

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2001



HIGHLIGHTS

- ✓ *Continued steady production at Miitel Nickel Mine, together with start-up production from Wannaway Nickel Mine, culminated in record quarterly nickel-in-concentrate production of 1,936 tonnes attributable to Mincor. This was despite a slower than budgeted production ramp-up at Wannaway.*
- ✓ *Geotechnical and other resource estimation studies were completed for the old Redross Nickel Mine, leading to the generation of the first Reserve estimate for Redross (announced 21 January 2002) and lifting Mincor's attributable contained nickel metal in Reserves by 11,700 tonnes.*
- ✓ *The first of Mincor's scheduled debt repayments was made, amounting to \$3.04 million and reducing outstanding project finance debt by 10%.*
- ✓ *Intensive nickel exploration was underway throughout the quarter. 1,467 metres of air core and 469 metres of reverse circulation percussion drilling was completed by 31 December 2001.*
- ✓ *Global events caused delays in Mincor's planned AIM listing of its 75.6%-owned subsidiary, the Tethyan Copper Company Limited.*

1. MINING OPERATIONS, KAMBALDA (Mincor 76%)

1.1 Production, Grade, Revenue and Costs

	Miitel	Wannaway	Attributable to Mincor
Ore Tonnes Mined (DMT)	46,671 tonnes	20,510 tonnes	51,057 tonnes
Ore Tonnes Treated (DMT)	45,021 tonnes	20,510 tonnes	49,803 tonnes
Average Nickel Grade (%)	4.88	3.13	
Nickel-in-Concentrate Sold	1,980 tonnes	567 tonnes	1,936 tonnes
Copper-in-Concentrate Sold	181 tonnes	90 tonnes	206 tonnes
Cobalt-in-Concentrate Sold	37 tonnes	15 tonnes	40 tonnes
<i>Sales Revenue* (A\$)</i>	<i>13,613,000</i>	<i>3,938,000</i>	<i>13,339,000</i>
<i>Direct Operating Costs** (A\$)</i>	<i>5,325,000</i>	<i>3,376,000</i>	<i>6,613,000</i>
<i>Indirect Costs*** (A\$)</i>	<i>1,296,000</i>	<i>432,000</i>	<i>1,313,000</i>
<i>Operating Surplus (A\$)****</i>	<i>6,992,000</i>	<i>130,000</i>	<i>5,412,000</i>

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

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

*** *Indirect Costs – royalties, interest charges.*

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

1.2 Mining Progress - Miitel

Steady production continued at Miitel, with nickel-in-concentrate at quarter-end some 110 tonnes above budget for the quarter.

Ore development continued on the 278m and 302m levels, and the orebody was accessed on the 326m level.

Stoping continued on the 230m, 254m, 278m and 302m levels, with ore exposures generally in line with or better than expectations.

A significant upgrade to the mine's ventilation system was carried out as budgeted, with the installation of a larger fan and associated surface facilities.

1.3 Mining Progress - Wannaway

Ore production commenced towards the end of October, with strike driving of the orebody on the 410m and 542m levels. Driving of these levels is now essentially complete and they are being prepared for flat-back stoping operations. Strike driving has also commenced on the 389m and 494m levels.

Ore exposures to date have been broadly in line with expectations. However, ground control issues have caused delays and additional dilution along the strike drives. This has had an impact on both production and grade. Together with early delays experienced in the start-up phase, the result has been an under-performance against budget (equivalent to a delay of about two months), with a nickel-in-concentrate shortfall of nearly 900 tonnes.

The Company's rapidly growing understanding of the orebody, together with refinements to the mining technique and continuous improvement in operator experience, is expected to produce a greatly enhanced result for the March quarter.

1.4 Health, Safety and the Environment

We regret to report that a lost time incident occurred towards the end of December at Wannaway, when a Jumbo operator was struck on the hand by a small rock while working at the drive face. A full investigation has been carried out and its recommendations implemented.

2. EXPLORATION – NICKEL (Mittel/Wannaway Tenements, Mincor 76%)

2.1 Near-Mine Extensional Exploration

Limited follow-up drilling to the good intersections previously reported from below the Wannaway ore body was carried out. The drilling served to close off the possible extensions to the orebody in the southward direction, but the mineralisation remains open at depth and, to a limited degree, to the north.

2.2 Evaluation of Known Resources

Geotechnical and other studies were completed during the quarter on the old Redross mine. The mineral resource was re-estimated, and a first reserve estimation completed. This was announced on 21 January 2002, as follows:

<i>Indicated Resource</i>	<i>312,895 tonnes @ 5.19% nickel</i>
<i>Inferred Resource</i>	<i>32,359 tonnes @ 3.29% nickel</i>
<i>Total Resource</i>	<i>345,254 tonnes @ 5.01% nickel</i>

The resource estimate was based on the following key parameters:

- 1% nickel cut off;
- no minimum width;
- estimation by ordinary kriging;
- triple accumulation (i.e. width x specific gravity x grade); and
- depletion for mined voids.

All data was based on diamond drill core.

From this Resource, the following Reserve has been estimated:

Probable Reserve ***483,654 tonnes @ 3.19% nickel***

The Reserve parameters are derived from the detailed pre-feasibility study previously completed by Mincor, and include:

- US\$3/lb nickel price, 0.6 US\$/A\$ exchange rate;
- 1.5 metre true minimum mining width;
- half upper stoping throughout;
- decline for access;
- mining costs similar to Miitel but assuming some shared human resources;
- Selection of stoping blocks at a minimum cut-off of 1.8% nickel.

2.3 Early Stage Exploration

Exploration focussed primarily on the Miitel block of tenements where a programme of air core, reverse circulation and diamond drilling commenced. In addition, evaluation of the newly acquired Wannaway block began in earnest following receipt of a wealth of previous exploration data for the area.

Air core drilling began in early December. Magnetic anomalies along known and postulated Basal Contact zones beneath Lake Zot were drilled in order to precisely locate the contact position in preparation for deeper RC or diamond drilling. A total of 47 air core holes for 1,467 metres of drilling was completed over ten traverses, testing five target areas. This drilling confirmed the presence of the Basal Contact on all tested targets.

Percussion drilling commenced in mid-December, testing a number of magnetic targets as well as the EM targets and extensions to known mineralisation at Anomaly A.

By 31 December 2001, a total of 479 metres had been drilled, comprising one hole in each of the two EM targets (MRC001 and MRC002) and two holes at Anomaly A (MRC003 and MRC004), as tabled below:

Hole No.	MGA Easting	MGA Northing	Azimuth	Inclination	Depth
MRC001	372690	6496300	270 deg.	-60 deg	132 m
MRC002	372600	6496300	270 deg.	-60 deg	66 m
MRC003	372295	6496830	270 deg.	-60 deg	90 m
MRC004*	372860	6497075	270 deg.	-60 deg	181 m

** In progress, target depth is 300 metres*

Drill results suggest that a thin pyrite-rich cherty sediment may be responsible for the EM anomalies. However, MRC002 did intersect 6 metres @ 0.68% Ni from 35 metres, including 1 metre at 0.975% Ni.

This intersection occurs within an ultramafic unit just above the Basal Contact; its presence is encouraging and warrants follow-up.

MRC003, drilled along strike from part of the known mineralisation at Anomaly A, returned 1 metre at 0.3% nickel from 77 metres, 4 metres beneath the Basal Contact. The area is structurally complex however and further drilling and down-hole geophysical surveys are required.

Intensive early-stage exploration work on the Miitel and Wannaway tenements continues. Given the large number of highly prospective targets, drill-testing will be ongoing and will take place intermittently throughout the remainder of the financial year.

3. EXPLORATION – OTHER EXPLORATION PROPERTIES

3.1 Western Australia

Mincor's Tramways Exploration Licence Application was approved (Mincor 100%). The Licence covers 182 km² of Archaean greenstone sequences considered prospective for nickel sulphide and gold mineralisation. It is located 35 km northeast of Norseman and approximately 40 km southeast of Miitel, and covers the postulated southward extension of the Boulder-Lefroy fault, a major regional feature associated with gold mineralisation at Kalgoorlie's Golden Mile. In the western portion of the licence ultramafic lithologies in contact with footwall basalts are present and may be prospective for nickel sulphide orebodies.

Five contiguous Prospecting Licence Applications ("PLA's") and one Exploration Licence Application ("ELA") were submitted during the quarter.

The PLA's are situated immediately to the west of the Tramways Licence and cover an area of 8.8 km², increasing exposure to the postulated southward extension of the Boulder-Lefroy fault.

The ELA covers a small area (approximately 11 km²) prospective for nickel and gold mineralisation in the Mount Monger area, approximately 30 km southeast of Kalgoorlie.

3.2 Imweru Licence, Tanzania

Advanced stage negotiations for the farm-out of Mincor's interest in this licence are currently underway.

3.3 Bankole Licence, Guinea

Planning for drilling of this project by Joint Venture partner, Compagnie Miniere Atlantique SA (CMA), is at an advanced stage as per the Joint Venture Agreement.

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

The terrorist attacks on the United States of America, and subsequent "war on terrorism" in Afghanistan, led to delays in Mincor's plans for the listing of the Tethyan Copper Company Limited ("TCC"). However, it now seems clear that Pakistan will emerge from these events as a stronger and more stable country than it was before, and with enhanced international prestige and support.

Mincor intends therefore to re-commence, without delay, the process of listing TCC. If successful this will provide the finance for the next stage of development of the substantial copper resources at the Reko Diq project.

Yours sincerely
MINCOR RESOURCES NL

BRIAN LYNN
Company Secretary

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

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