MINCOR RESOURCES NL

(ACN 072 745 692)

HALF YEAR FINANCIAL REPORT
31 December 2002

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mincor Resources NL and the entities it controlled at the end of, or during, the half year ended 31 December 2002.

DIRECTORS

The following persons were directors of Mincor Resources NL ("the Company") during the whole of the half year and up to the date of this report:

Name	Particulars
DJ Humann	Non-Executive Director and Chairman
DCA Moore	Managing Director
RG Wadley	Non-Executive Director
JW Gardner	Non-Executive Director
IF Burston *	Non-Executive Director
WJ du Plessis	Alternate Director for R G Wadley

* Mr IF Burston was appointed a director on 9 January 2003 and continues in office at the date of this report.

REVIEW OF OPERATIONS

During the period, the Company's 76% owned Miitel Nickel Sulphide Mine produced 97,794 dry metric tonnes at an average nickel grade of 3.99%, to produce 3,510 tonnes of nickel-in-concentrate (2,668 tonnes attributable to the Company).

The Company's 76% owned Wannaway Nickel Sulphide Mine produced 91,101 dry metric tonnes of ore at an average grade of 3.65% for 2,993 tonnes of nickel-in-concentrate (2,275 tonnes attributable to the Company).

During the period the Miitel Joint Venture repaid $19.31 million of the project debt finance facility ($14.68 million attributable to the Company).

In January 2003 the Company announced that the Miitel Joint Venture had repaid a further $6.8m of the project debt finance facility ($5.17m attributable to the Company) thus extinguishing the project debt.

Exploration drilling continued throughout the period, with considerable success. The Company announced an Indicated and Inferred Mineral Resource for North Miitel of 252,800 tonnes at 3.9% nickel. The North Miitel ore body is owned by the Miitel Joint Venture, in which the Company has a 76% interest.

In October 2002 Tethyan Copper Company Limited (76% owned controlled entity) raised $586,100 by way of a rights issue and share placements. The Company contributed $500,000 to this capital raising. The Directors are currently proceeding with a view to listing the Tethyan Copper Company Limited during calendar year 2003.

ROUNDING OF AMOUNTS

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

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

DCA Moore
Director

PERTH

14 February 2003

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For the Half Year Ended 31 December 2002

	Note	CONSOLIDATED 31 December 2002 A$'000	31 December 2001 A$'000
Revenue from Ordinary Activities		38,185	23,502
Mining contractor costs		(11,991)	(6,196)
Ore tolling costs		(4,497)	(3,116)
Royalty expense		(2,128)	(1,179)
Employee benefit expense		(1,260)	(659)
Borrowing cost expense		(973)	(1,298)
Exploration costs provided for or expensed		(805)	(418)
Depreciation and amortisation expense		(6,490)	(3,579)
Other expenses from ordinary activities		(2,352)	(1,940)
Profit from ordinary activities before income tax expense		7,689	5,117
Income tax expense		(2,845)	(1,918)
Net profit		4,844	3,199
Net loss attributable to outside equity interest		10	-
Total changes in equity other than those resulting from transactions with owners as owners		4,854	3,199

	Cents	Cents
Earnings per share	2.9¢	1.8¢
Diluted earnings per share	2.6¢	1.8¢

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2002

	Note	CONSOLIDATED 31 December 2002 A$'000	30 June 2002 A$'000
Current Assets			
Cash assets		16,294	16,909
Receivables		9,821	15,949
Inventory		65	309
Prepayments		54	187
Other	1, 8	1,982	-
Total Current Assets	6	28,216	33,354
Non-Current Assets			
Receivables		229	229
Investments		306	306
Property, plant and equipment		23,581	26,866
Development properties		2,407	2,390
Exploration and evaluation expenditure		7,909	7,661
Borrowing establishment costs		799	1,098
Other non-current assets		147	34
Total Non-Current Assets		35,378	38,584
TOTAL ASSETS		63,594	71,938
Current Liabilities			
Payables		13,118	16,070
Interest bearing liabilities		6,894	17,908
Tax Liabilities		7,976	3,614
Provisions		174	273
Other	1,8	1,982	-
Total Current Liabilities	6	30,144	37,865
Non-Current Liabilities			
Interest bearing liabilities		240	4,679
Deferred tax liabilities		2,972	4,351
Provisions		457	252
Total Non-Current Liabilities		3,669	9,282
TOTAL LIABILITIES		33,813	47,147
NET ASSETS		29,781	24,791
Equity			
Contributed equity	5	18,303	18,243
Reserves		889	889
Retained profits		10,160	5,306
Total parent equity interest		29,352	24,438
Outside equity interest in controlled entities		429	353
TOTAL EQUITY		29,781	24,791

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half Year Ended 31 December 2002

	Note	CONSOLIDATED 31 December 2002 A$'000	31 December 2001 A$'000
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		47,526	24,291
Payments to suppliers and employees (inclusive of GST)		(26,841)	(13,407)
		20,685	10,884
Interest received		264	268
Other revenue		42	15
Interest paid		(1,297)	(1,548)
Income tax paid		(4)	-
Net Cash Inflow from Operating Activities		19,690	9,619
Cash Flows from Investing Activities			
Payments for acquisition of mine properties		-	(7,909)
Payments for property, plant and equipment		(1,944)	(1,022)
Payments for mine development		(2,159)	(1,111)
Payments for exploration, evaluation and development expenditure		(910)	(450)
Payment to Debt Service Reserve Account	3	-	(3,040)
Payment to Deferred Payment Reserve Account	3	-	(2,280)
Proceeds from sale of property, plant and equipment		-	13
Net Cash (Outflow) from Investing Activities		(5,013)	(15,799)
Cash Flows from Financing Activities			
Proceeds from issues of shares		146	-
Repayment of borrowings		(15,388)	(3,040)
Proceeds from borrowings		-	7,980
Payments for borrowing costs		(50)	(437)
Net Cash Inflow/(Outflow) from Financing Activities		(15,292)	4,503
Net Increase (Decrease) in Cash Held		(615)	(1,677)
Cash at the Beginning of the Reporting Period		13,869	9,529
Cash at the End of the Reporting Period	3	13,254	7,852

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2002

NOTE 1
Basis of Preparation of Half Year Financial Report

This general purpose financial report for the interim half-year reporting period ended 31 December 2002 has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2002 and any public announcements made by Mincor Resources NL during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Change in Accounting Policy for Specific Foreign Exchange Hedge Commitments

Specific hedging is undertaken in order to avoid or minimise the 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, together with subsequent 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 Statement of Financial Position each reporting period and result in an equal and offsetting hedge asset and hedge liability being recognised.

The above policy was adopted with effect from 1 July 2002 to comply with the revised standard AASB 1012 – Foreign Currency Translation, released in November 2000 and applicable for the first time this financial period. In previous periods under the accounting policy disclosed in note 1(e)(iii) of the 30 June 2002 annual financial report, no amounts have been brought to account as offsetting hedge asset and hedge liabilities in respect of any gains or losses arising from changes in exchange rates prior to the date of purchase or sale. Prior to the adoption of the revised standard, the net gain or loss on foreign exchange hedge contracts was not recorded in the Statement of Financial Position, but rather, disclosed in a note to the financial statements

As a result of this change in accounting policy, a hedge asset representing “Hedge book asset” and a hedge liability representing “Deferred gain on hedge book” were recognized for the first time, both totaling $1,982,000 as at 31 December 2002 ($2,630,000 respectively as at 30 June 2002). No adjustment has been made against retained profits at 1 July 2002. This change in accounting policy has no impact on the Statement of Financial Performance in the current year, or for future reporting periods.

NOTE 2
Segment Information

The consolidated entity operates predominantly in the mining industry and principally within the geographical areas of Australia, Africa, South West Pacific, and Pakistan.

Geographic segment information is as follows:

	Australia $'000	Africa $0'000	South West Pacific $'000	Pakistan $'000	Consolidation $'000
i) 2002					
Revenue from operating activities	37,543	-	-	-	37,543
Interest revenue	264	-	-	-	264
Other revenue	352	26	-	-	378
Total revenue	38,159	26	-	-	38,185
Consolidated entity operating profit/(loss) after income tax	4,829	21	(6)	-	4,844
ii) 2001		-			
Revenue from operating activities	23,224	-			23,224
Interest revenue	278	-	-	-	278
Other revenue	-	-	-	-	-
Total revenue	23,502	-	-	-	23,502
Consolidated entity operating profit/(loss) after income tax	3,239	-	(3)	(37)	3,199

NOTE 3
Cash Assets

Cash assets are reconciled to Cash at the End of the Reporting Period as shown on the Consolidated Statement of Cash Flows as follows:

	CONSOLIDATED	
	31 December 2002 A$'000	31 December 2001 A$'000
Cash Assets	16,294	13,172
Less: Debt Service Reserve Account	(3,040)	(3,040)
Deferred Payment Reserve Account	-	(2,280)
Balance per Consolidated Statement of Cash Flows	13,254	7,852

Under the terms of the bank finance facility provided by Bank of Western Australia Limited and Bank of Scotland to fund the Company's 76% share of the Miitel Joint Venture's acquisition of assets, the Company has established a Debt Service Reserve Account of $3,040,000. This account is required to be held in reserve for the period of the facility to be available only to fund the Company's interest and principal repayment obligations. (Refer Note 7).

NOTE 4
Investments in Controlled Entities

Tethyan Copper Company Limited

On 28 June 2000, the Company incorporated the Tethyan Copper Company Limited via an initial capital subscription of $400,000. The purpose of this entity is to pursue mineral exploration.

During the year ended 30 June 2001 the Tethyan Copper Company Limited raised a further $1,285,000 by the issue of 12.85 million Tethyan Copper Company Limited shares to seed investors to fund the Reko Diq Project. As a result of this issue the Company owned 75.6% of the Tethyan Copper Company Limited.

In October 2002 the Tethyan Copper Company Limited raised a further $586,100 by the issue of 1,953,667 fully paid ordinary shares. Mincor Resources NL received 1,666,667 of these fully paid ordinary shares at a total cost of $500,000. As a result of this issue the Company now owns 76% of the Tethyan Copper Company Limited.

Under the terms of the initial issue of these Tethyan Copper Company Limited shares, the seed investors had the right, under certain conditions, to exchange their shares in the Tethyan Copper Company Limited for an equal number of shares in the Company between 1 January 2002 and 31 March 2002. This exercise period has subsequently been extended from 31 March 2002 to 31 December 2003.

NOTE 5
Contributed Equity

	CONSOLIDATED	
	31 December 2002 A$'000	31 December 2001 A$'000
Movements in Issued and Paid Up Capital		
Opening Balance	18,243	18,243
Issue of Shares	60	0
Closing Balance	18,303	18,243

Movements in Ordinary Share Capital 2002	No of Shares	Issue Price	$'000
Opening Balance	169,080,005		18,243
Share issue upon exercise of unlisted options with an exercise price of 20 cents per share	300,000	$0.20	60
	169,380,005		18,303

NOTE 6
Working Capital Position

At 31 December 2002 the Company has a net current asset deficiency of $1,928,000, consisting of total current assets of $28,216,000 less total current liabilities of $30,144,000. This deficiency arises as a direct result of the quarterly debt repayment schedule inherent in the project debt finance facility provided by Bank of Western Australia Limited and Bank of Scotland to fund the acquisition of the Company's 76% share of the Miitel Joint Venture's assets.

The Total Current Liabilities balance at 31 December 2002 of $30,144,000 includes project debt finance which will be funded from the Company's operating cashflow to be generated over the twelve month period from 1 January 2003 to 31 December 2003.

NOTE 7
Events Occurring After Reporting Date

On 28 January 2003 the Miitel Joint Venture participants extinguished the remaining balance of the project debt finance facility by way of a final debt repayment of $6.8 million ($5.17 million attributable to Company). As a result of the project debt being extinguished, the balance of the Debt Service Reserve Account totalling $3,040,000 was released to the Company.

In February 2003 the Company issued 3,000,000 fully paid ordinary shares in exchange for 3,000,000 fully paid ordinary shares and 6,000,000 options in Tethyan Copper Company Limited, pursuant to a Put and Call Option Agreement. (Refer Note 4)

NOTE 8
Foreign Exchange and Commodity Contracts

The net fair value of foreign exchange and commodity contracts held as at the reporting date were:

	31 December 2002 $'000	30 June 2002 $'000
Forward foreign exchange contracts	1,982	2,630
Futures commodity contracts	(11,684)	(17,359)
	(9,702)	(14,729)

As disclosed in Note 1, the net fair value of forward foreign exchange contracts of $1,982,000 was recognised in the Consolidated Statement of Financial Position at 31 December 2002. The net fair value on commodity contracts at 31 December 2002 has not been recognised in the Consolidated Statement of Financial Position.

DIRECTORS' DECLARATION

The Directors of Mincor Resources NL declare that the financial statements and notes set out on pages 3 to 9:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, and

(b) there are reasonable grounds to believe that Mincor Resources NL will be able to pay its debts as and when they become due and payable.

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

DCA Moore
Director

PERTH

14 February 2003

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Independent review report to the members of Mincor Resources NL

Matters relating to the electronic presentation of the review report

This review report relates to the interim financial report of Mincor Resources NL (the Company) for the financial half-year ended 31 December 2002 included on Mincor Resources NL's web site. The Company's directors are responsible for the integrity of the Mincor Resources NL web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the interim financial report identified below. It does not provide any assurance on any other information which may have been hyperlinked to/from the interim 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 reviewed interim financial report to confirm the information included in the reviewed interim financial report presented on this web site.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report, set out on pages 3 to 10 is not presented in accordance with:

- the Corporations Act 2001 in Australia, including giving a true and fair view of the financial position of Mincor Resources NL and the Mincor Resources Group as at 31 December 2002 and of its performance for the half-year ended on that date
- Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the half-year ended 31 December 2002 is the responsibility of the directors of Mincor Resources NL. It includes the financial statements for Mincor Resources NL (the Company) and for the Mincor Resources NL Group (the Group), which incorporates Mincor Resources NL and the entities it controlled during the half-year ended 31 December 2002.

PRICEWATERHOUSECOOPERS

The auditor's role and work

We conducted an independent review of the financial report in order for the Company to lodge the financial report with the Australian Securities & Investments Commission. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Group's financial position, and its performance as represented by the results of its operations and cash flows.

The review procedures performed were limited primarily to:

- inquiries of company personnel of certain internal controls, transactions and individual items
- analytical procedures applied to financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit and review work, we were engaged to undertake other services for the Group. In our opinion the provision of these services has not impaired our independence.

PricewaterhouseCoopers

PricewaterhouseCoopers

NM Henry

NM Henry
Partner

Perth, Western Australia
14 February 2003