

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2003



HIGHLIGHTS

- ✓ The Miitel and Wannaway Mines both completed one year free of Lost Time Incidents – an outstanding achievement and a tribute to all on site.
- ✓ Both mines recorded steady nickel production, as Wannaway moved beyond its originally projected mine life and the southern part of the Miitel ore body revealed substantial additional ore potential.
- ✓ Continued exploration success – latest results include another high-grade intersection from the south end of North Miitel – 9.69% nickel over 2.04 metres in MDD18W1.
- ✓ Significant mineralisation discovered below the Redross ore body – Mincor's drill intersection indicates that the mineralised system continues at depth beyond all previous expectations.
- ✓ Mincor's Nickel Expansion Strategy is proceeding rapidly, with particularly significant advances at the Redross, Mariners and North Dordie nickel projects.
- ✓ A new leached cap discovered during field mapping by Mincor's subsidiary, the Tethyan Copper Company Ltd – a possible indicator of a new zone of supergene-enriched copper at this world-class copper resource.

1. MINING OPERATIONS, KAMBALDA (Mincor 76%)

1.1 Production, Grade, Revenue and Costs

	Miitel	Wannaway	Attributable to Mincor
Ore Tonnes Mined (DMT)	55,029 tonnes	43,892 tonnes	75,180 tonnes
Ore Tonnes Treated (DMT)	54,530 tonnes	42,934 tonnes	74,073 tonnes
Average Nickel Grade (%)	4.17	3.16	-
Nickel-in-Concentrate Sold	2,041.3 tonnes	1,199.4 tonnes	2,462.9 tonnes
Copper-in-Concentrate Sold	196.0 tonnes	117.5 tonnes	238.3 tonnes
Cobalt-in-Concentrate Sold	40.3 tonnes	23.7 tonnes	48.6 tonnes
Sales Revenue* (A\$)	15,716,000	8,516,000	18,417,000
Direct Operating Costs** (A\$)	8,057,000	5,520,000	10,319,000
Indirect Costs*** (A\$)	1,127,000	634,000	1,338,000
Operating Surplus (A\$)****	6,532,000	2,361,000	6,758,000

* Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price – incorporates a 15% discount to the average monthly nickel price on the unhedged metal, as per Mincor's accounting policy. 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 southern part of the Miitel ore body shows indications of providing unexpected and substantial additions of nickel sulphide mineralisation. Underground drilling and Mincor's growing understanding of the structural complexity in this area has led to the identification of

several new ore zones, all of which appear to contain the high-tenor mineralisation that has been a feature of Miitel's NO1 ore body to date. Mining has already commenced in some of these areas.

Stoping continued on the main NO1 ore body on the 254, 287, 302, 326, 350 and 374 levels, as well as on the adjacent lower grade NO2 ore body on the 180 and 374 levels. A feasibility study has commenced, examining the options of accessing newly delineated mineralisation on the NO2 ore body on the 254 to 278 levels. Access was achieved to the NO5 ore body at the south end of Miitel, revealing better than expected ore widths.

Development to access the northern end of the Miitel ore body progressed, with the decline advancing towards the 285 level. Driving of the 235 and 260 levels is progressing satisfactorily. The 210N ventilation drive was completed on schedule.

Development of the 370 South drill drive continued. This will provide access for underground drilling of any southern extensions to the ore body. This drilling will commence during May.

1.3 Mining Progress - Wannaway

In mid-April Wannaway reached the end of its original 18-month mine life. However extensional exploration successes, an overall positive ore reconciliation factor, and a slightly lower than budgeted production rate, has resulted in a significant increase in mine life, which is now expected to extend out for an additional six months. This is over and above the potential mining of the lower grade Southern Lobe, which is currently the subject of a feasibility study under Mincor's Nickel Expansion Strategy.

The hedging that was put in place to satisfy debt financing obligations for Wannaway, and which was established at the comparatively low price of A\$10,300 per tonne, has now terminated. This means that all future production from Wannaway will be exposed to the spot price of nickel.

Extraction of the uppermost 389 level was completed. Long-holes were used to mine the final blind stope and this resulted in higher levels of dilution than planned, and contributed to Wannaway's overall lower grade for the quarter.

Crown pillar mining of the 410 level was completed, achieving a high mining recovery and low dilution. Crown pillar mining of the 431 and 452 levels is in progress. The 431 level hanging wall developed stability problems, resulting in additional dilution, which also contributed to Wannaway's lower quarterly grade. The hanging wall has since been stabilised and mining is progressing satisfactorily. Flatback stoping continued on the 473, 494, 515 and 542 levels.

The 570 level, the lowermost level in the mine, and a significant ore extension which was discovered by Mincor shortly after acquiring Wannaway, was accessed. The strike drive along this level continued for twice the planned length due to the unexpected continuation of moderate grade material. Flatback stoping operations will commence shortly.

1.4 Health, Safety and the Environment

Both Miitel and Wannaway achieved one full year free of Lost Time Incidents over the Easter Weekend. This is the first time Wannaway has achieved this distinction, and the second time in just over two years for Miitel. This is a great achievement and a resounding tribute to the dedication and professionalism of all those on site.

2. NICKEL EXPANSION STRATEGY (Miitel/Wannaway Tenements, Mincor 76%)

Work continued on all five projects comprising Mincor's Nickel Expansion Strategy:-

North Miitel – Mine planning studies took a back seat as exploration drilling continued. Drilling was particularly focused on southward extensions to the new ore body, that is extensions closer to the existing underground infrastructure at Miitel. This strategy has been most successful, as detailed in the exploration section below.

Mariners – During the quarter pumping test work commenced, together with trial re-injection of the mine water into the overlying underground aquifer from whence the water is derived. The test work is ongoing but has suggested water inflow rates of 35 litres/second – in line with expectations. Good re-injection rates of up to 10 litres/second from a single hole were achieved into the aquifer, but the sustainability of such rates has not been established. The feasibility study continues.

Redross – Re-optimisation of the feasibility study for Redross is nearing completion. Recent exploration drilling has indicated a high probability of significant extensions to the currently planned three-year mine life. Work during the quarter focused on the final detailed aspects of the mining method and costing thereof, and de-watering of the shaft commenced. A formal decision regarding the development of this project is expected within a short period.

North Dordie – The detailed feasibility study on the potential open pit at North Dordie is all but complete. The geology has been re-interpreted from previous drill records, a new resource has been calculated, confirmation drilling of a portion of the resource has been completed, and a Whittle open pit optimisation exercise has been carried out. Geotechnical studies are complete, and a programme of drilling for geohydrological studies has been done. Work continues.

Wannaway ‘Southern Lobe’ – This project is aimed at defining the feasibility of profitably mining the lower grade material that will remain at Wannaway once mining of the original ore reserve is complete. Underground drilling is currently underway, focused on better delineating the lower portions of the resource, while the decision to mine two exploration strike drives along the Southern Lobe has already been taken. Mining of the footwall access for these strike drives is underway, aimed at intersecting the resource on the 392 and 360 levels during May.

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

Exploration drilling continued throughout the quarter at North Miitel with additional holes at Redross and the Talisker prospect:-

North Miitel

Drilling focused on extending the North Miitel mineralisation southwards, as any ore in the area between Miitel and North Miitel will reduce the capital development costs required for the mining of the North Miitel resource.

This strategy has had considerable success, with the definition of a narrow channel of mineralisation intersected over some 250m of strike so far. Though not all of the intersections are of ore tenor, the continuity of the channel is encouraging and the evident structural complexity indicates further opportunity. On the evidence to date the southern part of the channel appears to be the high-grade portion, with the latest hole (MDD18W1) recording among the highest nickel grades yet intersected at North Miitel:-

MDD18W1 – 2.04 metres at 9.69% nickel from 420.77 metres down hole (calculated using a 1% nickel cut-off, true width approximately 1.1 metres)

This hole intersected the Basal Contact approximately 375 metres north of the Miitel ore body and 60 metres south of the excellent intersection achieved in MDD13 (2.5 metres at 6.7% nickel down hole).

This sulphide channel has now been intersected in the following drill holes (moving from north to south): 1354; MDD21; MDD17; MDD17W1; MDD13; and MDD18W1 – a total indicated strike length of 250 metres. It remains open to the south, where the nearest hole along strike, MDD14 (previously reported) failed to intersect significant mineralisation. However drilling in the area between MDD14 and MDD18W1 is planned.

In addition to the work at the south end, further drilling was completed at the north end of North Miitel. This has tended to indicate that the mineralisation closes off north of the

currently defined extent of the Indicated Resource, though another pod of mineralisation may continue northwards of DRD1523W1.

The results of all the holes drilled at North Miitel during the Quarter are presented in Table 1 below. Intersection positions are shown in the attached long section.

Hole ID	Width of intersection (down-hole)	Nickel grade	Depth of intersection (down-hole)	Total hole depth
MDD13	2.50 metres at	6.70% from	422.23 metres	464.9 metres
MDD14	NSI	NSI	NSI	363.0 metres
MDD15W1	3.51 metres at	4.82% from	612.43 metres	657.0 metres
MDD16	0.37 metres at	7.50% from	611.06 metres	
and	1.06 metres at	7.37% from	619.94 metres	659.0 metres
MDD16W1	2.58 metres at	1.54% from	578.00 metres	
and	1.42 metres at	2.37% from	593.00 metres	629.8 metres
MDD17	1.84 metres at	2.39% from	454.65 metres	485.0 metres
MDD17W1	3.00 metres at	1.25% from	436.00 metres	480.1 metres
MDD18	NSI	NSI	NSI	462.0 metres
MDD18W1	2.04 metres at	9.69% from	420.77 metres	450.0 metres
MDD21	3.80 metres at	2.20% from	471.00 metres	
Including	2.00 metres at	3.18% from	472.00 metres	510.1 metres

NSI = No Significant Intersection

Redross

As previously reported, diamond hole MDD20 achieved the following intersection:

5.25 metres at 2.56% nickel from 542 metres down hole, including
1.25 metres at 4.68% nickel from 546 metres down hole.
 (calculated using a 1% nickel cut-off, true width about 4.8 metres)

This intersection lies 200m down plunge of the previously interpreted extent of the main N01 ore body and 50 metres beyond the previously known extent of the lower grade N10 ore body.

This result is highly significant, demonstrating that the mineralisation at Redross remains open at depth, contrary to previous interpretations. It is a striking confirmation of the exploration concepts developed by the Mincor team and suggests that the Redross Mine, likely to be the next ore body mined by Mincor, could be substantially bigger than expected.

Talisker Prospect

Tantalising results were obtained from drilling north of the Wannaway Mine, a target area that has been named the Talisker Prospect. Diamond hole WDD2 was based on new concepts regarding the orientation of the sulphide channel at Wannaway, and was targeted on an aeromagnetic anomaly located 500 metres north of Wannaway. The hole intersected massive sulphides (mainly pyrite and pyrrhotite) at the basal contact, returning an intersection of 1.34% nickel over 0.33 metres. These sulphides are associated with thin sediments on the basal contact, but the presence of nickel and other disseminated sulphides within overlying ultramafics is considered encouraging. A down-hole electro-magnetic survey was completed and indicates an off-hole conductor at a deeper level to the south. This will be followed up with further drilling in due course.

A second new hole (WDD3), drilled immediately north of the N01 ore body, failed to intersect significant mineralisation.

3. EXPLORATION – OTHER EXPLORATION PROPERTIES

No significant work was carried out on Mincor's other exploration licences during the quarter.

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

Regional scale field mapping was completed on the Reko Diq Project on both the Western Extension License and the Reko Diq License. An area of 2,500 square kilometres was mapped at 1:50,000 and 1:100,000 scale. Field checking of 31 colour anomalies identified on Landsat satellite imagery was completed and several new areas of alteration were verified in the field.

Leached capping was identified on portions of the Bukit Pashir prospect, which lies within the Reko Diq License, indicating potential for enriched copper mineralisation at shallow depths. In addition, transported copper mineralisation was identified coating alluvial gravels over the prospect, with selected samples assaying as high as 12% copper. The alteration at Bukit Pashir covers a large area of approximately 2km x 2km. This new discovery lies only a few kilometres north of the main Reko Diq system, where over 4 million tonnes of contained copper metal and 9.5 million ounces of gold have already been identified in indicated and inferred resources - making Reko Diq one of the world's largest undeveloped copper resources.

Yours sincerely

MINCOR RESOURCES NL



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The information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Richard Hatfield, and Robert Hartley, both persons who are Members of the Australasian Institute of Mining and Metallurgy and who have more than five years experience in the field of the activity being reported on. This report accurately reflects the information compiled by those members.



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