

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2002



HIGHLIGHTS

- ✓ Outstanding performance at Mincor's Miitel and Wannaway mines – record quarterly production of 4,481 tonnes nickel metal in concentrate for gross revenues of \$34.5 million (up 53% quarter on quarter).
- ✓ All-time quarterly production records for both mines in terms of grade, ore tonnes, nickel metal and net cash generated.
- ✓ Continued rapid debt reduction, with a further \$4.2 million in senior and subordinated debt repayments.
- ✓ Intensive underground exploration throughout the quarter, with good indications of significant ore body extensions at Miitel.
- ✓ Major surface exploration drilling programme commencing now near Miitel.
- ✓ Redross Nickel Project feasibility study completed – “Base case” model indicates three years of mine life with strong cashflows and excellent financial returns.
- ✓ Initial drilling by joint venture partners at Mincor's Bankole Gold Project in Guinea demonstrates widespread sub-surface gold mineralisation.
- ✓ Gold major Barrick signs 4-year option/royalty deal on Mincor's Geita Project, Tanzania.

1. MINING OPERATIONS, KAMBALDA (Mincor 76%)

1.1 Production, Grade, Revenue and Costs

	Miitel	Wannaway	Attributable to Mincor
Ore Tonnes Mined (DMT)	60,685 tonnes	53,502 tonnes	86,872 tonnes
Ore Tonnes Treated (DMT)	59,826 tonnes	53,583 tonnes	86,191 tonnes
Average Nickel Grade (%)	4.70	4.04	-
Nickel-in-Concentrate Sold	2,532 tonnes	1,949 tonnes	3,405 tonnes
Copper-in-Concentrate Sold	240 tonnes	175 tonnes	315 tonnes
Cobalt-in-Concentrate Sold	49 tonnes	37 tonnes	65 tonnes
Sales Revenue* (A\$)	19,669,000	14,812,000	26,206,000
Direct Operating Costs** (A\$)	8,204,000	5,989,000	10,787,000
Indirect Costs*** (A\$)	1,325,000	1,182,000	1,905,000
Operating Surplus (A\$)****	10,140,000	7,641,000	13,514,000

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

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

*** Indirect Costs – royalties, interest charges.

**** Operating Surplus – project only – provisional and unaudited, excludes Mincor's corporate overheads and other Mincor costs, excludes exploration costs, excludes depreciation, amortisation and tax.

1.2 Mining Progress - Miitel

The production rate at Miitel was higher than budgeted as a result of short-term opportunities for higher production in May. In addition, exceptional grades were encountered in thick areas of massive sulphides on the 350 level. Future production is expected to return to budgeted mining rates (approximately 54,000 tonnes ore per quarter from Miitel and 45,000 tonnes ore per quarter from Wannaway).

Development of the 326 and 350 levels progressed during the quarter. Final stoping from the uppermost level (206L) is well advanced, and extraction of crown pillars commenced in the upper part of the mine.

Access development to gain entry to the NO2 ore zone commenced, and strike driving proceeded on narrow mineralisation at the 180H level.

Underground drilling continued to provide further definition within the ore body and immediately to the south. Results indicate the continuation of the mineralised trend and this is being pursued via the development of a drill drive which will provide access for further underground exploration drilling during the December quarter.

1.3 Mining Progress - Wannaway

Both tonnage and grade were substantially higher than the previous quarter. This was the result of refinements to mining practice allowing dilution to be minimised, and the greater reliance on stoping (as opposed to strike driving) allowing for better application of mining cut-off grades. In addition, higher grade areas of the ore body were encountered.

Ore strike-driving of the 515M level was completed and substantially completed in the 473M level.

Flatback stoping operations continued satisfactorily on the 542, 494, 452, 431, 410 and 389 levels.

Underground diamond drilling was carried out on the outer perimeter of the ore body, largely confirming the existing limits to mineralisation.

1.4 Health, Safety and the Environment

A lost time injury was recorded at each mine during the quarter. In both cases, knee injuries were sustained by operators during underground operations. This is a disappointing result after previous good performances. Full investigations have been carried out and a number of recommendations implemented.

1.5 Financial Year Physicals

Mincor's attributable production for the financial year just ended was 233,775 tonnes ore for 8,635 tonnes nickel metal in concentrate and provisional gross revenues of \$63.5 million. This is 6% below budget, largely due to the slower than budgeted production ramp-up at Wannaway. Miitel achieved budget.

A break-down of Mincor's attributable production for the financial year is given below:

	Miitel	Wannaway
Ore Production (dry metric tonnes)	145,872	87,903
Grade	4.49%	3.50%
Nickel-in-Concentrate (tonnes)	5,899	2,736
Gross Revenue	\$43.6m	\$19.95m
*Cash cost per tonne ore (A\$/dmt)	\$144/t	\$137/t
*Cash cost/pound Ni in Conc (US\$/lb)	US\$0.86/lb	US\$1.07/lb

**Cash cost = includes mining, ore haulage, ore processing, administration, royalties and by-product credits. Excludes depreciation and amortisation, exploration, finance, and non-cash costs.*

2. REDROSS NICKEL PROJECT (Mincor 76%)

The feasibility study for the Redross Project was completed during the quarter, although Mincor has yet to take a formal investment decision regarding its development.

The study envisages mining the remaining underground resource at the old Redross Mine via a new decline to be constructed from the base of the existing open pit. The deposit comprises predominantly massive and matrix nickel sulphides with a competent basalt foot wall and an ultramafic hanging wall. The remaining ore is located between 180 metres and 380 metres below surface with a strike length of 300 metres. The ore lens is 0.8 to 1.8 metres thick, dipping at 55 degrees and plunging gently to the south.

The ore reserve, as previously announced, is 483,800 tonnes @ 3.19% nickel.

The mining method selected is single boom half-upper mining and footwall stripping. This method optimises the grade of the ore mined by maintaining a narrow mining width and is a highly productive and safe, non-entry, method. The method is currently successfully employed at Mincor's Miitel Mine.

Mincor's existing Ore Tolling and Concentrate Purchase Agreement with WMC Resources Ltd will apply to the Redross Mine in the same way as it now applies to the Miitel Mine. This provides Mincor with an assured processing facility, guaranteed metallurgical recoveries, and guaranteed offtake of nickel concentrate.

The feasibility study assumes a nickel price of A\$11,000 per tonne (current price is around A\$12,500 per tonne) and an optimised mining rate of 15,000 tonnes ore per month. Pre-production capital development costs are estimated at a maximum of \$10.7 million, though Mincor believes these may be reduced to \$8.5 million. The net present value (10% discount rate) lies between \$6 million and \$8 million (depending on the optimisation of capital development costs), and the internal rate of return is 40%. At current nickel prices and optimised capital costs the net present value of the project is \$11.3 million.

The average cash cost per tonne ore is estimated at \$137/t, and the average cash cost per pound nickel is estimated at A\$1.99/lb.

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

A drill-intensive exploration programme has started on Mincor's Kambalda tenements. The initial phase, now underway, will focus on near mine exploration at Miitel. A planned seven diamond drill holes and 4 wedges totalling up to 4,000 metres will test for a northerly continuation of the deposit over an additional strike length of up to 1 kilometre. Drilling has just started, with the first hole collared 100 metres to the north of the current resource. It will be drilled at -70 degrees and is targeted to intersect the basal contact at a vertical depth of 300 metres. If necessary, a second, shallower intersection will be obtained by wedging off the parent hole. All holes will be followed up with down-hole electromagnetic surveying to test for nearby mineralisation.

In addition to the above, further drilling will test the "David Zone" which is situated adjacent to the southern end of the Miitel orebody where the "outer" Mariners contact merges with the "inner" Miitel contact. The drill rig will then move to Wannaway where 1,800 metres of drilling will be carried out to test the concept of a third parallel ore lens immediately north of the Wannaway Mine.

4. EXPLORATION – OTHER EXPLORATION PROPERTIES

4.1 Western Australia (Nickel and Gold, Mincor 100%)

Exploration is planned on the Tramways Exploration Licence and adjacent prospecting licences P63/1167 to P63/1171, which have now been granted. These licences collectively cover 128.15 square kilometres of Archaean greenstone sequences considered highly prospective for gold and nickel sulphide mineralisation.

Following the completion of a cultural survey and land access agreement over the southern two Exploration Licence Applications in Mincor's Dundas application area, these two exploration licences have been granted. The Dundas block covers a large portion of an interpreted southern extension of the Yilgarn Craton and associated greenstone belts.

4.2 Imweru Licence, Tanzania (Gold, Mincor earning up to 100%)

Mincor has concluded an agreement with Canadian gold major Barrick for the ongoing exploration and development of Mincor's small Imweru exploration licence on the Geita Greenstone Belt. The deal provides for exploration by Barrick for up to four years, with an option to purchase Mincor's interest outright for US\$500,000 plus a royalty of up to US\$3 million.

The deal remains subject to pre-emptive rights held by Mincor's existing joint venture partner.

4.3 Bankole Licence, Guinea (Gold, Mincor 20% free carried to decision to mine)

Mincor was informed by its joint venture partners that 3,054 metres of Reverse Air Blast drilling was completed at Bankole during the quarter. The holes were drilled to test the large gold-in-soils anomaly present on the Licence.

As reported to the Australian Stock Exchange by Australian United Gold NL "...The results confirm that the Bankole gold-in-soil anomaly is due to broad zones of gold mineralisation in saprolite which require follow-up RC drilling to test for primary gold sources beneath the shallow RAB holes. It should be noted that some of the zones intersected are up to 400 metres wide and due to the nature of the drilling programme no complete drill coverage was obtained. Infill drilling with deeper holes will be required to establish whether wide, higher grade zones of mineralisation are present at depth. The results are considered very encouraging as broad zones of mineralisation were identified in a first pass programme including one high grade intercept of 2 metres at 7.53g/t gold."

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

Work during the quarter focused on regulatory and other issues and preparations for the company's next financing, before re-commencing field work later in the year.

Yours sincerely

MINCOR RESOURCES NL



DAVID MOORE
Managing Director



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

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