

28th January 2000

The Company Announcements Officer
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Via Facsimile: 1 300 300 021

Dear Sir/Madam

**QUARTERLY REPORT FOR THE PERIOD ENDING
31st DECEMBER 1999
FOR MINCOR RESOURCES NL (“MINCOR”)**

HIGHLIGHTS

- *Drilling during December 1999 confirmed the presence of high grade epithermal gold mineralization at Mincor’s Sabeto Licence in Fiji.*
- *Field work at the Bankole Licence, Guinea, during October and November 1999 confirmed the existence of a large, high-quality gold-in-soils anomaly.*
- *Mincor’s exploration programmes for the Quarter were completed as planned and on budget. Exploration expenditure incurred (including business development) was \$203 000, versus a budget of \$200 000.*
- *The Completion of Mincor’s transaction with Iscor, for the purchase of exploration assets in Tanzania, was delayed. Completion is now expected to take place during February.*
- *During the quarter, and following a change in name, administration, board and management, Mincor re-established itself in the Australian market as an active and well-funded exploration company.*
- *Plans for the coming quarter are dictated by the rainy season in the South Pacific and the Completion of the Tanzanian purchase: Mincor will take advantage of the rainy season to intensify business development activities in gold and base metals both in Australia and offshore, but plans also to drill the exciting Geita Project in Tanzania – provided Completion occurs before late February.*

1 SABETO PROJECT (FIJI, MINCOR 100%)

During December 1999 Mincor carried out a limited drilling programme at Banana Creek on its Sabeto Special Prospecting Licence. Banana Creek lies less than an hours drive from the international airport at Nadi. It is two kilometres north and east of the Tuvatu gold resource currently held by Emperor Mines Ltd. Banana Creek has excellent regional and local exploration characteristics – its location makes it the “mirror image” of Tuvatu, on the opposite contact of a porphyritic intrusion and controlled by the same regional structure. Previous work by Pan-Continental and later Iscor found evidence of a low-sulphidation epithermal gold system, with 55 selected rock chip samples over an area of 1400m by 400m returning an average of 6.2g/t gold. Systematic soil sampling has revealed a gold-in-soils anomaly approximately 800m long by 200m wide at the 0.1g/t gold level.

The aim of Mincor’s drilling programme was to confirm that these excellent geological and geochemical indications were the result of a genuine epithermal gold system and not merely some form of localised surface enrichment.

With an intersection of 23.4g/t gold over approximately 40cm in a classic Fijian-style quartz-sulphide vein (Discovery Hole BCDH-4; intersected from 32.65m to 33.05m down-hole), Mincor has demonstrated that high grade epithermal mineralisation is present at Banana Creek. The vein, where intersected, is unoxidised, indicating that the grade is primary and not the result of supergene enrichment. The vein has chemical and mineralogical similarities to veins at Tuvatu and the nearby eight million ounce Vatukoula gold mine.

Mincor’s expectation is that this vein would be one of a number that pinch and swell along the strike of the anomalous zone, and in places coalesce in unpredictable fashion to form very high grade bonanza zones. Their depth extension is likely to be considerable (Banana Creek is 200m higher in elevation than Tuvatu on the other side of the intrusion; and the Vatukoula “epithermal” system extends to depths greater than a kilometre).

The all-up cost of Mincor’s December drilling programme was \$107 000 compared to the budget of \$115 000.

Mincor’s next round of drilling, tentatively planned for the end of the rainy season in about May, will be aimed at confirming this hypothesis with a denser pattern of reverse circulation percussion drilling. During the coming quarter Mincor will carry out petrographic studies of the core and apply its new drillhole information to re-mapping portions of the target zone.

2 BANKOLE PROJECT (GUINEA, MINCOR EARNING 80%)

The Bankole project is situated in upper Guinea about 600 km north-east of Conakry. The tenement is 125 square kilometres in area and covers Birimian sedimentary rocks of the gold-rich Man Shield of West Africa. The tenement contains numerous old hard rock and alluvial gold workings.

Previous work had focused on a detailed examination of a number of these old workings. However during the quarter attention shifted to a large and coherent gold-in-soils anomaly that had been defined by regional sampling during 1998. This anomaly was outlined by 90 of 964 soil samples and defined, at the 20ppb gold level, a zone of gold enrichment extending over five lines, or 10km. The peak of the anomaly, present on two lines, was more than two kilometres long.

Mincor's aim during the quarter was to confirm the integrity of this anomaly and, if warranted, better define the anomaly with additional sampling. This work was successfully carried out during October and November 1999.

A detailed geological survey of the regolith was done and infill sampling along lines 400m apart was completed, with the collection and analysis of 599 samples. The local gold workings were surveyed and a photogeological analysis carried out.

This work demonstrated that the Bankole Licence contains a high quality gold target. The gold anomalism is developed in a heavily lateritised soil profile which is covered in several places by younger alluvial material, some of which hosts placer gold. Artisanal miners are exploiting supergene enriched gold zones as well as placer gold in a number of locations.

Mincor's infill sampling confirmed the presence of the gold anomaly with a strike length of five kilometres. The anomaly is outlined by 224 samples grading above 50ppb on 13 adjacent grid lines spaced about 400m apart. Six soil samples assayed above 1g/t gold, with a peak of 3.58g/t.

The outline of the anomaly is disrupted in two places by overlying alluvial sediments. The southern half of the anomaly is the richest and most coherent and coincides with a major regional structure that trends through the Siguiiri Mining District 50km to the north east. Several dozen alluvial gold workings are present in channels which drain this southern portion. The anomaly remains open to the south.

Against a budget of \$46 000, Mincor completed the exploration programme at a cost of \$40 000.

Mincor believes Bankole to be a high quality gold target with excellent potential for a near-surface resource of supergene gold enrichment in the laterite. The next step will involve about 4000m of RAB drilling to test the laterite and delineate the subsurface mineralisation. Depending on progress elsewhere, this is tentatively planned for the first quarter of the next financial year.

3 OTHER EXPLORATION LICENCES

Vanuatu – Webe Creek (Mincor 75%) and Tafuse (Mincor 100%) – These adjacent Licences lie on the island of Esperitu Santo. Nine epithermal alteration systems with surface gold anomalies have been identified, three of which are ready to be drilled. Mincor believes these targets have excellent potential for multiple bonanza-grade epithermal veins within trucking distance of a single plant. No field work will be possible until the end of the rainy season (April/May).

Ghana – Winneba (Mincor withdrawn from JV) – During the quarter Mincor completed a field examination of the Winneba Licence. The regional gold anomalies derive from narrow shear zones in the Coastal Granites. There is no evidence that a significant resource could be present. Mincor accordingly withdrew from the joint venture in November. Quarterly expenditures were \$11 200 against a budget of \$23 000.

Ghana – Nangodi Project (Mincor 100%) – Following a data review the company has decided that although there remains untested targets and the likelihood of a small gold resource, Nangodi would be of more value to a company already operating in Ghana. Mincor is therefore seeking joint venture funding for this project.

Fiji – Koroinasolo and Tabia (Relinquished) – Desk reviews were carried out during the quarter. It was concluded that these outlying licences, both on the island of Vanua Levu, are not areas on which to focus, especially in the light of the excellent drill results from Sabeto (which is on the main island of Viti Levu). Consequently Mincor has relinquished both licences.

4 CORPORATE AND BUSINESS DEVELOPMENT

Following the board, management and name changes outlined in the previous Quarterly report, Mincor has re-established itself as an active exploration company and one of the few Australian companies with the cash, the projects and the will to pursue gold exploration.

Mincor continues to seek final Completion of its transaction with Iscor. This transaction covers the purchase by Mincor of a suite of exploration assets in Tanzania and Uganda. The transaction has been delayed by events in Tanzania as well as regulatory requirements. However it is expected that Completion will occur during February 2000.

During the quarter a business development strategy was prepared and emplaced. Six opportunities were reviewed in detail, covering both gold and base metals, of which two were rejected and four remain under consideration.

5 THIRD QUARTER KEY OBJECTIVES

The board has set the following key objectives for the company during the third quarter:

- To complete the Iscor transaction with the final purchase of the East African gold assets;
- Contingent on this, to drill the Geita Project, a drill-ready and highly prospective Licence in the Geita Greenstone Belt, less than 50 km from the huge gold resources which have been discovered at Geita, Nyamululima Hill, and Ridge Eight;
- Also contingent on the Iscor transaction, to rationalise where necessary, and extend where possible, Mincor's holdings in Tanzania in order to build up a strong, high quality exploration portfolio in this new and rapidly developing gold province.
- To take advantage of the South Pacific rainy season to intensify business development activities. These will be focused on acquiring producing or near production assets in gold or base metals and on developing exposure to major base metal plays in Australia or offshore.

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 activity being reported on. This report accurately reflects the information compiled by that member.