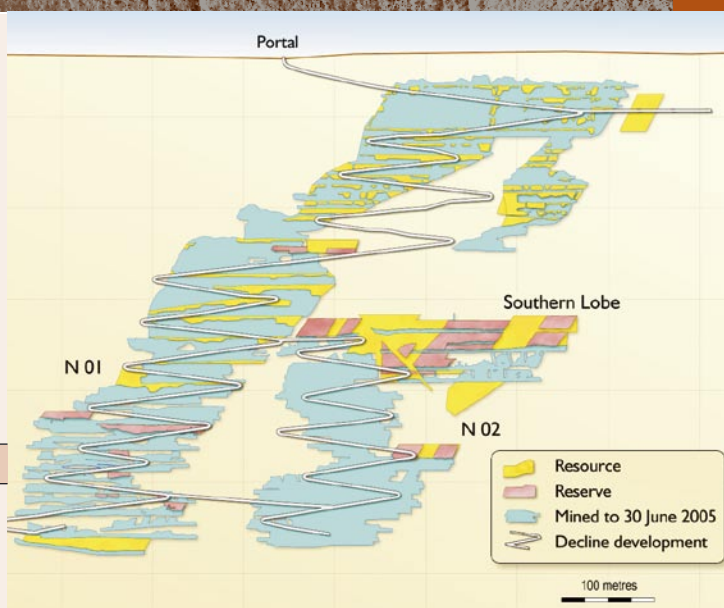
As the year progressed, ore was mainly sourced from development strike-driving and stoping of the upper Southern Lobe area of the N02 Ore Zone, and from remnant stoping of ore blocks and pillars in old stopes on the lower levels of the N01. These areas will continue to be the ore sources in the immediate future.

Figure 5 shows the outline of mining operations as at the end of June 2005.

Table 5: Production for 2004/05 – Wannaway Nickel Mine

	Total Ore Tonnage Mined (dry)	Total Ore Tonnage Delivered (dry)	Ni (%) Grade	Cu (%) Grade	Co (%) Grade
2004/05	50,389	50,786	2.18	0.23	0.05

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are final.)

**FIGURE 5:** Wannaway Long Section

Costs

Cash costs are presented in Table 1. Direct costs per ore tonne (mining, milling, administration, trucking and royalties) were \$190 per tonne. Wannaway is a high cost producer and likely to remain so, due to its low-grade and low rate of production. However, it remains cash positive and with the increased grade already evident from the airleg mining and the reduced overall costs expected from the other operational changes, cash costs and direct ore costs are likely to improve.

Drilling

Underground drilling was carried out to test for additional areas of ore in the lower N01, where there is some structural complexity. Drilling was also undertaken in the upper part of the N02. In both areas, small extensions were added.

Further follow-up drilling of the down-plunge area below the N01 has tended to indicate that the initial drill intersections in this area are of very limited extent and not likely to be economically viable. Further drilling will be undertaken on an as needed basis as targets for further extensions are identified.

Resources and Reserves

The Resources and Reserves are shown in Tables 6 and 7.

Since Wannaway is now largely a remnant operation, Mincor has taken a conservative view on Ore Reserves. The Reserves given in the tabulation are somewhat nominal, and represent the expected production for the next year or so. Given a continued high nickel price, we would expect to see more of the existing Resource converted to Reserve.

Wannaway's total production since purchase by Mincor is 448,500 tonnes at 3.11% nickel, containing 13,944 tonnes of nickel. This compares with the total pre-mining Ore Reserve of 290,000 tonnes at 3.56% nickel, containing 10,324 tonnes of nickel, an increase of 35% in contained nickel on a mined-to-date basis. Mincor will continue to use all reasonable efforts to responsibly extract value from this asset.

Future Developments

The current budget provides for continuation of the Wannaway Mine at an average rate of 3,000 to 4,000 tonnes for the coming year, at a grade of about 2.5% nickel. Ongoing production is dependent on continued strong nickel prices, but if these eventuate, the mine could continue at these production rates well into the future.

As stoping proceeds in the upper part of the Southern Lobe, further up-plunge extensions of this small but high-grade ore zone will be investigated. There is a high likelihood of further extensions in this area.

Geological investigations are continuing elsewhere in the mine environment, albeit now at a more limited scale, and further drilling will be carried out as targets are identified.

Resources and Reserves

Table 6: RESOURCES AS AT JUNE 2005

Resource		MEASURED		INDICATED		INFERRED		TOTAL		Ni Tonnes
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Mariners	2005	206,000	3.8	250,000	4.1	-	-	456,000	4.0	18,089
	2004	215,000	3.7	187,000	4.5	-	-	402,000	4.0	16,080
Redross	2005	68,000	5.8	176,000	5.1	33,000	4.9	278,000	5.3	14,655
	2004	-	-	313,000	5.2	32,000	3.3	345,000	5.0	17,253
North Dordie	2005	-	-	73,000	1.5	68,000	1.6	141,000	1.5	2,171
	2004	-	-	73,000	1.5	68,000	1.6	141,000	1.5	2,171
North Miitel	2005	19,000	4.3	414,000	3.6	81,000	4.8	514,000	3.8	19,696
	2004	-	-	373,000	3.7	-	-	373,000	3.7	13,801
Miitel	2005	160,000	4.2	53,000	3.0	-	-	214,000	3.9	8,346
	2004	28,000	4.1	268,000	4.1	27,000	3.6	323,000	4.0	12,920
Wannaway	2005	157,000	3.3	-	-	-	-	157,000	3.3	5,153
	2004	101,000	3.8	45,000	3.6	120,000	2.2	266,000	3.1	8,246
GRAND TOTAL										
June 2005		610,000	4.0	967,000	3.8	183,000	3.6	1,759,000	3.9	68,109
June 2004		343,000	3.7	1,260,000	4.1	247,000	2.3	1,850,000	3.8	70,471

Note: Resources are inclusive of Reserves

Table 7: ORE RESERVES AS AT JUNE 2005

Reserve		PROVED		PROBABLE		TOTAL		Ni Tonnes
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Mariners	2005	221,000	2.4	339,000	2.7	560,000	2.6	14,468
	2004	-	-	511,000	2.7	511,000	2.7	13,629
Redross	2005	126,000	3.1	283,000	2.7	409,000	2.9	11,732
	2004	-	-	513,000	2.9	513,000	2.9	14,712
North Miitel	2005	26,000	2.7	609,000	2.5	635,000	2.5	15,681
	2004	-	-	500,000	2.5	500,000	2.5	12,356
Miitel	2005	131,000	3.0	22,000	2.3	153,000	2.9	4,447
	2004	155,000	3.6	211,000	2.5	366,000	2.9	10,787
Wannaway	2005	52,000	2.5	-	-	52,000	2.5	1,315
	2004	45,000	2.6	67,000	1.9	112,000	2.2	2,450
GRAND TOTAL								
June 2005		556,000	2.7	1,253,000	2.6	1,809,000	2.6	47,643
June 2004		201,000	3.4	1,801,000	2.6	2,001,000	2.7	53,934

The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Reeve, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reeve is a full-time employee of Mincor Resources NL. Mr Reeve has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeve consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

REVIEW OF EXPLORATION OPERATIONS

The key objectives of Mincor's exploration growth strategy are as follows:

- To double existing ore reserves through extensional exploration of existing ore bodies;
- To discover a new million tonne, high-grade nickel ore body through an expanded regional exploration programme around the Widgiemooltha Dome; and
- To discover a significant gold deposit on Mincor's Widgiemooltha tenements.



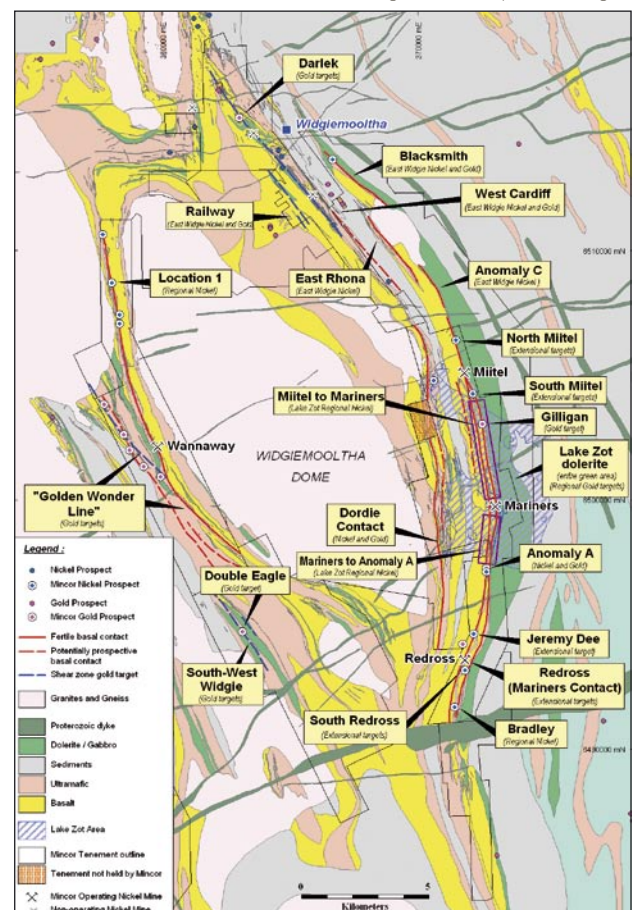
FIGURE 6: Widgiemooltha Exploration Targets

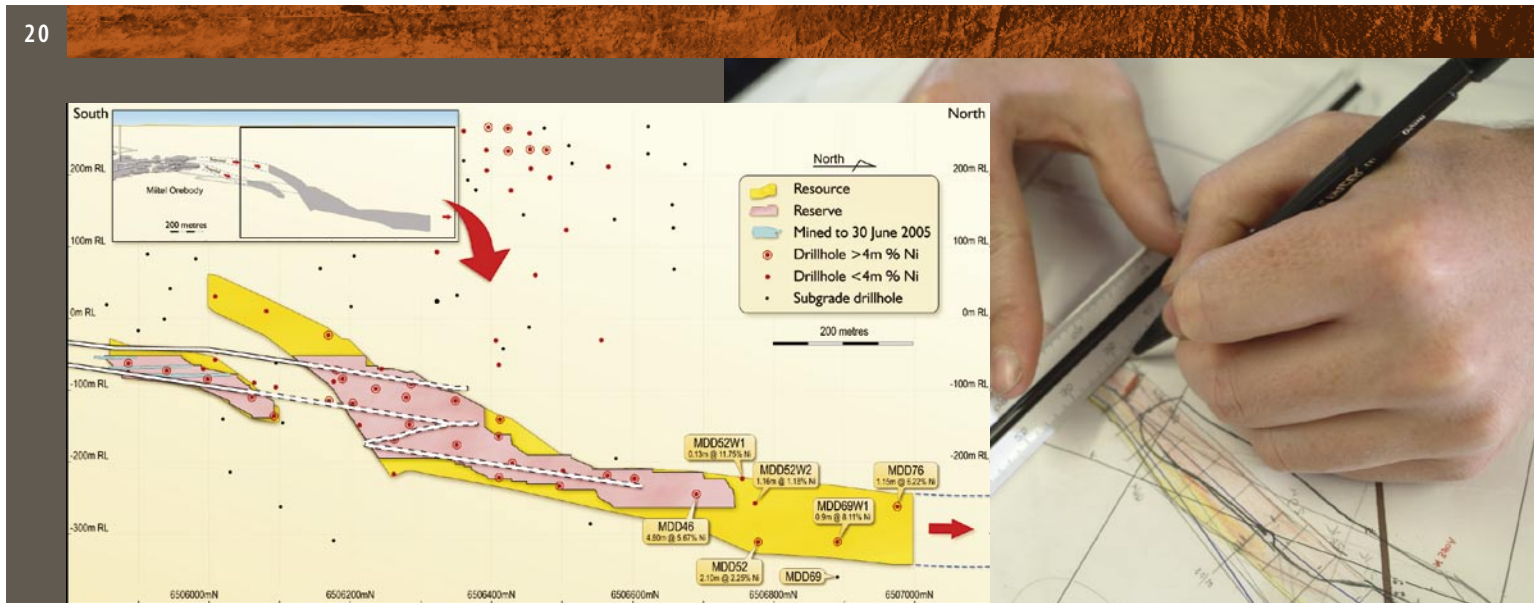
During the 2004/05 financial year, as development projects at North Miitel, Mariners and Redross neared completion, focus turned increasingly to Mincor's exploration portfolio and the implementation of the strategies outlined above. This has seen a marked increase in exploration activities that will continue throughout the new financial year. Exploration has focused heavily on nickel prospectivity in the near-mine environment, while expenditure on greenfields nickel and gold has also increased substantially. Widgiemooltha remains the area of prime focus although exploration in other areas is also being increased.

This has already yielded positive results, particularly at North Miitel where the ore body has now been traced for an additional 300 metres north since July 2004. In the Redross area, extensional drilling has shown further potential for down-plunge continuations of the Redross and Jeremy Dee systems and a little further to the west, one drill-hole has shown evidence of mineralisation on the adjacent Mariners contact in a completely untested area.

Gold exploration commenced in earnest with an initial programme that has seen reverse circulation ("RC"), air core ("AC") and rotary air blast ("RAB") drilling programmes at five locations around the Widgiemooltha Dome since January 2005.

Mincor's nickel and gold targets around the Widgiemooltha Dome are shown in Figure 6.





Extensional (Near Mine) Nickel Exploration

North Miitel

Exploration success at North Miitel continued throughout the year. The northward continuation of the main mineralised channel has been confirmed by a number of step-out holes, the latest being over 300 metres north of the July 2004 reserve boundary. Down-hole geophysics has been performed on all drill intersections in the area with results supporting continuity of mineralisation in the environs of each hole. Due to structural complexity, a number of holes intersected either above or below the main mineralisation, however the overall pattern that has become apparent is one in which the channel remains continuous and the plunge of the mineralisation flattens to the north. The flat plunge and the evidently continuous mineralisation are positive indicators for the likely level of future capital expenditure required to develop these extensions.

In addition, the system still remains completely open to the north and follow-up drilling continues. Adding to the allure of this outstanding extensional target is the manner in which the Miitel system has tended to “pinch and swell” along its length, suggesting that northward extensions to the ore zone may, in addition to the currently defined mineralisation, yield the added bonus of further thickened high-grade “bonanza” zones. An outline of the system together with recent drill results is shown in long section view (Figure 7 above).

Other drilling at North Miitel has investigated potential for mineralisation in adjacent/secondary channels. At the northern end of the Miitel ore body, development and drilling has revealed structural complexity that may divide that part of the ore body

into several narrow sub-horizontal trends. A programme of underground drilling and one surface hole have so far failed to intercept economic mineralisation in this zone. It is also possible that further channels may have developed adjacent to the main channel at North Miitel, particularly up-dip. The last of a fence of 3 holes (MDD72) was drilled but intersected sediment on the basal contact with no mineralisation present.

South Miitel

In a manner similar to North Miitel, the main Miitel system also remains open to the south and is currently the subject of a second exploration programme and a second dedicated rig. The southern area is more structurally complex, however, as an oblique thrust system appears to have juxtaposed (and terminated) the Mariners basal contact against the Miitel contact. This interpretation raises the possibility of a number of potentially mineralised basal contact positions in both down-plunge and adjacent (i.e. immediately west or east) positions.

Mincor’s geologists are unravelling this complexity and a number of encouraging intercepts have recently been achieved in this area, notably MDD41W2, 41W3, 41W4 and MDD77 as shown in Figure 8. In August 2005 an additional hole MDD077W1 was completed and intersected 2.48 metres at 3.49% nickel (true width is estimated at 2.33 metres) from 759 metres.

The results of these holes have allowed reinterpretation of the plunge of the mineralised trend, which may also be shallower than previously thought with positive implications for future targeting and development costs.

The overall positive implications are that the Miitel system does in fact continue to the south and that it remains mineralised. Drilling will continue in this highly prospective target area.

Redross – Jeremy Dee

Drilling of extensional targets around Redross on an almost full-time basis is underway. The main focus to date has been to test down-plunge of the main Redross ore body for continuations of the Redross system similar to North and South Miitel and to further test the strike and dip extent of the adjacent Jeremy Dee prospect (Figure 9).

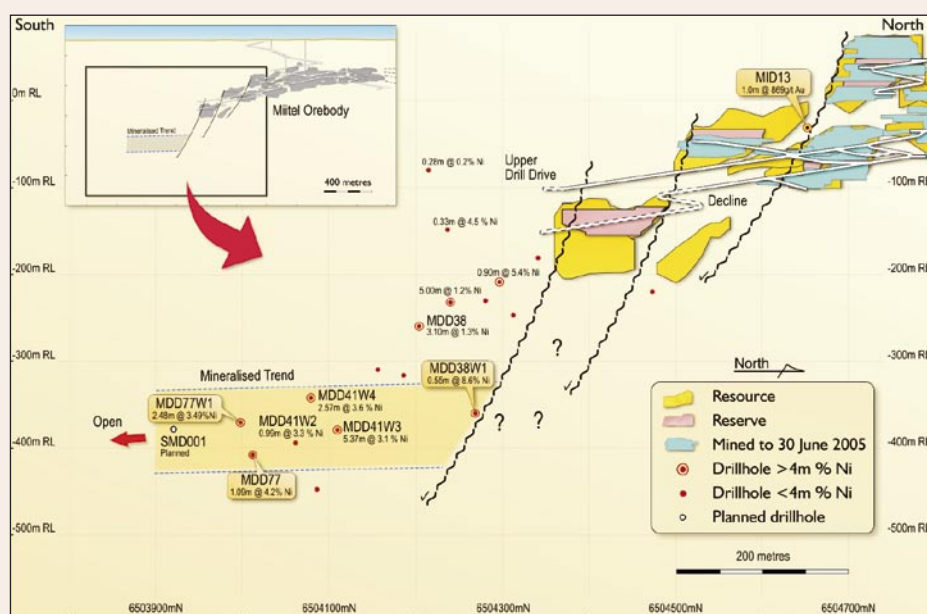
Following the completion of several unsuccessful down-plunge holes at Redross it was decided to undertake a larger step-out hole some 330 metres beyond the previous drill-hole. This hole (RRD120) has recently been completed and intersected only minor mineralisation on the basal contact. However it did intersect massive and matrix mineralisation beginning 74.1 metres above the basal contact and grading **1.83 metres at 4.96% nickel** (from 663 metres down-hole, true width estimated at 1.72 metres).

This type of mineralisation, which is located above the basal contact entirely within ultramafic rocks, is termed a “hangingwall position” and, particularly at Redross, is a strong indicator of potential mineralisation on the basal contact in the near vicinity – most likely down-dip. Follow-up drilling is planned as soon as down-hole electromagnetic surveys have been completed.

Two additional holes were drilled to test for extensions and repetitions of the Jeremy Dee mineralisation. MDD74, a step-out hole, tested a further 200 metres down-plunge of the previous Jeremy Dee intercept

and intersected low tenor nickel sulphides grading 1.23 metres at 1.14% nickel from 587.36 metres down-hole. This confirms that the Jeremy Dee system continues (now traced over a strike length of over 600 metres) and although narrow, is a strong system with potential to form an ore body at some point along its length (perhaps related to the recent hangingwall intercept in RRD120 described above, although this concept has yet to be tested).

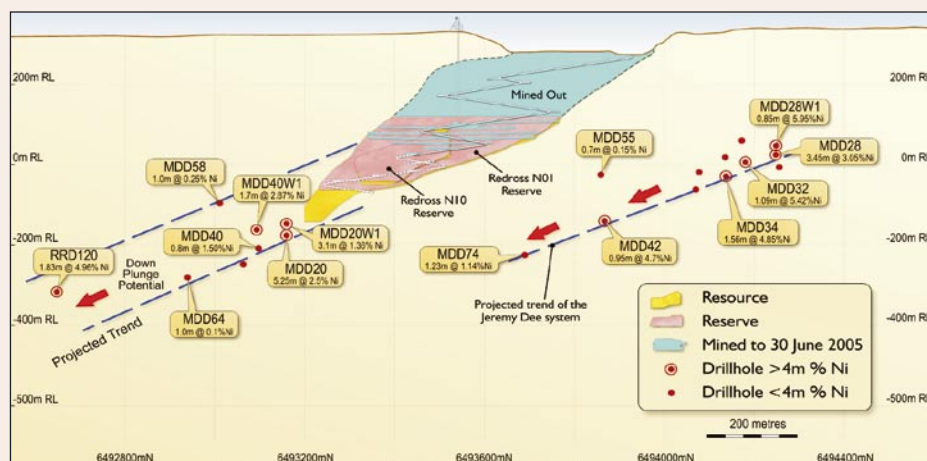
MDD055 was drilled between Redross and Jeremy Dee to test the potential for multiple channels and intersected sediment on the basal contact. Of interest however is nickel sulphide mineralisation intercepted near the top of the hole where it intersected the Mariners basal contact. This comprises a new target in a previously untested area and is discussed in more detail under Regional Exploration.



Top Left - FIGURE 7:
North Miitel Long Section

Top Right - FIGURE 8:
South Miitel Long Section

Right - FIGURE 9:
Long Section showing Redross
and Jeremy Dee



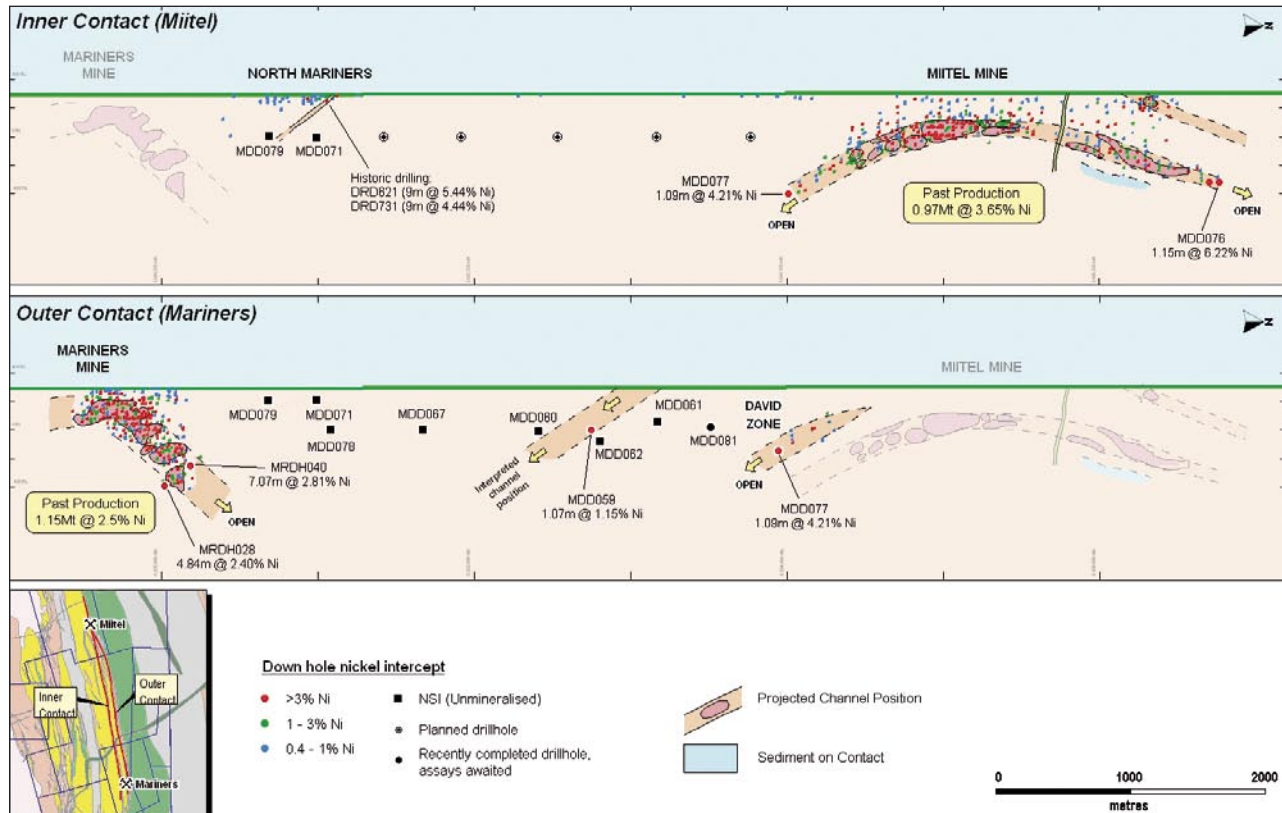


FIGURE 10: Long Section showing Basalt Contacts between Miitel and Mariners

Regional Nickel Exploration

Exploration for new nickel deposits around the Widgiemooltha Dome remains a priority and the past year has seen a marked increase in regional nickel exploration. Mincor controls a cumulative total of approximately 60 km of the strike of the ultramafic-basalt (basal) contact, the zone along which all Kambalda-style nickel ore deposits are developed. Along the Miitel-Mariners-Redross trend, the basal contact is structurally duplicated, forming two parallel zones, both equally prospective. Mariners Mine is situated on the outer (Mariners) contact and the Miitel and Redross Mines are situated on the inner (Miitel) contact. Known fertile basal contacts are also present approximately 1 km to the west of Miitel (the Dordie contact) and on the western side of the Widgiemooltha Dome (the Wannaway contact). Locations of all the areas referred to below are shown in Figure 6.

Our aim is to effectively test all prospects and “in-between areas” along the entire strike length of known basal contact as well as several other areas which may contain basal contacts that are as yet untested. Although a large part of this programme remains, the work described below has been completed to date.

Lake Zot Pattern Drilling

Only shallow previous drilling is present along the two highly prospective parallel contact zones between Miitel in the north and Anomaly A to the south. Mincor is carrying out a major drilling programme aimed at the systematic testing of these contact zones.

This programme is designed to test the strike of the basal contact beneath Lake Zot between the Miitel and Mariners Mines. Again, this comprises the two parallel contact zones referred to as the (inner) Miitel-Redross and (outer) Mariners contacts, neither of which has been drill-tested at depth (see Figure 10).

To date, 8 holes out of a planned total of 16 holes have been completed, with 7 holes intersecting the Mariners contact. Drill-testing of the adjacent Miitel contact has just commenced with 1 hole completed so far.

One hole, MDD059 intersected **1.07 metres at 1.15% nickel from 549 metres** (down-hole) – a significant result in a previously untested area. A follow-up hole (MDD062) was drilled to test a further 50 metres down-dip but failed to intersect significant mineralisation. Due to the unpredictable geometry of Kambalda style nickel deposits however, further follow-up is warranted.

Redross (Mariners Contact)

This prospect is located adjacent to and east of the Redross mine on the under-explored Mariners (outer) contact. While targeting the Jeremy Dee Prospect (Miitel contact), drill-hole MDD055 intersected a trough structure in a new position on the Mariners contact. Using a 0.5% nickel cut-off, assays have indicated a broad zone of 17.73 metres at 0.91% nickel from 51.27 metres (down-hole), including 0.83 metres at 1.84% nickel from 51.27 metres. The zone includes, at 1% cut-off, 1.1 metres at 1.5% nickel from 62 metres and 4 metres at 1.58% nickel from 65 metres (see Figure 11). Immediate follow-up drilling is planned.

Anomaly A

A hole was drilled at Anomaly A to test a potential down-plunge continuation of the known mineralisation. No significant mineralisation was intersected at this position, but due to the structural complexity of the area, a number of alternative targets remain.

Bradley

A pod of mineralisation similar to that at Anomaly A occurs at the Bradley prospect, approximately 2 km south of the Redross mine on the outer (Mariners) contact. Two holes (MDD049 and MDD050)

were drilled to test for continuing mineralisation down-plunge to the south of the known pod. Hole MDD049 (the southernmost hole) intersected 3.98 metres of disseminated to blebby nickel sulphides followed by 12cm of low tenor massive sulphide on an open contact from 342.58 metres. Significant intersections are shown in Table 8. Lithogeochemical modelling indicates that these sulphides are present within a fertile ultramafic channel, which together with the presence of massive sulphides on the contact, provides strong encouragement at this target. Further work is planned.

Wannaway Contact

Numerous nickel prospects and occurrences are situated along the Wannaway basal contact to the north of Wannaway on the western side of the Widgiemooltha Dome. One of these is Location 1, where previous exploration identified a narrow, sub-economic north-plunging mineralised trough structure. A hole (MDD051) targeting a continuation of this mineralisation approximately 150 metres to the north has been completed and intersected 2.35 metres of blebby nickel sulphides from 554.42 metres on an open contact, followed by 8cm of massive nickel sulphides (assaying 5.12% nickel) from 561.7 metres in a basalt-basalt position (see Table 9). The drill-hole intersected the basal

Table 8: Bradley – Hole 49 Intercept Summary

Hole ID	Depth From (m)	Depth To (m)	Width (m)	Ni (%)
MDD049	342.58	343.0	0.42	0.62
MDD049	343.0	344.0	1	0.52
MDD049	344.0	345.0	1	0.29
MDD049	345.0	346.0	1	0.32
MDD049	346.0	346.56	0.56	0.51
MDD049	346.56	346.68	0.12	2.79

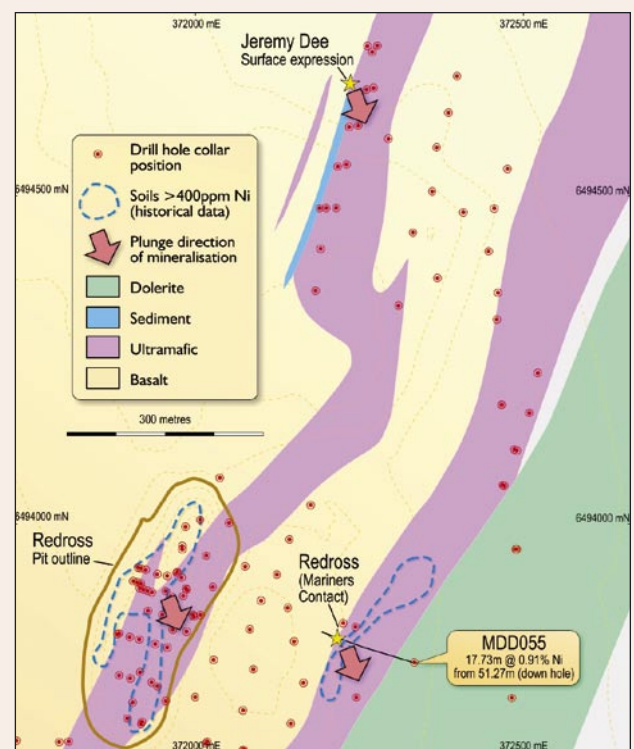
Collar coordinates (MGA94) 371940E 6491800N; Azimuth 270 degrees; Inclination - 60 degrees; Total depth 390 metres

Table 9: Location 1 – Hole 51 Intercept Summary

Hole ID	Depth From (m)	Depth To (m)	Width (m)	Ni (%)
MDD051	549	550	1	1.07
MDD051	556.35	557	0.41	1.16
MDD051	561.7	562	0.08	5.12

Collar coordinates (MGA94) 357585E 6508600N; Azimuth 90 degrees; Inclination - 65 degrees; Total depth 594 metres

FIGURE 11: Location of recently discovered mineralisation on the Mariners Contact to the east of the Redross Mine



contact deeper than originally planned, showing potential for the prospect to host mineralisation over a much broader area than previously interpreted. Down-hole electromagnetic surveying failed to detect any significant anomalies associated with this intersection, however further work is required to fully evaluate this prospect.

East Widgie Block

An initial programme of 3 RC holes and 2 diamond holes was completed at the Blacksmith and East Rhona prospects which are situated within the East Widgie block to the north of Miitel. No significant mineralisation was intersected, however one of the objectives of this programme was to obtain structural and stratigraphic information to assist with three-dimensional modelling ahead of further drill-hole targeting.

Generative Work

This is the precursor to effective drilling and an essential component of any exploration programme as it ensures that the best targets and concepts are continually being developed and tested. To this end Mincor has completed three-dimensional modelling of the Miitel, Mariners, Wannaway and Dordie basal contacts, carried out test work on new soil sampling techniques and completed a detailed gravity survey over most of the Widgiemooltha Dome. Geophysical (down-hole electromagnetic) and lithogeochemical modelling is routinely carried out and the results integrated with all other data.

Regional Gold Exploration

Mincor's gold exploration programme commenced in earnest early in 2005 with a programme comprising 414.3 metres of diamond drilling, 432 metres of RC drilling, and 1,254 metres of RAB drilling. This comprised initial testing of known occurrences in order to assess their potential to form part of a larger system. At the same time, a more conceptual programme of historical data review and the development of a regional structural framework and fluid pathway model for the Widgiemooltha Dome was undertaken. Mincor has the advantage of holding virtually the entire Widgiemooltha Dome, allowing such a regional approach to be used to maximum advantage.

This was followed by a second round of drilling comprising 2,742 metres of RAB and 3,571 metres of AC, which tested further targets on both sides of the Widgie Dome, namely Golden Wonder, the Lake Zot Dolerite and North Dordie. RC drilling was also carried out at the Railway and West Cardiff areas (2 holes) to test the nickel and gold potential of each area and to assist with stratigraphic and structural interpretations.

The locations of Mincor's Widgiemooltha gold prospects are shown in Figure 6.



Lake Zot Dolerite

A major regional AC drilling programme to test the potential of the Lake Zot Dolerite and adjacent rocks to host a major gold deposit is underway. The Lake Zot Dolerite has a strike length of 23 km, is up to 1 km thick and is entirely concealed by transported cover. This dolerite has never been systematically tested for gold.

To date 56 out of a planned total of 209 holes have been completed (WGAC001–053, WGAC087–89). WGAC005 returned 3 metres at 1.13g/t gold from 42 metres and WGAC051 returned 3 metres at 1.25g/t gold from 33 metres, both in transported cover. WGAC005 is interpreted to be directly above a structural link between known gold mineralisation at Gilligan (WGD001) and the Lake Zot Dolerite. Follow-up drilling is planned. Other potential link structures into the dolerite host are outlined in Figure 12.

Miitel Gold

The gold potential in and around the Miitel Mine is evident from recent re-logging and re-assaying of historic surface diamond hole MID13, which returned intercepts of 1.1 metres at 36.9g/t gold from 372.5 metres, 1 metre at 869g/t gold from 387.5 metres (free gold seen throughout) and 1.05 metres at 3.99g/t gold from 394.3 metres. The gold is interpreted to be associated with northwest striking, 10–50 degree dipping quartz veins with intense carbonate alteration and local arsenopyrite and pyrite sulphidisation.



FIGURE 12: Plan showing Air Core Drilling on Lake Zot

Table 10: Lake Zot – Air Core Assay Results

Hole ID	From (m)	To (m)	Interval (m)	Au-ppm
WGAC005	42	45	3	1.13
WGAC051	33	36	3	1.25

1g/t bottom cut used.

Table 11: Miitel Gold Assay Results

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)
UMI-04-083	20.59	21	0.41	7.97
UMI-04-083	23.44	23.53	0.09	1.53
UMI-02-145	15.79	16.3	0.51	1.38
MID13*	372.5	373.6	1.1	36.9
	387.5	388.5	1	869
	394.3	395.35	1.05	3.99

1g/t bottom cut used.

*Analytical method fire assay. All others by AA method.

Eight existing Miitel underground diamond holes were selected and assayed for gold proximal to MID13. Although these dedicated nickel holes were not optimally sited to test for gold, they have provided information to better define the main target area. Four of the 8 holes were drilled to the south and down-dip of MID13 and did not contain significant gold. Mineralisation did appear stronger to the north however, with the best result coming from UMI-02-145, located approximately 75 metres to the north and which assayed 0.41 metres at 7.97g/t gold from 20.59 metres down-hole. Strong potential thus appears to lie to the north and up-dip of MID13 and up-dip of UMI-02-145. The MID13 gold intercept is within 10 metres of future underground mine development, which is due by January 2006, and a programme of underground drilling will be undertaken to test the gold target at that time.

Significant results of the abovementioned re-sampling are summarised in Table 11.

Other Prospects in Western Australia

Most exploration licences that Mincor applied for in recent times have now been granted. The Company has commenced early stage exploration on a number of these areas, and has submitted applications for additional exploration licences.

Dundas Project

This project comprises ten granted tenements covering parts of the Archaean Buldania greenstone belt and adjacent Yilgarn Craton and Proterozoic Albany Fraser Belt. A previous explorer carried out regional aeromagnetic interpretations, geochemical sampling and limited first pass RAB and RC drilling. This confirmed the presence of prospective Archaean aged greenstones with potential to host gold mineralisation. Mincor considers the Dundas area to be an early stage conceptual play of considerable interest as it has the potential to extend Western Australia's highly prospective Eastern Goldfields southwards by almost 100 km.

An initial programme of detailed aeromagnetics over selected areas is planned to better define drill targets. RAB and RC drilling programmes may be undertaken. This is contingent on Mincor obtaining the necessary environmental approvals as most of the area is located within the Dundas (Class B) Nature Reserve.

Tramways Project

The Tramways Project comprises two Exploration Licences, five Prospecting Licences and one Mining Lease (which contains the Jeffreys Find gold prospect) situated on a potential strike continuation of the Boulder Lefroy fault that is responsible for numerous gold deposits to the north, including the world class Kalgoorlie Golden Mile. A gravity survey has been completed over the western half of the tenement group which, together with detailed aeromagnetic coverage, will assist in defining potential drill targets. Following a 50% reduction of the original Tramways tenement (E63/754), upcoming work will focus on the area surrounding Jeffreys Find which comprises a sub-economic gold resource containing mineralisation associated with a northwest trending banded iron formation. A number of drill-holes have defined consistent gold mineralisation at shallow depths over a strike length of 250 metres. The prospect appears open at depth with previous data indicating a lowermost intercept of 3 metres at 7.02g/t gold along one fence of historical drilling.

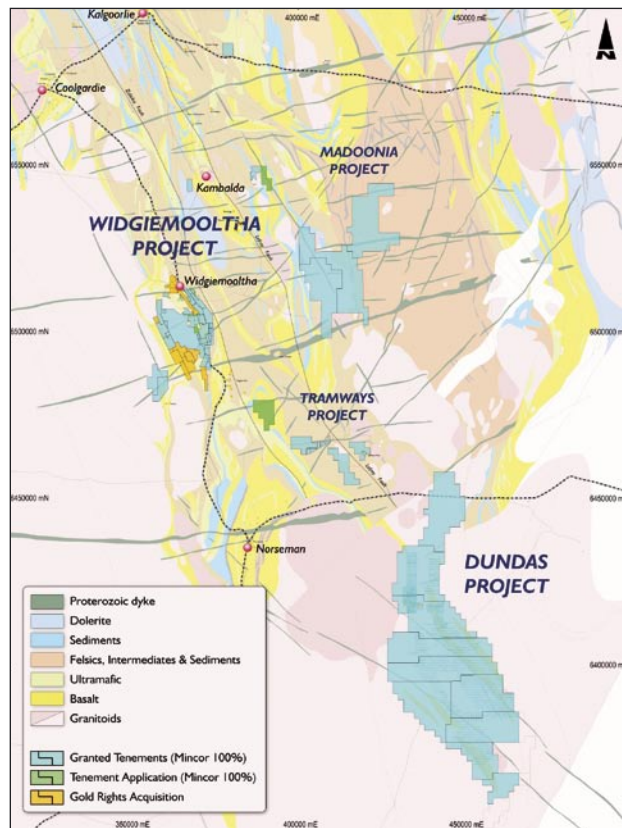


FIGURE 13: Tenement locations in southern Western Australia

Gascoyne Project

Mincor has recently applied for two exploration licences covering 436 km² in the Gascoyne region (Nardoo Well and Duncan Pool). The area is located 350 km east of Carnarvon within the Palaeoproterozoic Morrisey Metamorphics of the Gascoyne Province. The target area comprises a suite of ortho and para-amphibolites, calcareous metasediments and numerous skarns, intruded by tungsten-molybdenum-fluorine bearing late stage granite intrusions. The area contains previously recorded occurrences of gold, copper, scheelite (tungsten) and uranium.



OFFSHORE GOLD ASSETS

Imweru Project, Tanzania

The Imweru Project is located within the Geita Greenstone Belt in the Lake Victoria goldfields of Tanzania and is subject to an option by Canadian major Barrick Gold Corporation. The licence contains a number of gold mineralised reef systems which Mincor identified during a drilling programme in 2000. Barrick are continuing to progress the project as part of their surrounding Imweru exploration programme.

South Pacific Gold

Sabeto Project, Fiji

Mincor's Sabeto Project is located 25 km from Nadi on the main island of Viti Levu in Fiji and is the subject of an exploration and farm-in transaction with Alcaston Mining NL. The area is highly prospective for bonanza grade epithermal vein gold of similar style to the adjacent Tuvatu deposit (1.64 million tonnes at 8.5g/t gold for 450,000 ounces) as well as the 10 million ounce Vatukola mine, operated by Emperor Gold Mines Limited.

Vanuatu Projects

Mincor's Vanuatu projects are subject to the same agreement with Alcaston as Sabeto and comprise the Webe Creek and Tafuse Projects on the northern island of Espiritu Santo. Webe Creek hosts the Loanasmata prospect which contains a 3 km long and 300 metre wide zone containing mineralised epithermal veins, anomalous gold in soils, hydrothermal alteration and geophysical anomalies. The area is considered prospective for a Porgera style (>14 million ounces) gold discovery and Alcaston is planning a 1,500 metre drilling programme for the area. Alcaston has completed preparation of a draft Special Lease Agreement with local landowners and the Vanuatu government which, once executed, will allow drilling to commence.

The Tafuse licence adjoins Webe Creek to the north and contains five known gold targets comprising zones of epithermal alteration with gold mineralisation at surface.



Statement of **HEALTH, SAFETY & ENVIRONMENTAL** Policies

POLICY STATEMENT

Mincor attaches the greatest value to the health and safety of its employees; it is every manager's and supervisor's duty to do everything in his or her power to avert damage, occupational injuries and occupational diseases, and it is also everyone's personal duty to avert damage and occupational injuries and occupational diseases, both in respect of himself or herself and of his or her fellow-workers.

VISION

Mincor's stakeholders include its shareholders, employees, local residents and the wider community. Mincor recognises its responsibilities to all its stakeholders and **will ensure that its Health, Safety and Environmental standards are second to none.**

MISSION

- Mincor will carry out its business in a responsible manner, and will protect and cherish the natural environment.
- Mincor will ensure that its employees are protected from all occupational injuries and diseases.
- Mincor will provide a safe working environment for its employees, will ensure that Health and Safety are management's top priority and that its work force is fully trained in Health and Safety matters.



PRINCIPLES AND VALUES

Mincor subscribes to the following eleven self-explanatory principles and values:

- All injuries, occupational diseases and damage can be prevented.
- Preventing injuries, occupational diseases and damage makes good business sense.
- Everybody occupying a managerial or supervisory position is personally responsible for the safety and health of those working under him.
- Everybody in Mincor's employment carries personal responsibility for his or her own and his or her fellow workers' health and safety.
- Training is an essential element in ensuring the safety and health of employees.
- Safety and health audits are carried out regularly, participatively and meaningfully, with the emphasis on the modification of attitudes.
- Every shortcoming in the field of occupational health and safety is rectified immediately and permanently.
- All injuries, occupational diseases and damage are investigated thoroughly and participatively, not only to determine the direct causes but also to uncover underlying causes.

- People are the most important element of Mincor's occupational health and safety programme.
- Following best practices elsewhere in the world, supervisors spend at least 20% of their time on matters directly related to the protection of their subordinates' health and safety.
- Contractor's personnel are viewed as Mincor employees for health and safety purposes. Mincor's safety principles and values apply equally to contractor's personnel.

Deviations from these principles and values and from required conduct are unacceptable.

OBJECTIVES

- Elimination of unsafe environments and unsafe working conditions.
- Elimination of unsafe acts.
- Maintenance of high safety awareness among all employees.
- Continual safety training at all levels.
- Comprehensive induction of part-time and casual employees.
- Insistence on similar safety standards from contractors.

During the 2004/2005 financial year (the "Reporting Period") Mincor Resources NL has continued to operate in accordance with systems of control and accountability, which the Company has previously adopted as the basis for the administration of corporate governance. This report sets out the key corporate governance practices of the Company during the Reporting Period, providing disclosure to the extent recommended by the Australian Stock Exchange Limited ("ASX") in accordance with its "Principles of Good Corporate Governance and Best Practice Recommendations" (the "ASX Guidelines").

Commensurate with the spirit of the ASX Guidelines, the Company has followed each of the 28 Recommendations to the extent the Directors considered that their implementation was practicable and likely to genuinely improve the Company's internal processes and accountability to external stakeholders. To the extent that the Company has adopted a practice that differs from the recommendations, disclosure is made of the Company's practice and how that practice embraces the ASX Principles.

Additional information about the Company's corporate governance practices, including disclosure of the various charters, policies and procedures which form the Company's corporate governance framework, is set out on the Company's website at www.mincor.com.au.

Board Composition

The Board refers to the criteria for independence as recommended by the ASX in considering independence of Directors. To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website.

The Board comprises four directors, all of whom with the exception of the Managing Director, Mr David C.A. Moore, are non-executive, independent Directors. Details of the Directors are set out in the Directors' Report.

In the interests of disclosure, the Board notes that Mr Humann is a director of and minority shareholder in James Anne Holdings Pty Limited, a company which provides the services of Mr Humann to act as Director and Chairman of the Company. James Anne Holdings Pty Limited receives consulting fees for providing the services of Mr Humann to the Company.

The Directors (in absence of Mr Humann) have ascertained the level of consulting fees paid to James Anne Holdings Pty Limited is not material to either the Company, James Anne Holdings Pty Limited or Mr Humann and that the arrangement does not affect Mr Humann's non-executive status. Furthermore, the Board notes that Mr Humann is not an executive and does not have a major shareholding in the Company. As such, the Board considers that there is limited scope for Mr Humann's personal interests to conflict with those of shareholders.

The Board (subject to members' voting rights in general meeting) is responsible for selection of new members and succession planning, and has regard to a candidate's experience and competence in areas such as mining, exploration, geology, finance and administration. The wide commercial experience of its Board members assists Mincor Resources NL in meeting its corporate objectives and plans.

The Board delegates responsibility for the Company's administration and operation to its Managing Director, who is accountable to the Board.

Under the Company's Constitution:

- The maximum number of Directors on the Board is currently set at 9.
- A Director (other than the Managing Director) may not retain office for more than 3 years without submitting for re-election.
- At the Annual General Meeting each year effectively one third of the Directors in office retire by rotation and must seek re-election by the shareholders.

Independent Professional Advice

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the Director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Compensation Arrangements

All compensation arrangements for Directors and Senior Executives are determined at Board level after taking into account the current competitive rates prevailing in the market.

Audit Committee

The Audit Committee comprises Mr I.F. Burston (Chairman of the Audit Committee) (Independent), Mr D.J. Humann (Independent) and Mr D.C.A. Moore. Mr Burston has over 30 years experience in the extractive and related industries and therefore possesses the requisite industry knowledge to participate on this committee. Mr Humann is a chartered accountant and therefore possesses the requisite financial literacy and expertise to participate on this committee. Mr Moore is an executive Director with requisite financial and industry knowledge. Mr Moore resigned as a member of the Audit Committee on 14 July 2005 and Mr J.W. Gardner was appointed.

The main responsibilities of the Audit Committee are to:

- Review and report to the Board on the annual financial report, the half-year financial report and all other financial information published by the Company or released to the market;
- Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
 - Effectiveness and efficiency of operations;
 - Reliability of financial reporting;
 - Compliance with applicable laws and regulations;
- Oversee the effective operation of the risk management framework; and
- Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit.

In fulfilling its responsibilities, the Audit Committee receives regular reports from management and the external auditors. It also meets with the external auditors at least twice a year – more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit Committee and the Chairman of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Details of Audit Committee meetings held during the year can be found in the Directors' Report.

Confirmation whether Performance Evaluation of the Board and its Members have Taken Place and How Conducted

During the financial year the Nomination Committee of the Company carried out an evaluation of the Board and its members. In particular, the size of the Board was considered and it was decided the current structure is appropriate for the current operations of the Company. The performance and effectiveness of the Company's Board was reviewed. It was considered that the Board members had a diverse skill set and had performed effectively in the last twelve (12) months.

Nomination Committee Meetings

Name	No of Meetings Held	No of Meetings Attended
DJ Humann	1	1
DCA Moore	1	1

Company's Remuneration Policies

Details of remuneration, including the Company's policy on remuneration are contained in the 'Remuneration Report' which forms part of the Directors' Report.

All compensation arrangements for Directors and Senior Executives are determined at Board level after taking into account the current competitive rates prevailing in the market.

Remuneration levels of the Directors and Senior Executives are set by reference to other similar sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the consolidated entity's operations in Australia, the South West Pacific and Africa. Remuneration of non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to non-executive Directors.

Company's Remuneration Policies (continued)

Details of the nature and amount of remuneration paid to each Director of Mincor Resources NL and each of the five Executives of the consolidated entity are provided in the 'Remuneration Report' contained within the Directors' Report.

Names of Remuneration Committee Members and their Attendance at Committee Meetings

Name	No of Meetings Held	No of Meetings Attended
DJ Humann	1	1
DCA Moore	1	1

Existence and Terms of any Schemes for Retirement Benefits for Non-executive Directors

There are no termination or retirement benefits for non-executive Directors.

Managing Risk

The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives, benchmarked against a strategic plan, which is regularly updated.

Regular controls established by the Board include:

- Detailed monthly financial reporting; and
- Delegated authority to ensure expenditure and revenue obligations are approved by the Managing Director.

The Board recognises the need to identify any areas of significant business risk and to develop and implement strategies to mitigate these risks.

The Company has purchased Director's and Officer's Insurance cover for its Board of Directors.

Ethical Standards

The Board supports the highest standards of corporate governance, and requires its members, and the staff of the Company to act with integrity and objectivity in relation to:

- Compliance with the law
- Record keeping
- Conflicts of interests
- Confidentiality
- Acquisitions and disposals of the Company's securities
- Safe and equal opportunity employment

The Board and management are also conscious of and aim to ensure fulfilment of the wider obligations of Mincor Resources NL and its staff to people affected by its operations, and for responsible management of the environment.

Health, Safety and Environmental Policy

The Company recognises the importance of maintaining responsible environmental standards and practices in the conduct of its business and is committed to:

- Provide every employee with a safe and healthy work environment in accordance with generally accepted mining industry practice.
- Comply with relevant legislation and adhere to standards of responsible environmental practice for the mining industry, even in the absence of legislation.
- Design, construct and operate exploration, mining and processing facilities to mitigate environmental impacts to the extent technically and economically feasible.
- Maintain a self-monitoring programme to ensure ongoing compliance with corporate policy and with government laws and regulations.

- Reclaim disturbed areas in accordance with site specific criteria and applicable regulations and permits.
- Co-operate with governments and other stakeholders in connection with the formulation of environmental laws, regulations and standards affecting the mining industry.
- Support industry associations which promote good environmental practices and which advance environmental protection in mining and mineral processing.
- Communicate this policy to its shareholders, employees, the public, governments, suppliers and customers.

Shareholders

The Board aims to ensure that shareholders are at all times fully informed in accordance with the spirit and letter of the Australian Stock Exchange's continuous and timely disclosure requirements.

The Annual Report and every Quarterly Report is lodged with the ASX and is distributed to all shareholders. The Annual Report and every Quarterly Report are also made available to shareholders on the Company's website. The Board encourages full participation of shareholders at the Company's General Meetings to ensure a high level of accountability and identification with its strategy and goals.

Explanations for Departures from Best Practice Recommendations

During the Reporting Period from 1 July 2004 to 30 June 2005 there was only one recommendation of the ASX that was not followed.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
4	4.3	David Moore – executive Director was a member of the Audit Committee until his resignation on 14 July 2005. Recommendation 4.3 requires only non-executive Directors to participate in the Audit Committee. Mr J.W. Gardner, a non-executive Director was appointed to the Audit Committee on 12 August 2005.	It was considered beneficial for Mr Moore to be available to participate in Audit Committee meetings to answer issues raised by the independent members. There is scope for the independent Directors to meet separately with the external auditors if required. Accordingly, the Directors consider the Audit Committee to be an effective structure to ensure the integrity of the Company's financial reporting. Mr Moore resigned from the Audit Committee on 14 July 2005.

The Directors present their report on the consolidated entity consisting of Mincor Resources NL ("the Company") and its controlled entities, for the year ended 30 June 2005.

Directors

The names of the Directors of Mincor Resources NL in office at the date of this report are:

Name	Particulars	Shareholding Interest
DJ Humann (Chairman)	<p>Experience and expertise Mr Humann joined Mincor Resources NL on 30 September 1999 as a Non-executive Director and Chairperson of the Company. Mr Humann is a Chartered Accountant and Certified Practising Accountant. He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China firm) from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the global firm's World Executive Management Committee based in London and New York. He was formerly a member of the Australia and New Zealand Firm's Executive Policy Committee. Mr Humann is a member of the boards of a number of public and private companies.</p> <p>Other current directorships Non-executive Chairman of Tethyan Copper Company Limited; Matrix Metals Limited and Braemore Resources Plc. Non-executive Director of Rewards Group Pty Limited; Macmahon Holding Limited and Tigor Limited.</p> <p>Former directorships in last 3 years Non-executive Director of Jupiter Energy Limited from 2003 to 2005. Non-executive Director of ERG Limited from 1998 to 2003. Non-executive Director of Barron Entertainment Limited from 1998 to 2003. Non-executive Chairman of Pearl River Tyre Holdings Limited from 1996 to 2004.</p>	200,000 shares
DCA Moore (Managing Director)	<p>Experience and expertise Mr Moore joined Mincor Resources NL on 30 September 1999 and is the Managing Director of the Company. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration in all disciplines of project generation and evaluation, new business development, project management and strategic planning. In 1996 he left a position as Billiton's Chief Geologist in Peru, and General Manager of the joint venture company Cia Urumulqui SA, to join Iscor Australia Pty Limited as executive director of business development based in Perth, Australia. In that role he established Iscor's gold and base metal exploration unit in Australasia. Mr Moore has worked extensively in South America, southern and eastern Africa and Australasia. He holds a B.Sc (Eng) (Mining Geology).</p> <p>Other current directorships Managing Director of Tethyan Copper Company Limited.</p> <p>Former directorships in last 3 years None.</p>	5,334,374 shares

Name	Particulars	Shareholding Interest
JW Gardner	<p>Experience and expertise</p> <p>Mr Gardner is a Non-executive Director who joined the Company in February 1996. Mr Gardner graduated from the University of Melbourne in 1962 with a Bachelor of Engineering (Mechanical) degree. He also holds a Master of Business Administration degree from Curtin University, Western Australia.</p> <p>After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Limited, Comsteel Vickers/ANI, Minproc Engineers Pty Limited and Broken Hill Metals NL between 1970 and 1990, he formed his own Engineering Consultancy. He has consulted on many gold and base metal projects both in Australia and overseas. Mr Gardner was Chairman of Ghana Manganese Company from 1995 until 2000. He is currently actively involved in Canadian listed company, Guinor Gold Corporation where he is Chief Engineer – Mining Projects.</p> <p>Other current directorships</p> <p>None.</p> <p>Former directorships in last 3 years</p> <p>None.</p>	4,974,276 shares
IF Burston	<p>Experience and expertise</p> <p>Mr Burston is a Non-executive Director who joined the Company in January 2003. He holds a Bachelor of Engineering (Mech) degree from Melbourne University and a diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Program in Paris and the Harvard Advanced Management Program in Boston.</p> <p>Mr Burston has over 30 years' experience in the extractive and related industries. His prior positions included Managing Director and Chief Executive Officer of Aurora Gold Limited, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines; Vice President – WA Business Development of CRA Limited and Managing Director of Hamersley Iron Pty Limited.</p> <p>Other current directorships</p> <p>Non-executive Chairman of Imdex Limited. Executive Chairman of Aztec Resources Limited. Non-executive Director of Aviva Corporation Limited.</p> <p>Former directorships in last 3 years</p> <p>Non-executive Director of Pelsoil Limited from 2000 to 2002. Non-executive Director of Portman Iron Ore Limited and Portman Mining Limited from 2000 to 2002. Non-executive Director of Timber Plantations Limited from 2000 to 2002.</p>	50,000 shares

Company Secretary

The name of the Company Secretary of Mincor Resources NL in office at the date of this report is:

Name	Particulars
B Lynn	Mr Lynn is a Chartered Accountant with over 18 years experience. He joined Mincor in May 2001 and prior to this held various senior financial positions with companies involved in the mining industry, including gold and mineral sands.

Review of Operations and Significant Events

Operations

Mining Operations

During the year, the Company's Miitel Nickel Mine produced 266,912 dry metric tonnes at an average nickel grade of 2.95%, to produce 6,873 tonnes of nickel-in-concentrate.

The Company's Wannaway Nickel Mine produced 50,786 dry metric tonnes at an average nickel grade of 2.18%, to produce 922 tonnes of nickel-in-concentrate.

In September 2004 the Company commenced production at its Redross Nickel Mine. The mine produced 64,069 dry metric tonnes at an average nickel grade of 2.74%, to produce 1,532 tonnes of nickel-in-concentrate.

In January 2005 production commenced at Mariners Nickel Mine, the Company's fourth mine. Mariners produced 37,543 dry metric tonnes at an average nickel grade of 2.15%, to produce 701 tonnes of nickel-in-concentrate.

Exploration and Development Projects

During the year, the Company spent \$5.5 million on both extensional and regional exploration activities which resulted in further success.

Principal Activities

The principal activities of the companies in the consolidated entity during the course of the year were the mining and exploration of mineral resources.

No significant change in the activities occurred during the 12 months to 30 June 2005, except as outlined below.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- During the year the Company raised \$86,000 following the exercise of 500,000 options over fully paid ordinary shares.
- On 24 September 2004 the Company paid a fully franked dividend of 1.5 cents per share for a total payment of \$2,913,000.
- On 30 March 2005 the Company paid a fully franked dividend of 1 cent per share for a total payment of \$1,946,000.
- The Company has sold forward 5,808 tonnes of nickel to April 2007, at an average price of A\$16,689.

Group Results

The operating profit of the consolidated entity for the year after income tax was \$20,302,000 (2004 profit: \$11,309,000).

Dividends

A fully franked dividend of 1.5 cents per share in respect of the year ended 30 June 2004 was paid on 24 September 2004. On 31 March 2005 a fully franked interim dividend of 1 cent per share in respect of the year ended 30 June 2005 was paid. On 23 August 2005 the Directors declared a fully franked final dividend of 2 cents per share in respect of the year ended 30 June 2005.

Meetings of Directors'

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2005, and the number of meetings attended by each Director were:

	Total Directors Meetings Available	Directors Meetings Attended	Total Audit Committee Meetings Available	Audit Committee Meetings Attended
DJ Humann	10	10	4	4
DCA Moore	10	10	4	4
JW Gardner	10	10	*	*
IF Burstn	10	10	4	4

* Not a member of the Audit Committee during the year.

Future Developments

Details of important developments occurring in this financial year have been covered in the Review of Operations. The Company will continue to actively explore for minerals, and any significant information or data will be released to the market and shareholders pursuant to the Continuous Disclosure rules as and when they are to hand.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Remuneration Report

All compensation arrangements for Directors and senior executives are determined at Board level after taking into account the competitive rates prevailing in the market place.

Remuneration levels of the Directors and senior executives are set by reference to other similar sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the consolidated entity's operations in Australia, the South West Pacific and Africa. Remuneration of non-executive Directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to non-executive Directors.

Executives (other than Directors)

The following persons were the five executives with the greatest authority for the strategic direction and management ("Specified Executives") of the consolidated entity during the financial year:

Name	Position	Employer
JS Reeve	Chief Operating Officer	Mincor Resources NL
ST Cowle	General Manager – Kambalda Operations	Mincor Resources NL
B Lynn	Chief Financial Officer	Mincor Resources NL
DP Will	Chief Mining Engineer	Mincor Resources NL
RA Hatfield	Exploration Manager	Mincor Resources NL

All of the above persons were also Specified Executives during the year ended 30 June 2004.

Remuneration of Directors and Executives

a) Principles Used to Determine the Nature and Amount of Remuneration

The Company's executive remuneration framework aligns executive remuneration with the achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive remuneration is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance.

i) Non-executive Directors

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. The Board receives advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his remuneration.

ii) Directors' Fees

The current base remuneration was last reviewed with effect from 8 November 2002. The Chairman's and non-executive directors' remuneration is inclusive of committee fees.

Fees for the Chairman and non-executive Directors' are determined within an aggregate directors' fee pool limit of \$200,000, which was last approved by shareholders on 8 November 2002.

iii) Retirement Allowances for Directors

No retirement allowances exist for non-executive Directors.

Remuneration Report (continued)

Remuneration of Directors and Executives (continued)

a) Principles Used to Determine the Nature and Amount of Remuneration (continued)

iv) Executive Pay

The executive pay and reward framework has four components:

- Base pay and benefits
- Short-term performance incentives
- Long-term incentives through participation in the Mincor Employee Share Option Plan, and
- Other remuneration.

The combination of these comprises the executive's total remuneration.

v) Base Pay and Benefits

The base pay is inclusive of statutory superannuation and is structured as a total employment cost package, which may be delivered as a mix of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases fixed in any senior executive's contracts.

Benefits include car allowances and provision of accommodation.

vii) Short Term Incentives

The Company has established an Incentive Bonus Scheme, which is designed to encourage and reward superior performance. The Incentive Bonus Scheme has both a company performance component as well as an individual performance component. Whilst it is the Company's intention to apply the Incentive Bonus Scheme annually there is no guarantee that bonus payments will be made in any one year.

For the year ended 30 June 2005, the Incentive Bonus Scheme was linked to group, individual business and personal objectives.

viii) 2002 Employee Share Option Plan

Information on the 2002 Employee Share Option Plan is set out in Note 31 to the financial statements.

b) Details of Remuneration

Details of the remuneration of each Director of Mincor Resources NL and each of the five Specified Executives of the parent entity and the consolidated entity, including their personally-related entities, are set out in the following table.

Directors – 2005	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
DJ Humann (Non-executive Chairman)	54,600	-	-	5,400	-	-	60,000
DCA Moore (Managing Director)	-	387,827	12,000	11,585	-	588	412,000
JW Gardner (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
IF Burston (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
Total	120,654	387,827	12,000	22,931	-	588	544,000

Total remuneration of Directors of Mincor Resources NL for the year ended 30 June 2004 is set out below.

Directors – 2004	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
DJ Humann (Non-executive Chairman)	56,697	-	-	3,303	-	-	60,000
DCA Moore (Managing Director)	-	313,410	48,750	11,002	-	588	373,750
JW Gardner (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
IF Burston (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
Total	122,751	313,410	48,750	20,251	-	588	505,750

Details of the remuneration of each of the five Specified Executives of the parent entity and the consolidated entity, including their personally-related entities, are set out in the following table:

Executives – 2005	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
JS Reeve	-	227,827	19,200	11,585	-	588	259,200
ST Cowle	-	203,415	20,000	11,585	117,730	38,924	391,654
B Lynn	-	175,100	10,980	15,812	-	588	202,480
DP Will	-	165,327	10,200	11,585	-	588	187,700
RA Hatfield	-	127,851	3,855	11,906	-	588	144,200
Total	-	899,520	64,235	62,473	117,730	41,276	1,185,234

Total remuneration of Specified Executives for the year ended 30 June 2004 is set out below.

Executives – 2004	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
JS Reeve	-	228,410	19,200	11,002	-	588	259,200
ST Cowle (from 24 November 2003 to 30 June 2004)	-	104,458	10,000	5,952	138,690	29,121	288,221
B Lynn	-	148,953	19,560	13,459	-	588	182,560
DP Will	-	141,455	18,000	11,002	-	490	170,947
RA Hatfield	-	117,862	9,988	11,002	-	588	139,440
Total	-	741,138	76,748	52,417	138,690	31,375	1,040,368

Remuneration Report (continued)

Remuneration of Directors and Executives (continued)

b) Details of Remuneration (continued)

Cash Bonuses and Options

For each cash bonus and grant of options included in the above tables, the percentage of the available bonus or grant that was paid, or that vested in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonuses or grants of options are payable in future years.

Name	Cash Bonus		Options	
	Paid %	Forfeited %	Vested %	Forfeited %
DCA Moore	100	-	-	-
JS Reeve	100	-	-	-
ST Cowle	100	-	100	-
B Lynn	100	-	-	-
DP Will	100	-	-	-
RA Hatfield	100	-	-	-

c) Service Agreements

Remuneration and other terms of employment for the Managing Director and the Specified Executives are formalised in employment contracts. Each of these agreements provide for the participation in the Company's Incentive Option Scheme and Incentive Bonus Scheme. Other major provisions of the agreements relating to remuneration are set out below.

DCA Moore, Managing Director

- Base salary, inclusive of superannuation, for the year ended 30 June 2005 of \$400,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 3 months of the base salary.

JS Reeve, Chief Operating Officer

- Base salary, inclusive of superannuation, for the year ended 30 June 2005 of \$240,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

ST Cowle, General Manager – Operations

- Base salary, inclusive of superannuation, for the year ended 30 June 2005 of \$230,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.
- Costs associated with the provision of accommodation paid by the Company.
- Costs associated with providing a private vehicle paid by the Company.

B Lynn, Chief Financial Officer

- Base salary, inclusive of superannuation, for the year ended 30 June 2005 of \$200,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

DP Will, Chief Mining Engineer

- Base salary, inclusive of superannuation, for the year ended 30 June 2005 of \$185,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

RA Hatfield, Exploration Manager

- Base salary, inclusive of superannuation, for the year ended 30 June 2005 of \$140,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to 3 months of the base salary.

d) Share-based Compensation - Options

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

Grant date	Expiry Date	Exercise Price	Value per Option at Grant Date	Date Exercisable
6 November 2003	6 November 2008	\$0.84	\$0.286	50% after 6 November 2004; 50% after 6 November 2005

Options are granted under the 2002 Employee Share Option Plan which was approved by shareholders at the 2003 annual general meeting. All staff are eligible to participate in the plan.

Options are granted under the plan for no consideration for a maximum period of 5 years.

Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

Name	A Remuneration Consisting of Options	B Value at Grant Date \$	C Value at Exercise Date \$	D Value at Lapse Date \$	E Total of Columns B - D \$
ST Cowle	73.02%	286,000	-	-	286,000

A= The percentage of the value of remuneration consisting of options, based on the value at grant date set out in column B.

B= The value at grant date calculated in accordance with AASB 1046 *Director and Executive Disclosures by Disclosing Entities* of options granted during the year as part of remuneration.

C= The value at exercise date of options that were granted as part of remuneration and were exercised during the year.

D= The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

Equity Instrument Disclosures Relating to Directors and Executives**a) Options Provided as Remuneration**

Details of options over ordinary shares in the Company provided as remuneration to each Director of Mincor Resources NL and each of the five Specified Executives of the consolidated entity are set out below. When exercisable, each option is convertible into one ordinary share of Mincor Resources NL. Further information on the options is set out in Note 31 to the financial statements.

No options over ordinary shares in the Company were provided as remuneration to Directors or Specified Executives during the year.

Remuneration Report (continued)

Equity Instrument Disclosures Relating to Directors and Executives (continued)

b) Shares Provided on Exercise of Remuneration Options

Details of ordinary shares in the Company provided as a result of the exercise of options to each Director of Mincor Resources NL and each of the five Specified Executives of the parent entity and the consolidated entity are set out below.

Name	Date of Exercise of Options	Number of Ordinary Shares Issued on Exercise of Options During the Year	Amount Paid per Share
<i>Directors</i>			
DCA Moore	7 January 2005	500,000	\$0.17

No amounts are unpaid on any shares issued on the exercise of options.

Events Subsequent to 30 June 2005

On 23 August 2005 the Directors declared a fully franked dividend of 2 cents per share in respect of the year ended 30 June 2005.

Corporate Governance

The Company's corporate governance policies and practices are set out separately in this document.

Environmental Matters

The consolidated entity is subject to environmental regulation on its mineral properties. To the best of the belief and knowledge of the Directors, no breach of environmental legislation occurred during the year and up to the date of this report. Further details on environmental policy is set out in the Annual Report under the Corporate Governance section and the Health, Safety and Environmental Policy section.

Share Options

i) Outstanding share options granted over ordinary shares in the Company at 30 June 2005 are as follows:

Number of Options	Date of Issue	Exercise Price	Date of Expiry
1,254,000	7 November 2003	84 cents	6 November 2008

ii) During the year 500,000 fully paid ordinary shares were issued, pursuant to the exercise of options granted by the Company.

iii) None of the option holders have any right to participate by virtue of the options in any share issue of any other corporation.

Non-audit and Assurance Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are provided in Note 22 to the financial statements.

The Board of Directors has considered the position and in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 22, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;

- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out separately in this report.

Insurance of Officers

During the financial year, the Company paid a premium of \$33,275 to insure the Directors and secretary of the Company.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Dated in Perth this 24th day of August 2005 in accordance with a resolution of the Directors.



DCA Moore
Managing Director



PricewaterhouseCoopers
ABN 52 780 433 757

QV1
250 St Georges Terrace
PERTH WA 6000
GPO Box D198
PERTH WA 6840
DX 77 Perth
Australia
www.pwc.com/au
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999

Auditors' Independence Declaration

As lead auditor for the audit of Mincor Resources NL for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mincor Resources NL and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to read 'Henry' with a stylized flourish at the end.

Nick Henry
Partner
PricewaterhouseCoopers

Perth
24 August 2005

STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

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	NOTES	CONSOLIDATED		PARENT ENTITY	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue from Ordinary Activities	2	122,577	86,270	122,546	86,270
Mining contractor costs		(36,861)	(29,555)	(36,861)	(29,555)
Ore tolling costs		(13,964)	(9,926)	(13,964)	(9,926)
Royalty expense		(7,876)	(5,820)	(7,876)	(5,820)
Employee benefit expense		(5,737)	(3,384)	(5,737)	(3,384)
Borrowing cost expense	3	(210)	(297)	(210)	(297)
Exploration costs provided for or expensed	3	(2,774)	(1,898)	(2,774)	(1,898)
Depreciation and amortisation expense	3	(17,621)	(12,597)	(17,621)	(12,597)
Other expenses from ordinary activities		(8,313)	(5,628)	(8,303)	(5,498)
Profit from ordinary activities before income tax expense		29,221	17,165	29,200	17,295
Income tax expense	4	(8,919)	(5,856)	(8,919)	(5,856)
Net profit attributable to the members of Mincor Resources NL		20,302	11,309	20,281	11,439
Net increase in asset revaluation reserve		-	5,728	-	-
Total changes in equity other than those resulting from transactions with owners as owners	18	20,302	17,037	20,281	11,439
		Cents	Cents		
Earnings per share	29	10.4	6.0		
Diluted earnings per share	29	10.4	5.9		

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2005

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		CONSOLIDATED		PARENT ENTITY	
		2005	2004	2005	2004
NOTES		\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash assets	27(b)	18,205	9,176	18,204	9,175
Receivables	5	29,644	18,075	29,640	18,071
Inventory	6	617	237	617	237
Prepayments		277	193	277	19
Other current assets	30	5,043	1,902	5,043	1,902
Total Current Assets		53,786	29,583	53,781	29,576
Non-Current Assets					
Receivables	5	-	-	555	579
Investments	7	2,800	2,800	5,774	5,774
Property, plant and equipment	8	58,816	31,045	58,816	31,045
Exploration, evaluation and development expenditure	9	7,616	23,036	4,398	19,817
Other non-current assets	30	1,279	1,384	1,279	1,384
Total Non-Current Assets		70,511	58,265	70,822	58,599
TOTAL ASSETS		124,297	87,848	124,603	88,175
Current Liabilities					
Payables	10	34,745	24,810	34,745	24,810
Interest bearing liabilities	11	1,002	119	1,002	119
Tax liabilities	12	2,165	663	2,165	663
Provisions	13	498	403	498	403
Other current liabilities	30	5,043	1,902	5,043	1,902
Total Current Liabilities		43,453	27,897	43,453	27,897
Non-Current Liabilities					
Payables	10	-	3,000	-	3,000
Interest bearing liabilities	11	3,333	140	3,333	140
Provisions	13	934	816	934	816
Deferred tax liabilities	14	8,983	3,825	8,983	3,825
Other non-current liabilities	30	1,279	1,384	1,279	1,384
Total Non-Current Liabilities		14,529	9,165	14,529	9,165
TOTAL LIABILITIES		57,982	37,062	57,982	37,062
NET ASSETS		66,315	50,786	66,621	51,113
Equity					
Contributed equity	15	27,313	27,227	27,313	27,227
Reserves	16	545	545	-	-
Retained profits	17	38,457	23,014	39,308	23,886
TOTAL EQUITY		66,315	50,786	66,621	51,113

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

		CONSOLIDATED		PARENT ENTITY	
	NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash Flows from Operating Activities					
Receipts from customers (inclusive of GST)		131,898	88,826	131,898	88,826
Payments to suppliers and employees (inclusive of GST)		(76,678)	(64,828)	(76,702)	(64,778)
		55,220	23,998	55,196	24,048
Interest received		259	487	259	486
Interest paid		(162)	(22)	(162)	(22)
Income tax paid		(2,258)	(11,913)	(2,258)	(11,913)
Net Cash Inflow from Operating Activities	27(a)	53,059	12,550	53,035	12,599
Cash Flows from Investing Activities					
Payments for investment in controlled entity		-	-	-	(682)
Payments for acquisition of exploration properties		(15)	(1,727)	(15)	(1,727)
Payments for acquisition of interest in joint venture		(7,134)	(5,400)	(7,134)	(5,400)
Payments for property, plant and equipment		(21,347)	(8,600)	(21,347)	(8,600)
Proceeds from sale of property, plant and equipment		38	8	38	8
Payments for exploration, evaluation and development expenditure		(10,534)	(7,049)	(10,534)	(6,642)
Loans to related parties		-	-	(9)	(15)
Loans to other parties		(265)	-	(265)	-
Repayments of loans from related parties		-	-	33	-
Cash received on acquisition of interest in joint venture		-	2,796	-	2,796
Repayment of loan by former controlled entity		-	304	-	304
Payments for investments		-	(208)	-	(171)
Proceeds from sale of investments		-	267	-	267
Cash disposed following in specie distribution of investment in controlled entity		-	(362)	-	-
Net Cash (Outflow) from Investing Activities		(39,257)	(19,971)	(39,233)	(19,862)
Cash Flows from Financing Activities					
Proceeds from issues of shares		86	1,200	86	1,200
Proceeds from borrowings		6,800	-	6,800	-
Dividends paid		(4,859)	(2,680)	(4,859)	(2,680)
Repayment of borrowings		(6,800)	(713)	(6,800)	(713)
Payments for borrowing costs		-	(295)	-	(295)
Net Cash (Outflow) from Financing Activities		(4,773)	(2,488)	(4,773)	(2,488)
Net Increase/(Decrease) in Cash Held		9,029	(9,909)	9,029	(9,751)
Cash at the Beginning of the Financial Year		9,176	19,085	9,175	18,926
CASH AT THE END OF THE FINANCIAL YEAR	27(b)	18,205	9,176	18,204	9,175

Non-cash financing and investing activities

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The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. The accounting policies adopted are on a consistent basis with those of previous years and are in accordance with the historical cost convention, unless otherwise stated.

The Australian Accounting Standards Board ("AASB") is adopting International Financial Reporting Standards ("IFRS") for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

The known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS are set out in Note 32.

a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Mincor Resources NL as at 30 June 2005 and the results of all controlled entities for the 12 months then ended. Mincor Resources NL and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated Statements of Financial Performance and Statements of Financial Position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated Statements of Financial Performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

When the parent entity increases its ownership interest in a controlled entity, the acquisition is accounted for separately from previous acquisitions of ownership interest in the controlled entity. In preparing the consolidated accounts the acquisition is accounted for in accordance with Note 1(r).

b) Revenue Recognition

Sales revenue comprises revenue earned from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when the product is delivered and:

- Risk has been passed to the customer;
- The product is in a form suitable for delivery;
- The quantity of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and no longer under the physical control of the producer; and
- The selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer. Sales are initially recognised at estimated sales value when the product is delivered. Adjustments are made for variations in metal price, assay, weight and currency between the time of shipment and the time of final settlement of sales proceeds.

Interest income is recognised as it accrues. The gross proceeds from the sale of assets, including investments and exploration tenements are included as revenue of the consolidated entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

c) Depreciation and Amortisation

Office property, plant and equipment are depreciated or amortised over their estimated useful economic lives using either the straight line or reducing balance method. The expected useful lives are as follows:

- | | | |
|--------------------------|---|---------------|
| • Plant and Equipment | - | 2 to 5 years |
| • Furniture and Fittings | - | 3 to 10 years |

Refer to Notes 1(g), 1(h), 1(i) and 1(j) for the accounting policy with respect to exploration and evaluation expenditure, development properties, mine properties, and mine buildings, machinery and equipment.

d) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the Statements of Financial Performance is matched with the accounting profit/loss after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefits accounts at the rates, which are expected to apply when those timing differences reverse.

e) Foreign Currency Translation**i) Transactions**

Foreign currency transactions are initially converted to Australian currency at the rate of exchange ruling at the date of each transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year in the Statements of Financial Performance.

ii) Foreign Controlled Entities

Assets and liabilities of the controlled entities have been translated using the temporal method, as all controlled entities rely on the parent entity for funds. Under this method non-monetary assets are translated at historical rates.

Assets and liabilities held or payable in foreign currencies have been converted at the rates of exchange ruling at balance date. Exchange gains and losses have been brought to account in determining the economic entity's results for the year.

iii) Specific Commitments

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Gains or costs arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent exchange gains or losses resulting from those transactions are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale. The net deferred gains or losses on foreign exchange hedge commitments are brought to account in the Statements of Financial Position each reporting period and result in an equal and offsetting hedge asset and hedge liability being recognised. Any gains or losses arising on the hedging transaction after the recognition of the hedged purchase or sale are included in the Statements of Financial Performance.

In the case of hedges of monetary items, exchange gains or losses are brought to account in the financial year in which the exchange rates change. Gains or costs arising at the time of entering into such hedging transactions are brought to account in the Statements of Financial Performance over the lives of the hedges.

When anticipated purchase or sale transactions have been hedged, actual purchases or sales which occur during the designated hedged period are accounted for as having been hedged until the amounts of those transactions in the designated period are fully allocated against the hedged amounts.

If the hedged transaction is not expected to occur as originally designated, or if the hedge is no longer expected to be effective, any previously deferred gains or losses are recognised in the Statements of Financial Performance immediately.

If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur as designated, deferral of any gains and losses that arose prior to termination continues and those gains and losses are included in the measurement of the hedged transaction.

If a hedge transaction relating to a commitment for the purchase or sale of goods or services is redesignated, the gains and losses that arise on the hedge prior to its redesignation continue to be deferred and included in the measurement of the original purchase or sale when it takes place. If the hedge transaction is redesignated as a hedge of another commitment because the original purchase or sale transaction is no longer expected to occur as designated, the gains and losses that arise on the hedge prior to its redesignation are recognised in the Statements of Financial Performance at the date of the redesignation.

iv) General Commitments

Exchange gains or losses on other hedge transactions are brought to account in the Statements of Financial Performance in the financial year in which the exchange rates change. Gains or costs arising on entry into hedges of general commitments are recognised as assets or liabilities at the time of entry into the hedges and are amortised over the lives of the hedges.

1. Summary of Significant Accounting Policies (continued)

f) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of weighted average costs.

g) Exploration and Evaluation Expenditure

Exploration and evaluation costs related to an area of interest are written off as incurred except that they may be carried forward as an item in the Statements of Financial Position where the rights of tenure of an area are current and one of the following conditions is met:

- i) such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- ii) exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB1015 *Accounting for the Acquisition of Assets*. Exploration assets acquired are assessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the consolidated entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon is made.

h) Development Properties

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated with the cost of development and classified under non-current assets as "Development Properties".

All expenditure incurred prior to the commencement of commercial levels of production from each development property, is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until they are reclassified as "Mine Properties" following a decision to commence mining.

i) Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the consolidated entity in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is either fully provided against or written off in the financial year in which this is determined.

j) Mine Buildings, Machinery and Equipment

The cost of each item of buildings, machinery and equipment is written off over its expected useful life using either the unit-of-production or straight-line method.

The unit-of-production basis results in an amortisation charge proportional to the depletion of the recoverable mineral reserves. Each item's economic life has due regard to both its own physical life limitations and to present assessments of recoverable mineral reserves of the mine property at which the item is located, and to possible future variations in those assessments.

Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments of major items.

The expected useful lives are as follows:

- Mine buildings – the shorter of applicable mine life and 5 years;
- Machinery and equipment – the shorter of applicable mine life and 2 to 10 years, depending on the nature of the asset.

Total net carrying value of mine buildings, machinery and equipment at each mine property are reviewed regularly and, to the extent to which these values exceed their recoverable amounts, that excess is fully provided against/written down in the financial year in which this is determined.

k) Borrowing Costs

Borrowing establishment costs represent those costs incurred by or on behalf of the consolidated entity in establishing borrowing facilities. Borrowing establishment costs are amortised over the term of the borrowing facility.

Borrowing costs are recognised as expenses in the period in which they are incurred.

Borrowing costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Amortisation of costs incurred in connection with the arrangement of borrowings, and
- Finance lease charges.

l) Investments*Controlled Entities*

Investments in controlled entities are valued in the parent entity's accounts at cost less amounts written off to recognise any permanent diminution in value (where applicable).

Listed and Unlisted Investments

Interests in listed and unlisted securities, other than controlled entities in the consolidated financial statements, are brought to account at cost and dividend income is recognised in the Statements of Financial Performance when receivable.

m) Leased Non-Current Assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised in accordance with policy 1(j) above.

Operating lease payments are charged to the Statements of Financial Performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

n) Joint Ventures

The proportionate interests in the assets, liabilities and expenses of joint ventures have been incorporated in the financial statements under the appropriate headings. Details of joint ventures are set out in Note 24.

1. Summary of Significant Accounting Policies (continued)

o) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

A liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with the above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Equity-based Compensation Benefits

Equity-based compensation benefits are provided to employees via the Mincor Resources NL 2002 Employee Share Option Plan. Information relating to this Plan is set out in Note 31.

No accounting entries are made in relation to the Mincor Resources NL's 2002 Employee Share Option Plan until options are exercised, at which time the amounts receivable from employees are recognised in the Statements of Financial Position as share capital. The amounts disclosed for remuneration of Directors and executives include the assessed fair values of options at the date they were granted.

p) Cash

For the purpose of the Statements of Cash Flows, cash includes deposits at call, short-term bank bills, and cash at bank and in transit, all of which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

q) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

r) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is their market value.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Where an entity or operation is acquired and the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated. Where, after reducing to zero the recorded amounts of the non-monetary assets acquired, a discount balance remains it is recognised as revenue in the Statements of Financial Performance.

s) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is revalued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the Statements of Financial Performance.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

t) Earnings Per Share*Basic Earnings per Share*

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

u) Restoration and Rehabilitation Expenditure

Restoration and rehabilitation costs necessitated by exploration, evaluation and mining activities are charged to costs of production on a gradual basis over the life of the economically recoverable resources.

Restoration and rehabilitation costs include the costs of reclamation, plant and waste site closure and subsequent monitoring of the environment.

Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

Estimates of future costs are reassessed at least annually. Changes in estimates relating to producing areas are dealt with prospectively over the remaining mine life.

v) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

w) Royalties

Royalties are accrued and charged against earnings when the liability from production or sale of the mineral crystallises.

x) Commodity Hedging

Hedging is undertaken in order to avoid or minimise possible adverse financial or cash flow effects of movements in commodity prices.

Premiums received or costs arising upon entering into forward sale, option and other derivative contracts intended to hedge specific future production, together with subsequent realised and unrealised gains or losses, are deferred until the hedged production is delivered and included in the measurement of sale.

In those circumstances where a hedging transaction is terminated prior to maturity because the hedged production is no longer expected to be produced, any gains and losses are recognised in the Statements of Financial Performance on the date of termination. If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains and losses which arose prior to termination are deferred and brought to account when the hedged transaction occurs.

If a hedge transaction relating to a commitment for the sale of a commodity is redesignated as a hedge of another specific commitment and the original transaction is still expected to occur, the gains and losses that arise on the hedge prior to this redesignation are deferred and included in the measurement of the original purchase or sale when it takes place. If the hedge transaction is no longer expected to occur, the gains and losses that arise on the hedge prior to its redesignation are recognised in the Statements of Financial Performance at the date of the redesignation.

y) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2. Revenue

Revenue from Operating Activities

Sale of goods

Revenue from Outside the Operating Activities

Interest income

Other income

Sale of non current assets

Revenue from Ordinary Activities

3. Operating Profit

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

Net Gains

Gain on disposal of investments

Expenses

Cost of sale of goods

Borrowing costs:

- Interest paid or due and payable to other persons
- Amortisation of borrowing costs

Foreign exchange losses

Exploration expenditure provided for or written off

Rental expenses relating to operating leases

Government royalty expense

Loss on sale of non-current assets

Depreciation and amortisation:

- Mine property
- Plant and equipment
- Transferred to development expenditure

Net expense from movement in provisions:

- Employee entitlements
- Rehabilitation

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
122,184	85,683	122,184	85,683
259	486	259	486
96	101	65	101
38	-	38	-
122,577	86,270	122,546	86,270
-	96	-	96
80,872	60,366	80,872	60,366
210	41	210	41
-	256	-	256
210	297	210	297
-	101	-	101
2,774	1,898	2,774	1,898
211	69	211	69
5,136	3,816	5,136	3,816
34	-	34	-
16,237	11,557	16,237	11,557
2,367	988	2,367	988
(983)	-	(983)	-
17,621	12,545	17,621	12,545
522	284	522	284
118	52	118	52

4. Income Tax

- a) **The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating profit. The difference is reconciled as follows:**

Operating profit before income tax

Income tax calculated at 30% (2004 – 30%)

Tax effect of permanent differences:

- Amortisation of property, plant and equipment
- Other

Income tax adjusted for permanent differences

Over-provision in previous year

Income tax attributable to operating profit

Income tax attributable to the operating profit comprises:

- Provision for deferred income tax
- Provision for income tax
- Other

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
29,221	17,165	29,200	17,295
8,766	5,150	8,760	5,189
625	622	625	622
(66)	116	(60)	77
9,325	5,888	9,325	5,888
(406)	(32)	(406)	(32)
8,919	5,856	8,919	5,856
3,493	908	3,493	908
5,832	5,100	5,832	5,100
(406)	(152)	(406)	(152)
8,919	5,856	8,919	5,856

The Company is not impacted by the new tax consolidation regime.

- b) **Franking Credits**

Franking credits available for subsequent financial years based on a tax rate of 30%

PARENT ENTITY	
2005	2004
\$'000	\$'000
14,421	13,381

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- i) Franking credits that will arise from the payment of the current tax liability;
- ii) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- iii) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- iv) Franking credits that may be prevented from being distributed in subsequent financial years.

Current

Non-Current

Non-Current

The Company holds 12,557,556 unlisted options in Tethyan Copper Company Limited, a company listed on the Australian Stock Exchange Limited. The options have an exercise price of 15 cents per share and expire on 30 April 2008. Trading in 3,400,000 of these options is restricted by the Australian Stock Exchange Limited until 31 October 2005.

8. Property, Plant and Equipment

Mine property costs

Less: Provision for amortisation

Plant and equipment:

- At cost

- Less: Provision for depreciation

- Under finance lease

- Less: Provision for depreciation

Total plant and equipment

Total written down value

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
	105,588	68,241	105,588	68,241
	(61,303)	(45,066)	(61,303)	(45,066)
	44,285	23,175	44,285	23,175
	14,693	12,780	14,693	12,780
	(6,490)	(4,910)	(6,490)	(4,910)
	8,203	7,870	8,203	7,870
	7,049	-	7,049	-
	(721)	-	(721)	-
	6,328	-	6,328	-
	14,531	7,870	14,531	7,870
	58,816	31,045	58,816	31,045

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

Consolidated

Carrying amount at 1 July 2004

Additions

Transfers from exploration, evaluation and development expenditure

Disposals

Depreciation/amortisation expense

Carrying amount at 30 June 2005

Parent Entity

Carrying amount at 1 July 2004

Additions

Transfers from exploration, evaluation and development expenditure

Disposals

Depreciation/amortisation expense

Carrying amount at 30 June 2005

	Mine Property Costs \$'000	Plant and Equipment \$'000	Leased Plant and Equipment \$'000	Total \$'000
	23,175	7,870	-	31,045
	13,794	2,051	7,049	22,894
	23,553	-	-	23,553
	-	(72)	-	(72)
	(16,237)	(1,646)	(721)	(18,604)
	44,285	8,203	6,328	58,816
	23,175	7,870	-	31,045
	13,794	2,051	7,049	22,894
	23,553	-	-	23,553
	-	(72)	-	(72)
	(16,237)	(1,646)	(721)	(18,604)
	44,285	8,203	6,328	58,816

Refer Note 11 for information on non-current assets pledged as security by the parent entity and its controlled entities.

9. Exploration, Evaluation and Development Expenditure

Exploration and Evaluation Expenditure

Opening balance	8,464	22,538	5,245	2,734
Current year's expenditure	2,774	2,264	2,775	1,898
Costs of acquisition	15	1,727	15	1,727
Additions pursuant to acquisition of interest in joint venture	-	784	-	784
Fair value of mineral exploration assets acquired from minority interest	-	11,780	-	-
Disposal of mineral exploration assets on deconsolidation of former controlled entity	-	(28,731)	-	-
Expenditure transferred to mine property	(863)	-	(863)	-
Expenditure provided for or written off in current year	(2,774)	(1,898)	(2,774)	(1,898)
Closing balance	7,616	8,464	4,398	5,245

Development Expenditure

Opening balance	14,572	2,822	14,572	2,822
Current year's expenditure	8,118	6,416	8,118	6,416
Additions pursuant to acquisition of joint venture interest	-	5,536	-	5,536
Expenditure transferred to mine property	(22,690)	-	(22,690)	-
Expenditure provided for or written off in current year	-	(202)	-	(202)
Closing balance	-	14,572	-	14,572
Total Exploration, Evaluation and Development Expenditure	7,616	23,036	4,398	19,817

Recoverability of the consolidated entity's carrying value of interests in mineral projects is subject to the successful development and exploitation of the exploration properties or alternatively, the sale of these interests at amounts at least equal to the book values.

10. Payables

Current

Trade creditors	10,408	7,466	10,408	7,466
Other creditors and accruals	24,337	17,344	24,337	17,344
	34,745	24,810	34,745	24,810

Non-Current

Other creditors and accruals	-	3,000	-	3,000
	-	3,000	-	3,000

11. Interest Bearing Liabilities

Current

Secured

Lease liabilities

Non-current

Secured

Lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Financing Arrangements

Entities in the consolidated entity have access to the following financing arrangements at balance date:

Corporate Revolver Facility - secured

Less: Draw down portion

Bonding Facility – secured

Less: Draw down portion

The Corporate Revolver Facility is denominated in Australian dollars and is repayable by March 2006. Interest is charged at the BBSW rate plus an applicable margin.

The Bonding Facility is denominated in Australian dollars and is repayable in December 2005. An annual performance bond fee is charged at market rates.

Both the Corporate Revolver Facility and Bonding Facility are secured by a first ranking charge over the assets and undertakings of the parent entity and consolidated entities.

12. Tax Liabilities

Current

Income tax

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
1,002	119	1,002	119
3,333	140	3,333	140
10,000	10,000	10,000	10,000
-	-	-	-
500	500	500	500
(500)	(500)	(500)	(500)
10,000	10,000	10,000	10,000
2,165	663	2,165	663

13. Provisions

Current

Other
Employee benefits

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
142	142	142	142
356	261	356	261
498	403	498	403
934	816	934	816

Non-Current

Rehabilitation

Movements in Provisions

Movements in each class of provisions during the financial year are set out below.

Rehabilitation	Other	Total
\$'000	\$'000	\$'000
816	142	958
118	-	118
934	142	1,076
816	142	958
118	-	118
934	142	1,076

Consolidated – 2005

Carrying amount at start of year
Additional provisions recognised
Carrying amount at end of year

Parent Entity – 2005

Carrying amount at start of year
Additional provisions recognised
Carrying amount at end of year

As at 30 June 2005 the consolidated entity employed 71 people (2004: 35 people).

14. Deferred Tax Liabilities

Provision for deferred income tax

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
8,983	3,825	8,983	3,825

15. Contributed Equity

a) Issued and Paid-up Capital

Fully paid 194,663,005 ordinary shares (2004: 194,163,005)

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
27,313	27,227	27,313	27,227

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Movements in Ordinary Share Capital

2005	No. of Shares	Issue Price	\$'000
Opening balance	194,163,005		27,227
Share issue pursuant to the exercise of options over fully paid shares	500,000	\$0.17	86
	194,663,005		27,313

2004	No. of Shares	Issue Price	\$'000
Opening balance	173,475,005		19,426
Share issue pursuant to the exercise of options over fully paid shares	4,850,000	\$0.20	970
Share issue pursuant to the exercise of options over fully paid shares	338,000	\$0.25	84
Share issue pursuant to the exercise of options over fully paid shares	500,000	\$0.29	145
Share issue following the exercise of Put and Call Option Agreements by the seed investors of Tethyan Copper Company Limited	6,000,000	\$0.87	5,190
Share issue pursuant to the acquisition of 24% interest in Miitel Joint Venture	9,000,000	\$0.76	6,840
Return of capital via in specie distribution			(5,428)
	194,163,005		27,227

c) Options

At 30 June 2005 options to take up shares in the parent entity are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
1,254,000 unlisted	7 November 2003	6 November 2008	84 cents per share

The above options have been granted under the Mincor Resources NL 2002 Employee Share Option Plan. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

16. Reserves

Capital reserve

Movements

Capital Reserve

Opening balance

Decrement on the deconsolidation of a controlled entity following the in specie distribution of investment in controlled entity

Closing balance

Nature and Purpose of Reserves

The Capital Reserve arose following the sale by the Company of a minority interest in Tethyan Copper Company Limited, a former controlled entity. Given Tethyan Copper Company Limited's main assets are exploration properties in Pakistan, the Company considered it appropriate to recognise the dilutionary gain as a Capital Reserve and not as income in the consolidated Statements of Financial Performance.

17. Retained Profits

Accumulated profits at the beginning of the financial year

Net profit attributable to the members of Mincor Resources NL

Dividends paid

Retained profits at the end of the financial year

A final fully franked dividend in respect of the year ended 30 June 2004 of 1.5 cents per ordinary share was paid on 24 September 2004. A fully franked interim dividend in respect of the year ended 30 June 2005 of 1 cent per ordinary share was paid on 31 March 2005.

18. Equity

Total equity at the beginning of the financial year

Total changes in equity recognised in the Statements of Financial Performance

Issue of additional ordinary shares during the year

Changes in outside equity interest

Return of capital pursuant to in specie distribution of investment in controlled entity:

- Reduction in share capital

- Reduction in asset revaluation reserve

- Reduction in capital reserve

- Reduction in outside equity interest

Dividends paid

Total equity at the end of the financial year

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Capital reserve	545	545	-	-
Movements				
Capital Reserve				
Opening balance	545	889	-	-
Decrement on the deconsolidation of a controlled entity following the in specie distribution of investment in controlled entity	-	(344)	-	-
Closing balance	545	545	-	-
Nature and Purpose of Reserves				
The Capital Reserve arose following the sale by the Company of a minority interest in Tethyan Copper Company Limited, a former controlled entity. Given Tethyan Copper Company Limited's main assets are exploration properties in Pakistan, the Company considered it appropriate to recognise the dilutionary gain as a Capital Reserve and not as income in the consolidated Statements of Financial Performance.				
17. Retained Profits				
Accumulated profits at the beginning of the financial year	23,014	14,385	23,886	15,127
Net profit attributable to the members of Mincor Resources NL	20,302	11,309	20,281	11,439
Dividends paid	(4,859)	(2,680)	(4,859)	(2,680)
Retained profits at the end of the financial year	38,457	23,014	39,308	23,886
A final fully franked dividend in respect of the year ended 30 June 2004 of 1.5 cents per ordinary share was paid on 24 September 2004. A fully franked interim dividend in respect of the year ended 30 June 2005 of 1 cent per ordinary share was paid on 31 March 2005.				
18. Equity				
Total equity at the beginning of the financial year	50,786	48,592	51,113	34,553
Total changes in equity recognised in the Statements of Financial Performance	20,302	17,037	20,281	11,439
Issue of additional ordinary shares during the year	86	13,229	86	13,229
Changes in outside equity interest	-	996	-	-
Return of capital pursuant to in specie distribution of investment in controlled entity:				
- Reduction in share capital	-	(5,428)	-	(5,428)
- Reduction in asset revaluation reserve	-	(16,573)	-	-
- Reduction in capital reserve	-	(344)	-	-
- Reduction in outside equity interest	-	(4,043)	-	-
Dividends paid	(4,859)	(2,680)	(4,859)	(2,680)
Total equity at the end of the financial year	66,315	50,786	66,621	51,113

19. Commitments and Contingencies

a) Exploration Commitments

Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:

- Due within 1 year

All of the above obligations are subject to re-negotiation upon expiry of the mineral tenements and are not provided for in the accounts.

b) Operating Lease Commitments

Operating lease commitments are as follows:

Office Rental

Due within 1 year

Due within 2 to 5 years

c) Finance Lease Commitments

Finance and hire purchase rentals for plant and equipment are payable as follows:

- Not longer than 1 year
- Longer than 1 year but not longer than 5 years

- Minimum lease payments
- Less: Future lease finance charges

- Recognised as a liability

Finance and hire purchase liabilities provided for in the financial statements:

- Current
- Non-current

Total liability

d) Capital Commitments

There are no capital expenditure commitments as at 30 June 2005.

e) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2005.

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
2,592	2,095	2,592	2,095
239	42	239	42
40	-	40	-
279	42	279	42
1,583	132	1,583	132
3,945	150	3,945	150
5,528	282	5,528	282
(1,193)	(23)	(1,193)	(23)
4,335	259	4,335	259
1,002	119	1,002	119
3,333	140	3,333	140
4,335	259	4,335	259

20. Segment Information

The consolidated entity operates predominantly in the mining industry and principally within the geographical areas of Australia, Africa and South West Pacific. Geographic segment information is as follows:

i) 2005

Revenue from operating activities
Interest revenue
Other revenue

Total revenue

Consolidated entity operating profit/(loss) after income tax

Segment assets

Total Assets

Segment liabilities

Unallocated liabilities

Total Liabilities

Acquisition of property, plant and equipment,
and other non-current segment assets

Depreciation and amortisation expense

Other non-cash expenses

ii) 2004

Revenue from operating activities
Interest revenue
Other revenue

Total revenue

Consolidated entity operating profit/(loss) after income tax

Segment assets

Total Assets

Segment liabilities

Unallocated liabilities

Total Liabilities

Acquisition of property, plant and equipment, and other
non-current segment assets

Depreciation and amortisation expense

Other non-cash expenses

	Australia \$'000	Africa \$'000	South West Pacific \$'000	Consol- idation \$'000
Revenue from operating activities	122,184	-	-	122,184
Interest revenue	259	-	-	259
Other revenue	103	31	-	134
Total revenue	122,546	31	-	122,577
Consolidated entity operating profit/(loss) after income tax	20,278	30	(6)	20,302
Segment assets	120,770	1,484	2,043	124,297
Total Assets	120,770	1,484	2,043	124,297
Segment liabilities	53,647	-	-	53,647
Unallocated liabilities				4,335
Total Liabilities	53,647	-	-	57,982
Acquisition of property, plant and equipment, and other non-current segment assets	33,801	-	-	33,801
Depreciation and amortisation expense	17,621	-	-	17,621
Other non-cash expenses	2,774	-	-	2,774
Revenue from operating activities	85,683	-	-	85,683
Interest revenue	486	-	-	486
Other revenue	101	-	-	101
Total revenue	86,270	-	-	86,270
Consolidated entity operating profit/(loss) after income tax	11,325	(12)	(4)	11,309
Segment assets	84,335	1,482	2,031	87,848
Total Assets	84,335	1,482	2,031	87,848
Segment liabilities	37,062	-	-	37,062
Unallocated liabilities				-
Total Liabilities	37,062	-	-	37,062
Acquisition of property, plant and equipment, and other non-current segment assets	42,408	-	-	42,408
Depreciation and amortisation expense	12,597	-	-	12,597
Other non-cash expenses	1,898	-	-	1,898

21. Directors and Executives Disclosure

Remuneration of Directors and Executives

Details of Directors and Executives remuneration are provided in the 'Remuneration Report' contained within the Directors' Report.

Equity Instrument Disclosures Relating to Directors and Executives

a) Option Holdings

The number of options over ordinary shares in the Company held during the financial year by each Director of Mincor Resources NL and each of the five Specified Executives of the parent entity and the consolidated entity, including their personally-related entities, are set out below.

Name	Balance at the Start of the Year	Granted During the Year as Remuneration	Exercised During the Year	Other Changes During the Year	Balance at the End of the Year	Vested and Exercisable at the End of the Year
Directors						
DCA Moore	500,000	-	(500,000)	-	-	-
Executives						
ST Cowle	1,000,000	-	-	-	1,000,000	500,000

No options are vested and unexercisable at the end of the year.

b) Share Holdings

The number of ordinary shares in the Company held during the financial year by each Director of Mincor Resources NL and each of the five Specified Executives of the parent entity and the consolidated entity, including their personally-related entities, are set out below.

Name	Balance at the Start of the Year	Received During the Year on the Exercise of Options	Other Changes During the Year	Balance at the End of the Year
Directors				
DJ Humann	200,000	-	-	200,000
DCA Moore	4,964,374	500,000	(130,000)	5,334,374
JW Gardner	4,974,276	-	-	4,974,276
IF Burstn	50,000	-	-	50,000
Executives				
JS Reeve	1,086,000	-	(45,000)	1,041,000
ST Cowle	-	-	-	-
B Lynn	375,000	-	(260,000)	115,000
DP Will	310,000	-	(310,000)	-
RA Hatfield	1,000,000	-	(450,000)	550,000

22. Remuneration of Auditors

During the year the auditor of the parent entity and its related practices earned the following remuneration:

PricewaterhouseCoopers – Australian firm

Audit or review of financial reports of the entity or any entity
in the consolidated entity
Other assurance services

Total audit and other assurance services

Taxation services

Total remuneration

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
69,200	79,700	69,200	74,200
20,900	23,365	20,900	11,000
90,100	103,065	90,100	85,200
198,722	101,090	192,722	101,090
288,822	204,155	282,822	186,290

23. Investments in Controlled Entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding		Cost of Parent Entity's Investment	
			2005 (%)	2004 (%)	2005 (\$'000)	2004 (\$'000)
Oribi Resources Inc	British Virgin Islands	Ordinary	100	100	2,669	2,669
Mincor Tanzania Limited	Tanzania	Ordinary	100	100	1,233	1,233
Mincor Operations Pty Limited	Australia	Ordinary	100	100	-	-
					3,902	3,902

During the previous financial year the Company completed an in specie distribution to shareholders of a majority of its shares in Tethyan Copper Company Limited ("TCC") on the basis of one TCC share for every 3.37 shares held in Mincor Resources NL. The in specie distribution of the Company's shares in TCC resulted in the deconsolidation of TCC from the consolidated entity. Refer to Note 24 of the 30 June 2004 financial statements for further details.

24. Interests in Joint Ventures

Name	Principal Activity	Percentage Interest	
		2005 (%)	2004 (%)
Bankole Joint Venture	Gold exploration	20	20
Minerals International Limited Farm-in and Joint Venture	Gold exploration	(earning)	(earning)
Webe Creek Farm-in and Joint Venture	Gold exploration	75	75
Imweru Joint Venture	Gold exploration	60	60

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue or profit.

During the previous financial year the Company acquired the remaining 24% interest in the Miitel Joint Venture held by Clough Mining Pty Ltd and Donegal Resources Pty Ltd for consideration comprising \$11.4 million of cash and 9,000,000 fully paid ordinary shares. Refer to Note 26 of the 30 June 2004 financial statements for further details.

25. Related Party Transactions

Directors and Director Related Entities

- a) Disclosures relating to Directors are set out in Note 21.
- b) The following related party transactions occurred during the period and to the date of the Directors' Report:
 - i) Directors' remuneration as disclosed in Note 21.
 - ii) Rent, personnel and administrative costs of \$626,000 (2004: \$230,912) were charged to Tethyan Copper Company Limited. Mr DJ Humann and Mr DCA Moore are Directors of Tethyan Copper Company Limited.

All transactions with director related entities are on normal commercial terms and conditions and are conducted on an arms-length basis.

Wholly-Owned Group

The aggregate amounts receivable from controlled entities is disclosed in Note 5. These loans are on an interest free basis and are repayable on demand.

26. Post Balance Date Events

On 23 August 2005 the Directors declared a fully franked dividend of 2 cents per share in respect of the year ended 30 June 2005.

The financial effect of these post balance date events has not been recorded in the 30 June 2005 financial statements.

27. Cash Flow Reconciliation

a) Reconciliation of net cash inflow from operating activities to operating profit after income tax

Net profit after income tax

Add/(Less): Non-Cash Items

Depreciation

Amortisation

Profit on sale of investments

Net (gain)/loss on sale of non-current assets

Exploration expenditure written off

Deconsolidation of former controlled entity

Change in operating assets and liabilities

(Increase)/decrease in receivables

(Increase)/decrease in inventories

(Increase)/decrease in prepayments

Increase/(decrease) in creditors and accruals

Increase/(decrease) in income tax payable

Increase/(decrease) in deferred tax

Increase in employee entitlement provisions

Net cash inflow from operating activities

b) Cash assets

Cash at bank

Cash on short term deposit

	CONSOLIDATED		PARENT ENTITY	
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Net profit after income tax	20,302	11,309	20,281	11,439
Add/(Less): Non-Cash Items				
Depreciation	2,367	988	2,367	988
Amortisation	16,237	11,865	16,237	11,865
Profit on sale of investments	-	(95)	-	(95)
Net (gain)/loss on sale of non-current assets	35	-	35	-
Exploration expenditure written off	2,774	1,851	2,774	1,851
Deconsolidation of former controlled entity	-	115	-	-
Change in operating assets and liabilities				
(Increase)/decrease in receivables	(11,568)	(941)	(11,571)	(939)
(Increase)/decrease in inventories	(380)	(51)	(380)	(51)
(Increase)/decrease in prepayments	(84)	(46)	(84)	(46)
Increase/(decrease) in creditors and accruals	16,621	(6,460)	16,621	(6,428)
Increase/(decrease) in income tax payable	1,502	(6,966)	1,502	(6,966)
Increase/(decrease) in deferred tax	5,158	908	5,158	908
Increase in employee entitlement provisions	95	73	95	73
Net cash inflow from operating activities	53,059	12,550	53,035	12,599
Cash assets				
Cash at bank	603	1,653	602	1,652
Cash on short term deposit	17,602	7,523	17,602	7,523
	18,205	9,176	18,204	9,175

28. Non-Cash Financing and Investing Activities

Acquisition of property, plant and equipment by way of finance leases

Return of capital via in specie distribution of shares in controlled entity

Acquisition of 6,000,000 shares and 12,000,000 options in Tethyan Copper Company Limited by the issue of 6,000,000 ordinary shares at a fair value

Issue of 9,000,000 ordinary shares at fair value as part consideration for the acquisition of 24% interest in joint venture

CONSOLIDATED		PARENT ENTITY	
2005	2004	2005	2004
\$'000	\$'000	\$'000	\$'000
7,049	183	7,049	183
-	5,428	-	5,428
-	5,190	-	5,190
-	6,840	-	6,840

29. Earnings Per Share

Basic earnings per share (in cents)

Diluted earnings per share (in cents)

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share

Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share

CONSOLIDATED	
2005	2004
10.4 cents	6.0 cents
10.4 cents	5.9 cents
194,413,005	189,186,287
194,597,620	193,199,991

30. Financial Instruments

a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Weighted Average Interest Rate (%)	Floating Interest Maturing in:		Non-Interest Bearing (\$'000)	Total (\$'000)
		1 year or less (\$'000)	Over 1 to 5 years (\$'000)		
2005					
Financial Assets					
Cash	4.10%	18,205	-	-	18,205
Receivables		-	-	29,644	29,644
Investments		-	-	2,800	2,800
Other Assets		-	-	6,322	6,322
		18,205	-	38,766	56,971
Financial Liabilities					
Payables		-	-	34,745	34,745
Lease liabilities	7.00%	1,002	3,333	-	4,335
		1,002	3,333	34,745	39,080

	Weighted Average Interest Rate (%)	Floating Interest Maturing in:		Non-Interest Bearing (\$'000)	Total (\$'000)
		1 year or less (\$'000)	Over 1 to 5 years (\$'000)		
2004					
Financial Assets					
Cash	4.60	9,176	-	-	9,176
Receivables		-	-	18,075	18,075
Investments		-	-	2,800	2,800
		9,176	-	20,875	30,051
Financial Liabilities					
Payables		-	-	24,810	24,810
Lease liabilities	9.20	119	140	-	259
Other liabilities		-	-	3,286	3,286
		119	140	28,096	28,335

b) Foreign Exchange Risk

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the Company against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to the Statements of Financial Performance except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

The following table sets out the gross value of Australian dollars to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity.

Year	Weighted Average Rate		Total Value (AUD\$)	
	2005 (%)	2004 (%)	2005 (\$'000)	2004 (\$'000)
Sell US Dollars				
30 June 2005	-	0.7005	-	62,436
30 June 2006	0.6835	0.6757	62,854	41,906
30 June 2007	0.7322	0.6715	34,081	390
			96,935	104,732

The mark to market position of the above foreign exchange hedges is brought to account in the Statements of Financial Position as other assets in accordance with the accounting policy disclosed in Note 1(e)(iii). At balance date the mark to market position of foreign exchange hedges owing from hedge counterparties and brought to account in the Statements of Financial Position totalled \$6,322,000 (2004: foreign exchange hedges owing to hedge counterparties totalled \$3,286,000).

30. Financial Instruments (continued)

c) Commodity Price Risk

The Company has entered into forward sales contracts that oblige it to sell specified quantities of base metals in the future at predetermined prices. The contracts are matched against anticipated future base metal production to protect the Company against the possibility of a fall in base metal prices.

The following table sets out details of forward nickel sales contracts in place at 30 June 2005:

Year	Nickel Tonnes		Average Price (US\$/tonne)	
	2005	2004	2005	2004
30 June 2005	-	3,698	-	11,827
30 June 2006	3,816	2,592	11,257	10,925
30 June 2007	1,992	24	12,527	10,925
Total	5,808	6,314		

The mark to market position of the above commodity hedges that are designated against sales are not brought to account in the Statements of Financial Position. The mark to market positions of these contracts is disclosed in Note 30(e).

d) Credit Risk Exposures

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount, net of any provision for doubtful debts, of those assets as indicated in the balance sheet.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligation under the contract or arrangement. Credit risk on off-balance sheet derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

The consolidated entity's maximum credit risk exposure in relation to off balance sheet derivatives is as follows:

Commodity Contracts

At balance date the consolidated entity has an exposure to loss in the event counterparties fail to settle on contracts which are favourable to the consolidated entity.

e) Net Fair Values of Financial Assets and Liabilities

Valuation Approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

On-Balance Sheet Financial Instruments

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximate their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the net fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

Off-Balance Sheet Financial Instruments

The valuation of off-balance sheet financial instruments detailed in this note reflects the estimated amounts which the consolidated entity expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

Net Fair Values

On-Balance Sheet Financial Instruments

The carrying amounts and net fair values of financial assets and liabilities at the reporting date approximate the book values at which they are carried in the Balance Sheet.

The listed shares in other corporations are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

Off-Balance Sheet Financial Instruments

The mark to market position of off-balance sheet financial instruments owing to hedge counterparties as at the reporting date were:

	2005 \$'000	2004 \$'000
Futures commodity contracts	15,154	12,047

31. Employee Benefits

2002 Employee Share Option Plan

The 2002 Employee Share Option Plan ("Plan") was introduced on 21 August 2002. Persons eligible to participate in the Plan include Directors and employees of the Company or companies or bodies corporate in which the Company holds at least 20% of all the voting shares.

Options are granted under the Plan for no consideration for a maximum period of 5 years and can be exercised at any time between the date the option is granted and the expiry date. The employee's entitlements to the options are vested and the options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of the options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the 5 trading days immediately before the options are granted.

Set out below are summaries of options granted under the Plan.

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance
			Number	Number	Number	Number	Number
2005							
17 December 2003	6 November 2008	84 cents	1,500,000	-	-	246,000	1,254,000
Total			1,500,000	-	-	246,000	1,254,000

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance
			Number	Number	Number	Number	Number
2004							
21 August 2002	5 July 2007	25 cents	444,000	-	338,000	106,000	-
4 April 2003	13 February 2008	29 cents	500,000	-	500,000	-	-
17 December 2003	6 November 2008	84 cents	-	1,500,000	-	-	1,500,000
Total			944,000	1,500,000	838,000	106,000	1,500,000

31. Employee Benefits (continued)

2002 Employee Share Option Plan (continued)

Options exercised under the Plan during the financial year and number of shares issued to employees on the exercise of these options are set out below.

Exercise date	Fair value of shares at issue date	CONSOLIDATED		PARENT ENTITY	
		2005 Number	2004 Number	2005 Number	2004 Number
18 July 2003	\$0.39	-	33,000	-	33,000
1 August 2003	\$0.44	-	62,000	-	62,000
15 August 2003	\$0.49	-	18,000	-	18,000
2 September 2003	\$0.53	-	514,000	-	514,000
19 September 2003	\$0.61	-	120,000	-	120,000
24 September 2003	\$0.67	-	44,000	-	44,000
9 October 2003	\$0.85	-	24,000	-	24,000
16 October 2003	\$0.92	-	23,000	-	23,000
		-	838,000	-	838,000
The fair value of shares issued on the exercise of options is the weighted average price at which the Company's shares were traded on the Australian Stock Exchange on the day prior to the exercise of the options					
Options vested at the reporting date		1,254,000	-	1,254,000	-

Aggregate proceeds received from employees on the exercise of options and recognised as issued capital

Fair value of shares issued to employees on the exercise of options as at their issue date

CONSOLIDATED		PARENT ENTITY	
2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
-	230	-	230
-	466	-	466

Mincor Resources Incentive Option Scheme

The Mincor Resources Incentive Option Scheme ("Scheme") was approved by shareholders on 25 November 1997. No further options will be granted under this scheme. The Scheme was terminated during the year upon the exercise or expiration of all options outstanding.

Options granted under the Scheme were for no consideration, carry no dividend or voting rights and the employees entitlements to the options are vested.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

Set out below are summaries of options granted under the Scheme.

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance
			Number	Number	Number	Number	Number
2005							
8 January 2000	7 January 2005	17.1 cents*	500,000	-	500,000	-	-
Total			500,000	-	500,000	-	

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued During the Year	Exercised During the Year	Lapsed During the Year	Closing Balance
			Number	Number	Number	Number	Number
2004							
19 March 1999	18 March 2004	20 cents	600,000	-	600,000	-	-
8 January 2000	7 January 2005	17.1 cents*	1,500,000	-	1,000,000	-	500,000
9 February 2000	8 February 2005	20 cents	500,000	-	500,000	-	-
17 January 2001	16 January 2006	20 cents	750,000	-	750,000	-	-
6 April 2001	5 April 2006	20 cents	1,000,000	-	1,000,000	-	-
22 May 2001	21 May 2006	20 cents	500,000	-	500,000	-	-
8 August 2001	7 August 2006	20 cents	500,000	-	500,000	-	-
Total			5,350,000	-	4,850,000	-	500,000

* In accordance with the listing rules of the Australian Stock Exchange Limited, the exercise price of all share options held in the Company on the date the Company completed the in specie distribution of its shares in Tethyan Copper Company Limited to shareholders was reduced by 2.9 cents per option to reflect the return of capital resulting from the in specie distribution.

Options exercised under the Scheme during the financial year and number of shares issued to employees on the exercise of these options are set out below:

Exercise date	Fair value of shares at issue date	CONSOLIDATED		PARENT ENTITY	
		2005 Number	2004 Number	2005 Number	2004 Number
1 August 2003	\$0.44	-	500,000	-	500,000
2 September 2003	\$0.53	-	1,500,000	-	1,500,000
9 September 2003	\$0.59	-	1,550,000	-	1,550,000
24 September 2003	\$0.67	-	300,000	-	300,000
17 October 2003	\$1.00	-	500,000	-	500,000
21 October 2003	\$0.95	-	500,000	-	500,000
7 January 2005	\$0.60	500,000	-	500,000	-
		500,000	4,850,000	500,000	4,850,000
The fair value of shares issued on the exercise of options is the weighted average price at which the Company's shares were traded on the Australian Stock Exchange on the day prior to the exercise of the options					
Options vested at the reporting date		-	500,000	-	500,000

Aggregate proceeds received from employees on the exercise of options and recognised as issued capital

Fair value of shares issued to employees on the exercise of options as at their issue date

CONSOLIDATED		PARENT ENTITY	
2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
86	970	86	970
300	3,102	300	3,102

32. Impacts of Adopting Australian Equivalents to IFRS

The Australian Accounting Standards Board ("AASB") is adopting International Financial Reporting Standards ("IFRS") for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will first be reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The consolidated entity has established a project team to manage the transition to AIFRS including training of staff and system and internal control changes necessary to gather all the required financial information. The project team has analysed all of the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. These choices have been analysed to determine the most appropriate accounting policy for the consolidated entity.

The known or reliably estimable impact on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS are set out below. The expected financial effects of adopting AIFRS are shown for each line item in the Statements of Financial Performance and Statements of Financial Position, with descriptions of the differences. No material impacts are expected in relation to the Statements of Cash Flows.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the Company prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

32. Impacts of Adopting Australian Equivalents to IFRS (continued)

IMPACT ON THE STATEMENTS OF FINANCIAL PERFORMANCE

	Note	CONSOLIDATED			PARENT ENTITY		
		Existing GAAP \$'000	Effect of Change \$'000	AIFRS \$'000	Existing GAAP \$'000	Effect of Change \$'000	AIFRS \$'000
Revenue from ordinary activities	d	122,577	(38)	122,539	122,546	(38)	122,508
Total revenue		122,577	(38)	122,539	122,546	(38)	122,508
Mining contractor costs		(36,861)	-	(36,861)	(36,861)	-	(36,861)
Ore tolling costs		(13,964)	-	(13,964)	(13,964)	-	(13,964)
Royalty expense		(7,876)	-	(7,876)	(7,876)	-	(7,876)
Employee benefit expense	b	(5,737)	(75)	(5,812)	(5,737)	(75)	(5,812)
Borrowing cost expense	e	(210)	(80)	(290)	(210)	(80)	(290)
Exploration costs provided for or expensed		(2,774)	-	(2,774)	(2,774)	-	(2,774)
Depreciation and amortisation expense	e	(17,621)	(90)	(17,711)	(17,621)	(90)	(17,711)
Other expenses from ordinary activities	d,e	(8,313)	155	(8,158)	(8,303)	155	(8,148)
Profit from ordinary activities before related income tax expense		29,221	(128)	29,093	29,200	(128)	29,072
Income tax expense		(8,919)	425	(8,494)	(8,919)	425	(8,494)
Net profit attributable to members of Mincor Resources NL		20,302	297	20,599	20,281	297	20,578
Net increase in share-based payments reserve	b	-	75	75	-	75	75
Total revenues, expenses and valuation adjustments attributable to members of Mincor Resources NL recognised directly in equity		-	75	75	-	75	75
Total changes in equity attributable to members of Mincor Resources NL other than those resulting from transactions with owners as owners		20,302	372	20,674	20,281	372	20,653
		Cents	Cents	Cents			
Basic earnings per share		10.4	0.2	10.6			
Diluted earnings per share		10.4	0.2	10.6			

32. Impacts of Adopting Australian Equivalents to IFRS (continued)

IMPACT ON THE STATEMENTS OF FINANCIAL POSITION

Note	CONSOLIDATED			PARENT ENTITY		
	Existing GAAP \$'000	Effect of Change \$'000	AIFRS \$'000	Existing GAAP \$'000	Effect of Change \$'000	AIFRS \$'000
Current Assets						
Cash assets	18,205	-	18,205	18,204	-	18,204
Receivables	29,644	-	29,644	29,640	-	29,640
Inventory	617	-	617	617	-	617
Prepayments	277	-	277	277	-	277
Other current assets	c 5,043	-	5,043	5,043	-	5,043
	53,786	-	53,786	53,781	-	53,781
Non-Current Assets						
Receivables	-	-	-	555	-	555
Investments	c 2,800	-	2,800	5,774	-	5,774
Property, plant and equipment	e 58,816	646	59,462	58,816	646	59,462
Exploration, evaluation and development expenditure	e 7,616	67	7,683	4,398	67	4,465
Other non-current assets	c 1,279	-	1,279	1,279	-	1,279
Total Non-Current Assets	70,511	713	71,224	70,822	713	71,535
TOTAL ASSETS	124,297	713	125,010	124,603	713	125,316
Current Liabilities						
Payables	34,745	-	34,745	34,745	-	34,745
Interest bearing liabilities	1,002	-	1,002	1,002	-	1,002
Current tax liabilities	2,165	16	2,181	2,165	16	2,181
Provisions	498	-	498	498	-	498
Other current liabilities	c 5,043	-	5,043	5,043	-	5,043
Total Current Liabilities	43,453	16	43,469	43,453	16	43,469
Non-Current Liabilities						
Interest bearing liabilities	3,333	-	3,333	3,333	-	3,333
Provisions	e 934	425	1,359	934	425	1,359
Deferred tax liabilities	a 8,983	807	9,790	8,983	807	9,790
Other non-current liabilities	c 1,279	-	1,279	1,279	-	1,279
Total Non-Current Liabilities	14,529	1,232	15,761	14,529	1,232	15,761
TOTAL LIABILITIES	57,982	1,248	59,230	57,982	1,248	59,230
NET ASSETS	66,315	(535)	65,780	66,621	(535)	66,086
Equity						
Contributed equity	27,313	-	27,313	27,313	-	27,313
Reserves	b,c,g 545	(427)	118	-	118	118
Retained profits	38,457	(108)	38,349	39,308	(653)	38,655
TOTAL EQUITY	66,315	(535)	65,780	66,621	(535)	66,086

NOTES EXPLAINING THE IMPACTS ON THE STATEMENTS OF FINANCIAL PERFORMANCE AND STATEMENTS OF FINANCIAL POSITION

a) Income Tax

Under AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Statements of Financial Position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

If the policy required by AASB 112 had been applied during the year ended 30 June 2005 an increase in total parent entity and consolidated entity deferred tax liabilities of \$807,000 (\$1,248,000 increase on transition) at 30 June 2005 would have been recognised comprising:

- i) The tax effect of depreciable assets acquired in the initial purchase of the Miitel Mine that were not tax effected under AASB 112 *Income Taxes* of \$721,000 (\$1,145,000 increase on transition).
- ii) An increase in deferred tax liabilities of \$214,000 (\$241,000 increase on transition) related to an increase in the cost of assets due to capitalisation of rehabilitation costs, less amortisation of these costs;
- iii) A decrease in deferred tax liabilities of \$128,000 (\$138,000 decrease on transition) as a result of the recognition of a discounted rehabilitation provision.

b) Equity-based Compensation Benefits

Under AASB 2 *Share-based Payment*, from 1 July 2004, the consolidated entity is required to recognise an expense for those options that were issued to employees under the 2002 Employee Share Option Plan after 7 November 2002 but that had not vested by 1 January 2005.

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, consolidated and parent entity retained profits at 30 June 2005 would have been lower, with a corresponding increase in the share-based payment reserve. For the year ended 30 June 2005, the consolidated and parent entity employee benefits expense would have been \$75,000 higher (\$43,000 recognised on transition) with a corresponding increase in the net movement in the share based payment reserve.

c) Financial Instruments

The consolidated entity will be taking advantage of the exemption available under AASB 1 to apply AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* only from 1 July 2005. This allows the consolidated entity to apply previous Australian generally accepted accounting principles (Australian GAAP) to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under AASB 132, the current classification of financial instruments issued by entities in the consolidated entity would not change.

AASB 139 is likely to have the following impacts:

i) *Classification and Measurement for Financial Assets and Liabilities*

Under AASB 139, financial assets and liabilities held by entities in the consolidated entity will be classified as either at fair value, held-to-maturity, available for sale or loans and receivables. Depending upon their classification, they will be measured at fair value or amortised cost.

Under AASB 139:

- Investments in non-traded equity securities and debentures will be classified as available for sale and measured at fair value, with changes in fair value recognised directly in equity until the underlying asset is derecognised;
- Investments in traded equity securities will be classified as held for trading and measured at fair value, with changes in fair value recognised in profit or loss;
- The classification of loans and receivable and financial liabilities will remain unchanged. Measurement of these instruments will initially be at fair value with subsequent measurement at amortised cost, using the effective interest rate method.

This will result in a change to the current accounting policy, under which financial assets are carried at the lower of cost and recoverable amount, with changes recognised in profit or loss. Upon adoption of the policy required by AASB 139 on 1 July 2005, the consolidated entity retained profits would be \$5.5 million higher and parent entity retained profits would be \$5.2 million higher.

32. Impacts of Adopting Australian Equivalents to IFRS (continued)

NOTES EXPLAINING THE IMPACTS ON THE STATEMENTS OF FINANCIAL PERFORMANCE AND STATEMENTS OF FINANCIAL POSITION (continued)**c) Financial Instruments (continued)****i) Classification and Measurement for Financial Assets and Liabilities (continued)**

However, as a result of the application of the exemption referred to above, there has been no adjustment to classification or measurement of financial assets or liabilities from the application of AIFRS during the year ended 30 June 2005. Changes in classification and measurement will be recognised from 1 July 2005.

ii) Cash Flow Hedges

Under AASB 139, foreign exchange and commodity contracts held for hedging purposes would be accounted for as cash flow hedges. Changes in the fair value of those contracts will be recognised directly in equity until the hedged transaction occurs, in which case the amounts recognised in equity will be included in the initial cost of the assets acquired.

This will result in a change to the current accounting policy, under which the costs or gains arising under contracts together with any realised or unrealised gains from re-measurement are included in assets or liabilities as deferred losses or deferred gains. Futures commodity contracts previously carried off balance sheet under Australian GAAP will be required to come on balance sheet in accordance with the above policy.

As a result of the application of the exemption referred to above, there would have been no adjustment to classification or measurement of cash flow hedges from the application of AIFRS during the year ended 30 June 2005. Changes in classification and measurement will be recognised from 1 July 2005 as a result of the exemption and at this stage, the impact has not been quantified.

d) Revenue Disclosures in Relation to the Sale of Non-Current Assets

Under AIFRS, the revenue recognised in relation to the sale of non-current assets is the net gain on the sale. This is in contrast to the current Australian GAAP treatment under which the gross proceeds from the sale are recognised as revenue and the carrying amount of the assets sold is recognised as an expense. The net impact on the profit or loss of this difference is nil.

If the policy required under AIFRS had been applied during the year ended 30 June 2005, the consolidated revenue from ordinary activities would have been \$38,000 lower (parent entity \$38,000 lower), with a corresponding decrease to other expenses.

e) Provisions for Restoration and Rehabilitation

Under AASB 137, *Provisions, Contingent Liabilities and Contingent Assets*, the obligation to make good environmental or other damages is provided for in full immediately. Additionally, the cost of an asset includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. This is in contrast to the current Australian GAAP treatment whereby restoration and rehabilitation costs are charged to production on a gradual basis over the life of the economically recoverable resources.

If this policy required by AASB 137 had been applied during the year ended 30 June 2005, consolidated retained profits at 30 June 2005 would be \$425,000 lower with a corresponding increase to provision for rehabilitation and accumulated amortisation. For the year ended 30 June 2005, the consolidated and parent entity other expenses would have been \$36,000 lower (\$461,000 higher recognised on transition) with a corresponding decrease to provision for rehabilitation.

For the year ended 30 June 2005, the consolidated and parent entity amortisation expense would have been \$90,000 higher (\$341,000 higher recognised on transition) with a corresponding increase to accumulated amortisation of property, plant and equipment.

f) Impairment of Assets

Under AASB 136 *Impairment of Assets*, entities are no longer able to assess whether assets are impaired by using an undiscounted recoverable amount test. Entities will be required to determine recoverable amount as the higher of fair value less costs to sell and value in use. Discounted cash flows must be used to determine recoverable amount.

The application of AASB 136 has no impact on the 30 June 2005 Statements of Financial Position.

g) Increment upon Dilution of Interest in Controlled Entity

Under AASB 127 *Consolidated and Separate Financial Statements* the issuance of securities by a controlled entity to a minority interest can result in a gain or loss to the shareholders of the economic entity. This is in contrast to the current Australian GAAP treatment whereby the gain or loss upon issuance of shares by a controlled entity to a minority interest was treated as a capital transaction and taken to a capital reserve.

If the policy required under AASB 127 had been applied during the year ended 30 June 2005, the consolidated entity's capital reserve would have decreased by \$545,000 with a corresponding increase to retained earnings.

NOTES EXPLAINING THE EFFECT OF CHANGE ON THE STATEMENTS OF FINANCIAL POSITION

The following is provided as additional information to assist in reconciling the impact of adopting the Australian equivalents to IFRS.

	CONSOLIDATED 2005 \$'000
1. Property, Plant And Equipment	
Balance under existing AGAAP 30 June 2005	58,816
- Rehabilitation cost capitalised on transition at 1 July 2004 and provision raised to offset (refer Note 32 (e))	1,078
- Amortisation of costs capitalised on transition	(341)
- Current year amortisation of costs capitalised on transition	(91)
Balance under AIFRS 30 June 2005	59,462
2. Exploration, Evaluation and Development Expenditure	
Balance under existing AGAAP 30 June 2005	7,616
- Rehabilitation cost capitalised on transition at 1 July 2004 and provision raised to offset (refer Note 32 (e))	67
Balance under AIFRS 30 June 2005	7,683
3. Current Tax Liabilities	
Balance under existing AGAAP 30 June 2005	2,165
- Tax effect on recognition of rehabilitation provision and unwinding of discounted provision recognised on transition	16
Balance under AIFRS 30 June 2005	2,181
4. Deferred Tax Liabilities	
Balance under existing AGAAP 30 June 2005	8,983
- Tax effect of AIFRS adjustments on transition:	
• Permanent differences not previously tax effected under AGAAP	1,145
• Provision for rehabilitation	(138)
• Rehabilitation cost capitalised (less amortisation)	241
- Tax effect of adjustments as at 30 June 2005:	
• Permanent differences not previously tax effected under AGAAP	(425)
• Provision for rehabilitation	11
• Amortisation of rehabilitation costs capitalised	(27)
Balance under AIFRS 30 June 2005	9,790
5. Provisions	
Balance under existing AGAAP 30 June 2005	934
- Recognition of provision for rehabilitation on transition (refer Note 32 (e))	461
- Reversal of provision for rehabilitation under AGAAP for year ended 30 June 2005	(117)
- Unwinding of discounted provision recognised	81
Balance under AIFRS 30 June 2005	1,359

32. Impacts of Adopting Australian Equivalents to IFRS (continued)

NOTES EXPLAINING THE EFFECT OF CHANGE ON THE STATEMENTS OF FINANCIAL POSITION (continued)

	CONSOLIDATED 2005 \$'000
6. Reserves	
Balance under existing AGAAP 30 June 2005	545
- Recognition of share-based payments on transition (refer Note 32 (b))	43
- Recognition of share-based payments for year ended 30 June 2005 (refer Note 32 (b))	75
- Transfer of increment upon dilution of interest in controlled entity (refer Note 32 (g))	(545)
Balance under AIFRS 30 June 2005	118
7. Retained Profits	
Balance under existing AGAAP 30 June 2005	38,457
- Recognition of provision for rehabilitation and amortisation expense on transition (refer Note 32(e))	(341)
- Less tax effect of above (refer Note 32 (a))	103
- Recognition of share-based payments on transition (refer Note 32 (b))	(43)
- Transfer of increment upon dilution of interest in controlled entity (refer Note 32 (g))	545
- Current year profit and loss impact of AIFRS	(372)
Balance under AIFRS 30 June 2005	38,349

In the Director's opinion:

- (a) the financial statements and notes set out on pages 45 to 80 and the Remuneration Report set out on pages 37 to 42 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Dated at Perth this 24th day of August 2005.



DCA Moore

Managing Director

Independent audit report to the members of Mincor Resources NL

Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Mincor Resources NL (the Company) and the Mincor Resources Group (defined below) for the financial year ended 30 June 2005 included on Mincor Resources NL's web site. The Company's directors are responsible for the integrity of the Mincor Resources NL's web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified below. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit opinion

In our opinion, the financial report on pages 45 to 81 and remuneration disclosures, on pages 37 to 42, of Mincor Resources NL:

- give a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Mincor Resources NL and the Mincor Resources Group (defined below) as at 30 June 2005, and of their performance for the year ended on that date, and
- are presented in accordance with the *Corporations Act 2001*, AASB 1046 *Director and Executive Disclosures by Disclosing Entities* (AASB 1046), other Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report, remuneration disclosures and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Mincor Resources NL (the company) and the Mincor Resources Group (the consolidated entity), for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of directors and executives (remuneration disclosures) as required by AASB 1046, under the heading "remuneration report" on pages 37 to 42 of the directors' report, as permitted by the *Corporations Regulations 2001*.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with AASB 1046 and the *Corporations Regulations 2001*. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Nick Henry

Nick Henry
Partner

Perth
24 August 2005

a) Substantial Holders (holding not less than 5%)

Name of Shareholder	Total Number of Voting Shares in Mincor Resources NL in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares
AMP Limited	14,932,055	7.67%

b) Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1 – 1,000	261	212,305
1,001 – 5,000	1,494	5,036,542
5,001 – 10,000	1,449	12,262,222
10,001 – 100,000	2,069	63,608,365
100,001 and over	173	113,543,571
Total	5,446	194,663,005

c) Number of Shareholders Holding Less than a Marketable Parcel

57

d) Voting Rights

i) Ordinary Shares

On a show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

ii) Options

The Company's options have no voting rights.

e) Percentage Held by 20 Largest Shareholders

38.05%

f) Listing of 20 Largest Shareholders

Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held (%)
1. National Nominees Limited	17,089,640	8.78
2. AMP Life Limited	11,222,546	5.77
3. JP Morgan Nominees Australia Limited	8,778,448	4.51
4. ANZ Nominees Limited	6,778,567	3.48
5. Westpac Custodian Nominees Limited	4,933,332	2.53
6. Mr David C Moore	4,500,000	2.31
7. Mr John W Gardner & Mrs Janet L Gardner	3,000,000	1.54
8. Cogent Nominees Pty Limited	2,095,545	1.08
9. Cogent Nominees Pty Limited	1,796,663	0.92
10. Mr Anthony H Shields	1,700,000	0.87
11. HSBC Custody Nominees (Australia) Limited	1,552,541	0.80

Name of Ordinary Shareholder	Number of Shares Held	Percentage of Shares Held (%)
12. Mr Anthony H Shields & Ms Amanda C Nayton	1,400,000	0.72
13. Mrs Daphne G Balaam	1,377,895	0.71
14. Ravex Pty Ltd	1,240,000	0.64
15. RBC Global Services Australia Nominees Pty Limited	1,175,717	0.60
16. Mr John W Gardner	1,150,000	0.59
17. Mr Robert E Macmillan & Mrs Ruth D Macmillan	1,111,000	0.57
18. Mr Robert J Hartley	1,100,000	0.57
19. Dr Stuart A Fysh	1,046,672	0.54
20. Mr James S Reeve	1,015,000	0.52
	74,063,566	38.05

g) Stock Exchange Listing

Mincor Resources NL shares are listed on the Australian Stock Exchange. The Company's ASX Code is MCR.

h) Unlisted Share Options

Number of Options	Exercise Price	Expiry Date	Number of Holders
1,254,000	84 cents	6 November 2008	8

SCHEDULE OF TENEMENTS AS AT 31 AUGUST 2005

Project Name	Licence Type	Approval Date	Expiry Date	Area (km ²)	Mincor Equity (%)
Miitel Tenements (Western Australia)					
L15/142 - Lake Zot	Miscellaneous	8 Aug 1990	7 Aug 2010	0.0074	100
L15/143 - Lake Zot	Miscellaneous	8 Aug 1990	7 Aug 2010	0.0228	100
L15/162 - Mariners	Miscellaneous	22 Oct 1991	21 Oct 2006	0.0309	100
L15/163 - Mariners	Miscellaneous	22 Oct 1991	21 Oct 2006	0.007	100
L15/235 - Redross	Miscellaneous	17 Dec 2002	16 Dec 2023	0.0705	100
L15/243 - Miitel	Miscellaneous	16 Oct 2003	15 Oct 2024	0.2085	100
L15/244 - Redross	Miscellaneous	14 Apr 2003	13 Apr 2024	0.0453	100
L15/247 - Miitel	Miscellaneous	27 May 2004	26 May 2025	0.2632	100
M15/1304 - Lake Zot South	Mining	Application lodged 12 Nov 1999		0.09	100
M15/543 - Lake Zot	Mining	16 Jan 1991	16 Jan 2012	9.6621	100
M15/609 - Wedding Guest Is	Mining	12 Nov 1991	11 Nov 2012	3.6419	100
M15/634 - NW Wedding Guest Is	Mining	19 Feb 1993	18 Feb 2014	1.21	100
M15/635 - NW Wedding Guest Is	Mining	19 Feb 1993	18 Feb 2014	1.21	100
M15/81 - Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	3.231	100
M15/82 - Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	0.888	100
M15/83 - Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	1.4265	100
M15/90 - Widgiemooltha	Mining	6 Aug 1984	5 Aug 2026	5.9080	100
M15/91 - Widgiemooltha	Mining	31 May 1984	30 May 2026	1.2140	100
M15/92 - Widgiemooltha	Mining	6 Aug 1984	5 Aug 2026	2.1155	100
M15/93 - Widgiemooltha	Mining	6 Aug 1984	5 Aug 2026	6.0690	100
Wannaway Tenements (Western Australia)					
L15/180 - Wannaway	Miscellaneous	8 Dec 1992	7 Dec 2007	0.1565	100
L15/191 - North Lake	Miscellaneous	14 Feb 1995	13 Feb 2010	0.1770	100
L15/231 - Wannaway	Miscellaneous	Application lodged 28 Sep 2001		0.1565	100
L15/257 - Wannaway	Miscellaneous	Application lodged 25 Feb 2004		0.18	100
M15/44 - Mount Eaton	Mining	15 Feb 1984	14 Feb 2026	9.3455	100
M15/745 - Wannaway	Mining	2 Dec 1994	1 Dec 2015	0.1995	100
M15/76 - Wannaway	Mining	22 Oct 1984	21 Oct 2005	1.1890	100
M15/88 - Wannaway North	Mining	6 Aug 1984	5 Aug 2026	9.1670	100
M15/89 - Wannaway	Mining	6 Aug 1984	5 Aug 2026	9.5311	100

SCHEDULE OF TENEMENTS AS AT 31 AUGUST 2005

Western Australia					
E09/1205 – Nardoo Well	Exploration	Application lodged 20 Apr 2005		218.19	100
E09/1205 – Duncan Pool	Exploration	Application lodged 20 Jun 2005		218.19	100
E15/721 – Railway	Exploration	8 Aug 2005	7 Aug 2010	8.76	100
E15/729 – Lake Cowan	Exploration	Application lodged 21 Jun 2001		40.88	100
E15/765 – Chalice North	Exploration	8 Oct 2004	7 Oct 2009	23.36	100
E15/781 – Madoonia	Exploration	Application withdrawn 11 Jan 2005		0	100
E15/790 – Binneringie	Exploration	12 May 2004	11 May 2009	154.76	100
E15/791 – Yallaburra	Exploration	8Jun 2005	7 Jun 2010	204.4	100
E15/792 – Lake Lefroy	Exploration	20 Oct 2004	20Oct 2009	11.68	100
E15/800 – West Kambalda	Exploration	8 Aug 2005	7 Aug 2010	5.84	100
E15/801 – Widgiemooltha	Exploration	8 Oct 2004	7 Oct 2009	2.92	100
E15/809 – Widgie Dome	Exploration	16 Feb 2005	15 Feb 2010	122.64	100
E15/811 – Redross East	Exploration	8 Oct 2004	7 Oct 2009	8.76	100
E15/812 – Dordie West	Exploration	8 Aug 2005	7 Aug 2010	11.68	100
E15/858 – Sunday Soak	Exploration	8Jun 2005	7 Jun 2010	26.28	100
E15/859 – Wannaway East	Exploration	16 Feb 2005	15 Feb 2010	5.84	100
E15/872 – Madoonia	Exploration	Application lodged 16 Nov 2004		201.48	100
E15/876 – East Widgie Dome	Exploration	Application lodged 17 Feb 2005		2.92	100
E15/880 – Lake Lefroy East	Exploration	Application lodged 13 Mar2005		14	100
E25/266 – Stoneville	Exploration	8 Aug 2005	7 Aug 2010	11.76	100
E63/754 – Tramways	Exploration	23 Oct 2001	22 Oct 2006	61.13	100
E63/755 – Dundas (Heartbreak)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/756 – Dundas (Heartbreak)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/757 – Dundas (Clear Streak)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/758 – Dundas (Clear Streak)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/759 – Dundas (Clear Streak)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/760 – Dundas (Fitzgerald)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/761 – Dundas (Clear Streak)	Exploration	28 Oct 2004	27 Oct 2009	196	100
E63/762 – Dundas	Exploration	21 Dec 2004	20Dec 2009	196	100
E63/763 – Dundas (Double Tank)	Exploration	12 Apr 2002	11 Apr 2007	98	100
E63/764 – Dundas (Double Tank)	Exploration	12 Apr 2002	11 Apr 2007	60.79	100
E63/788 – Killaloe	Exploration	23 Dec 2002	22 Dec 2007	28	100
M15/1377 – Railway (South)	Mining	Application lodged 29 Aug 2001		1.084	100
M63/242 – Jeffrey's Find	Mining	12 Nov 1991	11 Nov 2012	1.2396	100
P63/1167 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.7559	100
P63/1168 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.7407	100
P63/1169 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.8011	100
P63/1170 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.6706	100
P63/1171 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.8531	100

East Widgiemooltha Tenements (Western Australia)					
GML15/7003 – Widgiemooltha	Gold Mining	Converted to M15/1481 16 Nov 2004		0	100
M15/1481 – Widgiemooltha	Mining	16 Nov 2004	15 Nov 2025	0.097	100
M15/462 – Widgiemooltha South	Mining	20 Oct 1989	19 Oct 2010	1.1055	100
M15/601 – Widgiemooltha	Mining	12 Nov 1991	11 Nov 2012	1.02	100
M15/667 – Widgiemooltha South	Mining	20 Oct 1993	19 Oct 2014	6.472	100
M15/668 – Miitel North	Mining	20 Oct 1993	19 Oct 2014	9.8615	100
M15/716 – Mariners East	Mining	Application lodged 16 Mar 1994		6.4885	100
M15/734 – Widgiemooltha	Mining	17 Oct 1994	16 Oct 2015	0.0078	100
M15/85 – Miitel North	Mining	22 Oct 1984	21 Oct 2005	5.7465	100
M15/86 – Widgiemooltha South	Mining	22 Oct 1984	21 Oct 2005	5.8415	100
Widgiemooltha Dome Tenements (Nickel Rights excluded) (Western Australia)					
M15/103 – Widgiemooltha	Mining	12 Dec 1984	11 Dec 2005	9.024	100
M15/105 – Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	0.0968	100
M15/1254 – Widgiemooltha South	Mining	Application lodged 5 Aug 1998		3.24	100
M15/45 – Wannaway South	Mining	15 Feb 1984	14 Feb 2026	1.198	100
M15/46 – Wannaway South	Mining	15 Feb 1984	14 Feb 2026	9.558	100
M15/478 – Widgiemooltha	Mining	3 Aug 1990	2 Aug 2011	0.0971	100
M15/48 – Widgiemooltha	Mining	15 Feb 1984	13 Feb 2026	3.5965	100
M15/611 – Widgiemooltha	Mining	29 May 1992	28 May 2013	0.01	100
M15/693 – Wannaway North	Mining	7 Apr 1994	6 Apr 2015	2.3976	100
M15/77 – Wannaway South	Mining	22 Oct 1984	21 Oct 2005	9.5115	100
M15/78 – Wannaway South	Mining	22 Oct 1984	21 Oct 2005	9.5165	100
M15/79 – Wannaway South	Mining	22 Oct 1984	21 Oct 2005	7.143	100
M15/80 – Redross	Mining	7 Sep 1984	6 Sep 2005	8.5435	100
M15/869 – Wannaway South	Mining	Application lodged 5 Aug 1995		6.774	100
M15/907 – Widgiemooltha	Mining	1 May 1998	30 Apr 2019	2.142	100
M15/94 – Widgiemooltha	Mining	31 May 1984	30 May 2026	8.6985	100
M15/970 – Wannaway South	Mining	Application lodged 23 Jul 1996		6.88	100
Rutherglen (Victoria, Australia)					
E4813	Exploration	21 May 2004	20 May 2009	368	100
Guinea					
Bankole JV – A2004/0201	Prospecting	27 Sep 1997	27 Sep 2006	126	20
Vanuatu					
Tafuse – PL 1612	Prospecting	1 May 2004	30 Apr 2007	39.84	100
Webe Creek – PL 1587	Prospecting	1 May 2004	30 Apr 2006	50.12	75
Fiji					
Sabeto – SP 1412	Prospecting	1 Mar 2000	31 Mar 2005*	106.00	100
Tanzania					
Imweru – PL 2317/03	Prospecting	5 Sep 2003	4 Sep 2006	3.9	60

* Renewal application submitted

Mincor Resources NL
Level 1, 1 Havelock Street
West Perth, Western Australia, 6005

PO Box 1810, West Perth
Western Australia 6872

Telephone
(+61 8) 9321 7125

Facsimile
(+61 8) 9321 8994

www.mincor.com.au