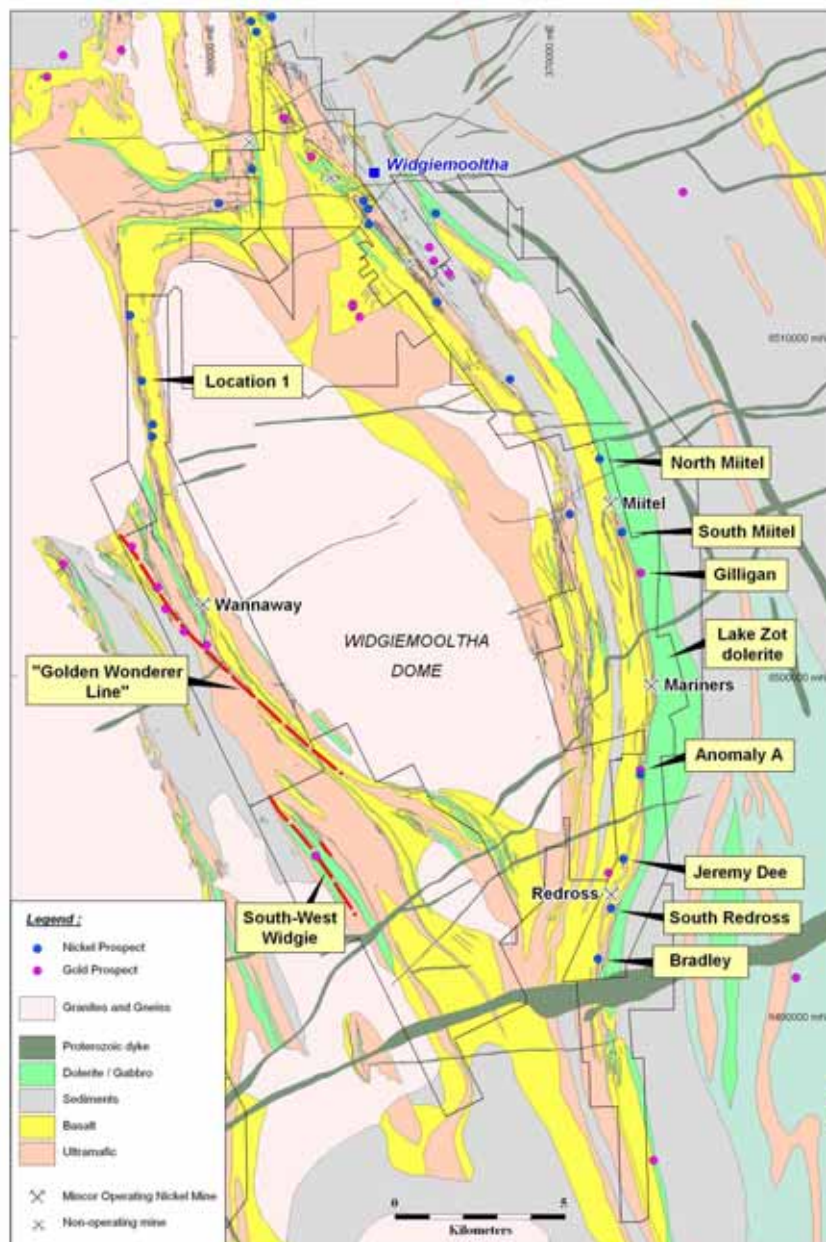


QUARTERLY HIGHLIGHTS

- Strong quarterly production of **2,900 tonnes nickel in concentrate** – up 80% on previous quarter.
- Record quarterly operating surplus of **\$17.7 million**, on record quarterly revenues of **\$34.7 million**.
- December 31st net working capital position: **\$15.5 million**.
- Mincor's third mine, Redross, continues successful production ramp-up.
- Mincor's fourth mine, Mariners, becomes operational in early January 2005.
- Exploration success south of Miitel, follow-up drilling underway.
- Major nickel and gold exploration drilling programme commencing with 3 drill rigs.
- Mine-site accommodation village under construction.

EXPLORATION TARGETS SCHEDULED FOR DRILLING DURING MARCH QUARTER



MINING OPERATIONS, KAMBALDA (Mincor 100%)

Production, Grade, Revenue and Costs – December Quarter

	Miitel ⁽¹⁾	Wannaway	Redross ⁽²⁾	Mariners	Total
Ore Tonnes Mined (DMT)	69,974	15,771	16,720		102,465
Ore Tonnes Treated (DMT)	72,757	17,068	16,687		106,512
Average Nickel Grade (%)	3.48	1.98	2.50		
Nickel-in-Concentrate Sold	2,256.3	273.3	370.9		2,900.5
Copper-in-Concentrate Sold	210.6	30.9	26.8		268.3
Cobalt-in-Concentrate Sold	42.1	6.8	6.6		55.5
<i>Sales Revenue* (A\$)</i>	<i>26.73m</i>	<i>3.61m</i>	<i>4.41m</i>		<i>34.75m</i>
<i>Direct Operating Costs** (A\$)</i>	<i>9.22m</i>	<i>2.65m</i>	<i>2.87m</i>		<i>14.74m</i>
<i>Indirect Costs*** (A\$)</i>	<i>1.77m</i>	<i>0.22m</i>	<i>0.27m</i>		<i>2.26m</i>
<i>Operating Surplus (A\$)****</i>	<i>15.74m</i>	<i>0.74m</i>	<i>1.27m</i>		<i>17.75m</i>
Capital & Development Costs (\$)	3.08m	0.38m	0.95m	2.52m	6.93m
Costs Per Pound Payable Nickel					
<i>Payable Nickel Produced (lbs)</i>	<i>3,233,255</i>	<i>391,636</i>	<i>531,496</i>		<i>4,156,387</i>
<i>Mining Costs (A\$/lb)</i>	<i>1.60</i>	<i>4.20</i>	<i>3.47</i>		<i>2.08</i>
<i>Milling Costs (A\$/lb)</i>	<i>0.73</i>	<i>1.42</i>	<i>1.02</i>		<i>0.84</i>
<i>Ore Haulage Costs (A\$/lb)</i>	<i>0.13</i>	<i>0.27</i>	<i>0.17</i>		<i>0.14</i>
<i>Other Mining/ Admin (A\$/lb)</i>	<i>0.39</i>	<i>0.88</i>	<i>0.74</i>		<i>0.57</i>
<i>Royalty Cost (A\$/lb)</i>	<i>0.55</i>	<i>0.56</i>	<i>0.51</i>		<i>0.54</i>
<i>By-Product Credits (A\$/lb)</i>	<i>(0.27)</i>	<i>(0.33)</i>	<i>(0.23)</i>		<i>(0.27)</i>
Cash Costs (A\$/lb Ni) - Quarter	3.13	7.00	5.69		3.91

⁽¹⁾ "Miitel" includes development costs for North Miitel.

⁽²⁾ Redross – Costs incurred during ramp-up phase at Redross are not indicative of on-going production costs.

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

** Direct Operating Costs – mining, milling, ore haulage, administration.

*** Indirect Costs – royalties and net finance costs.

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

Operational Changes Prove Their Worth – Further Improvements To Come

The Quarter saw further improvements in costs and productivities, as well as total production, as the operational changes implemented in July continued to bear fruit. A major positive development was the start of the construction of Mincor's mine-site accommodation village, after extensive bureaucratic and political delays. Once operational (estimated mid-February) the village will bring about significant additional productivity, safety and cost benefits, the latter conservatively estimated at \$500,000 per month. It will also greatly improve the living and working conditions of Mincor's workforce.

Mining Progress - Miitel

Miitel achieved an outstanding performance during the Quarter, with a new record Quarterly mined tonnage of 69,974 tonnes, surpassing the previous record of 59,800 tonnes.

Nickel grades were higher than for the previous two quarters, as the high-grade crown pillars were extracted at the 374 and 396 Levels. Nickel grades for the March Quarter are expected to be around the 2.8% level.

Mechanised stoping operations continued on the 254, 260, 278, 303, 285, and 380 Levels, using both flatback and longhole methods. Crown pillar extraction was successfully completed on the 350 and 374 Levels, and commenced on the 396 Level. Airleg mining of narrow ore positions was completed on the 180H, 206H, and 278S Level, and commenced on the 260L and 302S Levels.

Mining Progress – Redross

Development and production proceeded in line with plan, with ore production now approaching the 10,000 tonnes per month mark. The production ramp-up will continue over the next few months, with stoping operations (as opposed to strike driving on ore as at present) to commence in the March Quarter.

Decline development progressed to below the 12 Level. This allowed access to the orebody on the 11 Level and the 11A Sublevel.

Ore strike driving proceeded on the 7, 8, 9, 10 and 11 Levels, with a total of 375 metres of ore development achieved for the Quarter. Exposures of ore seen to date are in line with expectations, and confirm the continuity of the orebody on these levels.

Mining Progress - Wannaway

Mining operations continued satisfactorily at Wannaway. The extraction of the lower-grade long-hole stoping blocks has now been completed, and the operational focus has shifted to selective extraction of remnant ore blocks. As a result, production ore tonnages will decline but grades will rise.

In the Southern Lobe, airleg stoping continued on the 378 and 362 Levels. Strike-driving of the 342 Level commenced, with modest results to date. However, this drive will be extended to the south, where higher grades are projected up-dip from the 362 level. Long-hole stoping was completed on the 352 Level, and also on the 835/840 Levels at the bottom of the N01.

Elsewhere on the N01 ore zone, remnant mining and work to provide access to additional remnant ore, was carried out on the 960, 935, 910, 885, 880 and 870 Levels. Access to test the lower margin of the N01 is under excavation at the 820 level.

Health, Safety and the Environment

No Lost-time Injuries were recorded for the Quarter at any of Mincor's Kambalda operations or new mine developments. Development of the safety management system continued. Several initiatives aimed at further enhancing the safety culture were implemented.

DEVELOPMENT PROJECTS, KAMBALDA (Mincor 100%)

North Miitel Ore Body

The development of the twin declines required to access the North Miitel ore body continued, with a total of 332 metres of advance achieved. Development is now very close to the N14 Orebody (part of North Miitel), and underground drilling is about to commence in order to provide further detail for mine planning purposes. Production from North Miitel will commence during the March Quarter.

Mariners Nickel Mine

The de-watering and rehabilitation of Mariners Mine proceeded exceptionally well, with all major technical hurdles now overcome. The mine achieved operational status in mid-January, and ore production will start, on schedule, before the end of January. The mine will ramp up to full production of 15,000-20,000 tonnes ore per month over the next several months.

As at mid January, the water level had been pumped to 420 metres below surface. A second pump-station was installed during the Quarter, in the lower part of the decline. This will form part of the long term pumping infrastructure for the mine. Water inflow rates have stabilised at around 50 litres/second, considerably less than previously expected. The currently installed mine pumping capacity is 80l/s, and the final installed pumping capacity will be in excess of 110l/s, giving the mine very substantial excess pumping capacity.

At mid-January, the escape-way rise to the surface, which was backfilled with waste rock when the mine was closed in 1999, had been cleared, and re-installation of ladders in the upper portion is proceeding. The successful re-establishment of this essential item of infrastructure is an important milestone, and will allow stoping operations to commence on schedule. The main ventilation fan was installed underground and is operational. Limited enlargement of some rises in the ventilation system is underway, as per budget. Mine offices and other surface infrastructure are in place, underground and surface communication systems have been installed, and all key operational staff appointed.

At the current date, the upper two levels of the N07 Orebody have been exposed, and inspection indicates that ground conditions are considerably better than expected. An unexpected bonus has been the discovery of un-mined ore at the northern and southern ends of the upper strike drive (the ends of the lower strike drive have not yet been inspected). This suggests the likelihood of an immediate addition to ore reserves in these areas. Check-scaling and rehabilitation work on these two strike drives has commenced, after which the drives will be continued to the ends of the ore body and a cemented pillar laid in preparation for the commencement of stoping operations.

The third level of the 07 orebody will be exposed within days, and this process will continue over the next two months as the water level in the decline retreats. Access to all eight existing levels in the 07 ore body is likely to be achieved before the end of the March Quarter.

Initial reviews of the upper (previously mined) levels at Mariners has shown considerable potential for additions to ore reserves in these areas. An un-mined ore pod on the 924 level has been selected for an early investigation of these possibilities, and access development has commenced.

EXPLORATION, KAMBALDA NICKEL DISTRICT (Mincor 100%)

Exploration work during the quarter focused on two main areas of interest – extensional drilling, aimed at the discovery of extensions to existing ore bodies, and regional exploration, aimed at the discovery of new ore bodies.

The regional nickel exploration programme was augmented with a strong gold programme as desk and field studies highlighted the high gold potential of the Widgiemooltha Dome. By quarter-end a series of high quality regional nickel and gold targets had been developed, and drilling of these targets has now commenced.

Drilling of extensional nickel targets, and regional nickel and gold targets, will continue throughout the quarter with between three and five drill rigs operational.

EXTENSIONAL EXPLORATION

Deep diamond drilling at South Miitel has yielded encouraging results with MDD41W3 intersecting 5.37 metres at 3.1% nickel from 745 metres down hole (true width of intersection approximately 4.1 metres). The hole was drilled as a follow-up to an earlier intersection of 1 metre at 3.3% nickel in MDD41W2. The nature of the mineralisation intersected (massive-matrix-disseminated within a high-MgO content ultramafic) indicates a normal fertile ore environment. Another wedge hole (MDD41W4) is now underway to test up-dip of MDD41W2 and W3.

A third hole (MDD45W1), drilled to test for the presence of a separate mineralised surface at depth, failed to intersect sulphides on the basal contact at that position.

Apart from South Miitel, Mincor's prime extensional drill targets are northward extensions to North Miitel, southwards and down-plunge extensions to Redross, parallel lode structures at Redross (the West Vein, Jeremy Dee), and plunge and strike extensions to the 07 and 08 ore bodies at Mariners. The Company is reviewing the availability of additional drill rigs with a view to accelerating the rate of drill testing of these highly prospective areas.

REGIONAL EXPLORATION

Widgie Nickel

Limited drilling supplemented a strong focus on regional data collection during the quarter. This included regional-scale gravity surveys, ultra-detailed aeromagnetic surveys, and litho-geochemical analyses using Mincor's extensive regional database, as well as sophisticated computer modeling of the contact positions around the dome.

This work has provided new insights into the regional geology and has led to the development of new target areas. During the March Quarter these surveys will be expanded to cover additional areas, but the main focus will shift to drill-testing of the numerous nickel sulphide targets that have been developed. Targets scheduled for immediate drilling (see map page 1) include:

- **Anomaly A:** Drilling to start immediately. Known mineralised nickel system, depth extensions to be targeted.
- **A-M Contact Zone:** Drilling to commence after Anomaly A. Targets along the contact position between Anomaly A and Mariners Mine.
- **Bradley Prospect:** Known mineralised nickel system. Depth extensions targeted.
- **Location One:** Known mineralised system. Open to north and south and at depth. Possibly extends to Location Two, one kilometre to south.
- **Rona, Blacksmith, Anomaly C:** New gravity targets along the prospective Miitel contact and its structural repetitions. Detailed structural, litho-geochemical, and geophysical work underway, to be followed by drilling.
- **Dordie Contact:** Geochemically prospective contact amenable to rapid testing with percussion drilling.
- **M-M Contact Zone:** Highly prospective double contact zone between the Miitel and Mariners Mines – deep drilling using magnetic, electromagnetic and down-hole litho-geochemical vectors.

Widgie Gold

In parallel with the nickel programme, Mincor is about to commence drilling on a suite of gold targets. These were identified in a recently completed review of the gold potential of the Company's tenements.

Mincor's review of the gold database has revealed a very considerable gold endowment. Numerous high quality gold drill intersections are present, with over 400 drill holes on Mincor's tenements having intersected mineralisation in excess of 1g/t gold, even though only one in four historical drill holes were assayed for gold.

Mincor has constructed detailed fluid pathway models that coincide with the presence of primary gold in structural traps and predicted areas of low strain around the Widgiemooltha Dome. Many conceptual targets, such as the intersection of these gold-bearing fluid pathways with highly favourable host rocks (eg: Lake Zot Dolerite), have never been tested.

Regional sources of gold may be identified in the regional scale detachment shear zones that appear to have introduced mineralisation to the gold camps at Higginsville and Norseman, via structural splays of the type identified on Mincor's tenements.

Mincor's database has also revealed the presence of five well-defined gold soil anomalies, none of which have been adequately tested. Significantly, much of the area is covered by transported younger material, which is not amenable to the soil sampling methods used by previous explorers, and hence remains entirely untested for gold.

Scheduled for immediate drilling are the following gold prospects (see map page 1):

- **Anomaly A:** Drilling to start immediately. Existing high grade gold intersections to be tested with rapid percussion drilling – potential for bonanza-style underground ore body.
- **Gilligan Prospect:** Strong gold intersections along geological contact zone. Untested at depth and along strike. Untested intersection of fluid pathways with Lake Zot Dolerite.

- **Miitel Mine:** High grade gold intersections in footwall basalt. Potential for bonanza-style gold deposit adjacent to existing mine infrastructure.
- **Golden Wonderer Line and Southwest Widgie:** RAB drill testing of extensive soil gold anomaly with numerous mineralised drill intersections;
- **Dordie Rocks:** Additional soil sampling and RAB drill testing of open soil anomaly in structurally favourable low strain zone around an intrusive body, with mineralised drill intersections;

Generative gold work will continue to focus on structural studies to fully define fluid pathways through the Widgiemooltha Dome, with additional soil sampling and extensive RAB drilling. This work is expected to lead to ongoing gold exploration drilling throughout 2005.

Summary of drill holes completed during the December Quarter.

DRILLHOLE NAME	PROJECT	COLLAR MGA E	COLLAR MGA N	COLLAR AZIMUTH	COLLAR INCLINATION	TOTAL DEPTH
MDD41W2	South Miitel	372514*	6504094*	-	-	774
MDD041W2	South Miitel	372514*	6504094*	-	-	780.4
MDD44	Blacksmith	366768	6513181	-60	045	345
MDD045W1	South Miitel	375218*	6504094	-67.9	277	852.5
MRC16	East Rhona	369350	6509584	-60	225	250.35
MRC17	East Rhona	369435	6509666	-60	225	198
MRC18	East Rhona	369527	6509505	-60	225	93
MRC19	East Widgie (Au)	371888	6508989	-60	270	100
MRC20	East Widgie (Au)	371984	6508989	-60	270	200
MRC21	East Widgie (Au)	371668	6509821	-60	225	100
MRC22	East Widgie (Au)	371426	6510100	-60	225	200
MRC23	East Widgie (Au)	364814	6511498	-60	180	94
MRC24	East Widgie (Au)	366712	6511651	-60	035	138

* Collar position of parent hole.

CORPORATE MATTERS

Current Hedging Arrangements

In line with its strategy of maintaining maximum exposure to the nickel price while securing a minimum level of protection against adverse price movements, Mincor has sold forward a total of 6,444 tonnes of payable nickel metal to December 2006, at an average price of A\$16,570 per tonne. This represents approximately 30% of Mincor's budgeted production over that period.

This hedging is distributed as follows:

- January '05 to June '05: 330 tonnes of nickel per month at a price of A\$16,637/tonne;
- July '05 to December '05: 312 tonnes of nickel per month at a price of A\$16,428/tonne;
- January '06 to June '06: 316 tonnes of nickel per month at a price of A\$16,506/tonne.
- July '06 to Dec '06 116 tonnes of nickel per month at a price of A\$16,950/tonne

Cash and Debt

As at 31 December Mincor had cash and receivables of \$34.15 million and creditors and accruals of \$18.69 million, giving a net working capital position of \$15.46 million.

Drawings under the CBA Revolving Facility stood at \$5.5 million at 31 December, but this had been reduced to \$1.5 million by early January.

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 or supervised by Richard Hatfield and Jim Reeve, 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.



Corporate Details

Principal & Registered Office:
 Level 1, 1 Havelock Street
 West Perth WA 6005 Australia

Share Registrar Enquiries:
 Computershare Investor Services Pty Ltd
 GPO Box D182, Perth WA 6840
 Email: perth.services@computershare.com.au
 Telephone: (61 8) 9323 2000
 Facsimile: (61 8) 9323 2033

Mincor Resources NL

Postal Address:
 PO Box 1810
 West Perth WA 6872 Australia

Email: mincor@mincor.com.au
 Website: www.mincor.com.au
 Telephone: (61 8) 9321 7125
 Facsimile: (61 8) 9321 8994
 ABN: 42 072 745 692
 ASX Code: MCR