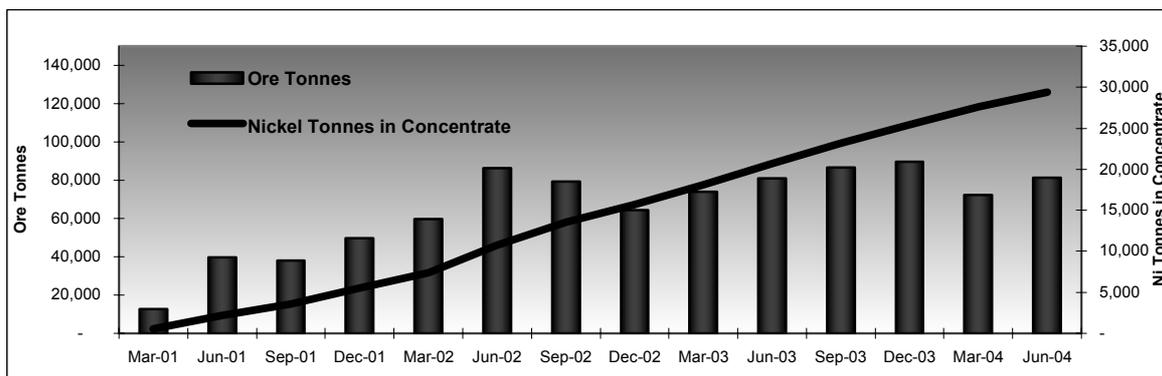


## QUARTERLY HIGHLIGHTS

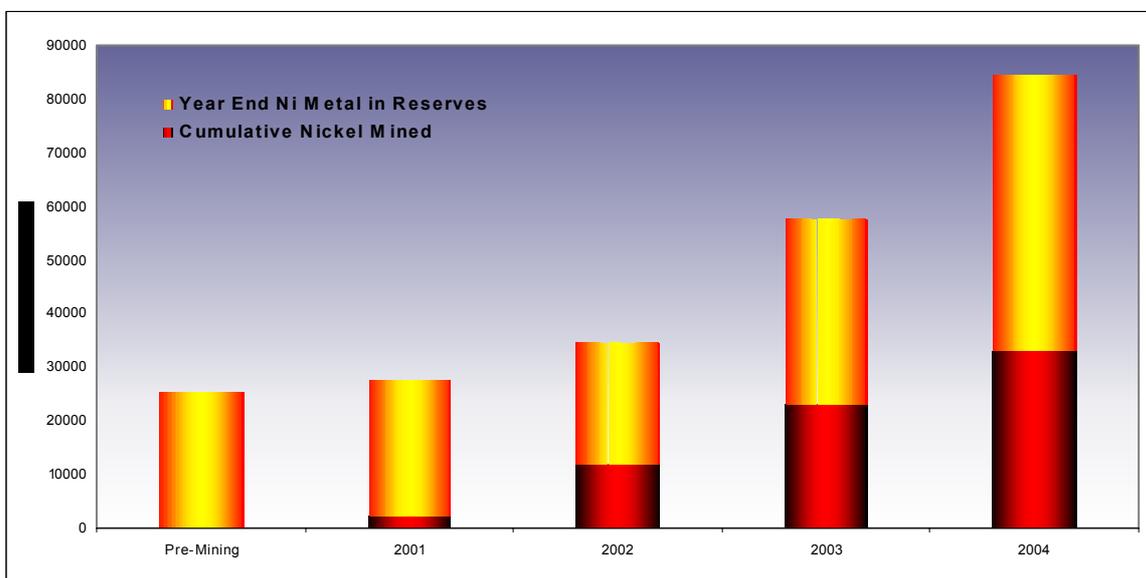
- Strong end to the Financial Year, with likelihood of record full-year net profit after tax of between \$10 and \$11 million. Revenue foregone due to the (now terminated) project finance hedging is estimated at \$15 million.
- Major operational changes successfully implemented at Miitel and Wannaway on 1 July – new mining contractor, new shift structure and new continuous roster system.
- Manpower shortages now largely resolved through implementation of continuous roster processes, allowing access to state-wide skills base.
- South Miitel diamond drill intersection of 1 metre at 3.3% nickel indicates strong likelihood that ore systems continue to South – electro-magnetic follow-up being conducted.
- Exciting drill results from Wannaway, follow-up drilling in progress.
- Good exploration progress at Redross and Jeremy Dee – follow-up drilling planned.
- Excellent progress on all development projects – first ore production imminent from Redross, Mariners de-watering well-advanced, steady progress at North Miitel.

## ATTRIBUTABLE PRODUCTION AND RESERVE GROWTH HISTORY

### Quarterly Ore and Cumulative Nickel Production Since March 2001



### Growth in Reserves Through Exploration, Acquisition and Development since 2001



**Note on Reserves:** The Reserves graphed above represent previously published Reserve figures minus nickel metal produced to end June 2004. On this basis, Mincor's total end-June Reserves are **1.78 million tonnes @ 2.8% nickel for 51,330 tonnes nickel metal**. These figures **do not** represent the results of new reserve estimations for end-June 2004. As such they do not capture additions to ore reserves discovered during the year, most particularly at Miitel, and should therefore be considered an under-estimate. New end-June Reserve estimations are currently being completed (as is Mincor's standard practice) and will be published as soon as they are available.

## MINING OPERATIONS, KAMBALDA (Mincor 100%)

### Production, Grade, Revenue and Costs – June Quarter

	Miitel <sup>(4)</sup>	Wannaway	Redross	Mariners	Total
Ore Tonnes Mined (DMT)	60,103	22,255			82,358
Ore Tonnes Treated (DMT)	58,859	22,057			80,916
Average Nickel Grade (%)	2.74	2.14			
Nickel-in-Concentrate Sold	1,403.6	397.4			1,801.0
Copper-in-Concentrate Sold	134.8	47.8			182.6
Cobalt-in-Concentrate Sold	27.8	8.5			36.3
Sales Revenue* (A\$)	18.62m	5.45m			24.07m
Direct Operating Costs** (A\$)	9.34m	3.61m			12.96m
Indirect Costs*** (A\$)	1.04m	0.36m			1.40m
Operating Surplus (A\$)****	8.23m	1.48m			9.71m
Capital and Development Costs	1.18m	0.06m	2.85m	2.20m	6.29m
<b>Costs Per Pound Payable Nickel</b>					
Payable Nickel Produced (lbs)	2,011,345	569,470			2,580,815
Mining Costs (A\$/lb)	2.70	3.78			2.94
Milling Costs (A\$/lb)	0.95	1.23			1.01
Ore Haulage Costs (A\$/lb)	0.23	0.35			0.26
Other Mining/ Admin (A\$/lb)	0.59	0.98			0.67
Royalty Cost (A\$/lb)	0.55	0.68			0.58
By-Product Credits (A\$/lb)	(0.38)	(0.47)			(0.40)
Cash Costs (A\$/lb) - Quarter	4.64	6.56			5.06

### Full Year Production Summary

	Miitel <sup>(4)</sup>	Wannaway	Redross	Mariners	Total
Ore Tonnes Mined (DMT)	230,858	99,337			330,195
Ore Tonnes Treated (DMT)	229,740	99,784			329,524
Average Nickel Grade (%)	3.19	2.54			
Nickel-in-Concentrate Sold	6,494.0	2,185.3			8,679.3
Copper-in-Concentrate Sold	626.4	238.9			865.3
Cobalt-in-Concentrate Sold	128.8	46.8			175.6
Sales Revenue* (A\$)	63.07m	26.09m			89.16m
Capital and Development Costs	7.95m	0.15m	6.21m	2.59m	16.90m
<b>Costs Per Pound Payable Nickel</b>					
Payable Nickel Produced (lbs)	9,305,837	3,131,513			12,437,350
Mining Costs (A\$/lb)	2.01	3.01			2.26
Milling Costs (A\$/lb)	0.80	1.01			0.85
Ore Haulage Costs (A\$/lb)	0.16	0.25			0.18
Other Mining/Admin (A\$/lb)	0.46	0.70			0.52
Royalty Cost (A\$/lb)	0.49	0.51			0.50
By-Product Credits (A\$/lb)	(0.31)	(0.35)			(0.32)
Cash Costs (A\$/lb) - Full Year	3.61	5.13			3.99
Total Costs (A\$/lb) - Full Year	4.68	5.66			4.93

- (1) "Miitel" includes development costs for North Miitel.
- \* 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.
- Cash Costs – Mining, Milling, Ore Haulage, Mine Administration and Royalties, net of by-product credits, per pound Nickel payable (ie: incorporating smelter costs).
- Total Costs – Cash Costs plus amortization and depreciation.

### **Mining Progress - Miitel**

Mining operations continued from all stoping areas within the mine. Despite numerous challenges relating to manpower shortages and end-of-contract issues, ore tonnes achieved were satisfactory. However the grade was lower than in previous periods as a result of delays in extraction of the remaining high grade crown pillars, and consequent mining in areas of medium grade disseminated ore.

The installation of three large cemented pillars on the 254, 210 and 278 levels was completed on schedule. This will allow for strong production rates over the next 3 to 6 months, though some caution as to the grade is required, due to the risk of dilution in the extraction of the older crown pillars.

Ore development continued on the 254D and 278D ore drives on the NO2S ore body in the upper south part of the mine. Airleg mining contributed small tonnages from the 180H, 206H and 278/06 stoping blocks. Crown pillar extraction was completed on the 372 level and commenced on the 326 level. Elsewhere, mechanized stoping continued normally.

### **Mining Progress - Wannaway**

Mining operations continued as planned, though hampered by manpower shortages and end-of-contract issues as at Miitel.

Selective airleg mining continued from the narrow higher grade ore zones above the 362, 378 and 392 levels of the Southern Lobe, in the upper part of the NO2 ore body.

Stoping of the sediment associated ore was completed from the 550 stope and continued from the 570 stope in the lower levels of the NO2 ore body.

Development continued to explore the sediment associated ore in the lower levels of the NO1 ore body, with advances in the 840 and 822 drives. Portions of the mineralization encountered may be sub-grade, but recent drilling (announced 30 June 2004) indicate the possibility of a significant expansion of mineralization below the NO1 ore body. Surface exploration drilling is underway to test this further.

### **Change of Mining Contract and Other Operational Matters**

As previously indicated, production levels and mining costs were affected over the past six months by manpower shortages related to the residential shift structure employed at Mincor's operations; and by end-of-contract issues related to the looming change of mining contractor. On 1 July Mincor's new mining contractor, Barmenco, took over operations. The change-over was conducted smoothly and with minimal disruption – a tribute to the professionalism of Mincor's site management and both mining contractors. Mincor's outgoing contractor, Clough Engineering Ltd, achieved near-record production for the month of June and contributed greatly to the successful change-over. Mincor thanks Clough for its efforts over the past several years, and wishes the company well for the future.

The parallel change in shift and roster structures also took place smoothly, and these changes will resolve Mincor's manning issues, which are the result of the upsurge in mining activity in the Kambalda region over the past 18 months.

### **Health, Safety and the Environment**

A lost time incident was recorded at Miitel in late June when an operator assisting with vehicle service in the surface workshop slipped and fell, sustaining a suspected fracture. Although Mincor's safety record remains outstanding there is no room for complacency. The Company is six months into a thorough review and overhaul of its safety systems and procedures, and has completed extensive preparations for the roster and contractor changes that have now occurred, as well as gearing up for

substantially expanded operations over the next 6 months. Among other things, a new senior-level safety manager has been appointed, as well as a full-time environmental officer.

## DEVELOPMENT PROJECTS, KAMBALDA (Mincor 100%)

### Redross Nickel Mine

Development of the Redross Nickel Mine continued as planned, with an excellent total of 774 metres of development, including 530 metres of decline advance, during the quarter. Unlike Miitel and Wannaway, Redross has been operating on a continuous shift basis since development commenced, and hence has not suffered from manpower shortages.

The establishment of surface infrastructure is now complete and key technical staff have been appointed. The old workings have been accessed on the 6 and 7 levels and inspection of the old stopes and development have found them to be in excellent condition. Remnant ore above the old 7 level has been intersected in cross cut development, at expected widths and grades.

Decline development has now reached the 8 level, which is the base of previous stoping. Commencement of ore production is imminent, expected in late July or early August.

### North Miitel Ore Body

Development of the twin declines required to access and mine the North Miitel ore body continued during the quarter. Progress slowed due to staffing shortages, requiring the diversion of some resources to production. However the main North Miitel decline advanced 98 metres and the ventilation drive 76 metres. Development rates will pick up strongly in the new quarter, and no delay in accessing the new ore bodies is expected.

### Mariners Nickel Mine

The installation of all pumping infrastructure for the dewatering of Mariners was completed during the quarter, and pumping commenced in mid-May. Drawdown has now reached approximately 140 metres below surface. The rate of advance slowed, as expected, on reaching the level of the first large stopes, and is currently advancing at a rate of approximately 3 vertical metres per 24 hours, which is within the range of budget expectations.

A major milestone was achieved in early July when the water level reached the base of the first stage of the ventilation shaft. This had been backfilled when the mine was closed, and its successful rehabilitation was seen as a key risk area in the re-opening of the mine. The rise is currently being cleared, and with around 80% of the backfill material already removed it is clear that this risk has been eliminated, ensuring access to this key piece of mine infrastructure.

Rehabilitation of the decline is continuing as the water level drops. The decline has been found to be in excellent condition, and some 1,000 metres have now been successfully rehabilitated.

## EXPLORATION, KAMBALDA NICKEL DISTRICT (Mincor 100%)

The Company's exploration strategy has three prime objectives:

- To double existing Ore Reserves through 'extensional' exploration of existing ore bodies;
- To discover a new million-tonne, high-grade nickel ore body through an expanded regional exploration programme around the Widgiemooltha Dome;
- To develop Mincor's regional exploration portfolio in the Kambalda-Norseman region. The Company currently has 100% ownership of 3,000 km<sup>2</sup> of tenements or tenement applications prospective for nickel and gold.

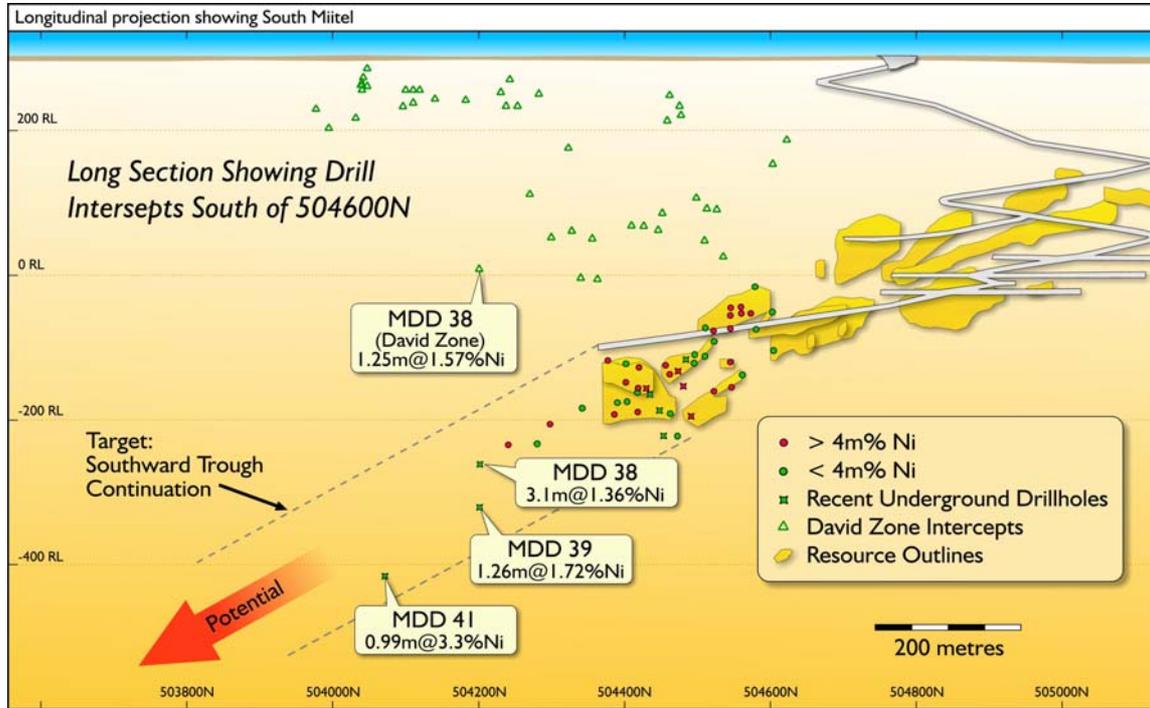
### South Miitel

Following initial success immediately south of current reserves at South Miitel, two holes further to the south failed to intersect significant mineralization, though low grade nickel on the basal contact in both holes suggested that the mineralized system did continue.

However later in the quarter a step-out hole, some 160 metres further down-plunge, intersected a narrow zone of massive sulphides, for which assay results have just been received:

**MDD041: 0.99 metres at 3.30% nickel** from 752.8 metres down-hole (1% nickel cut-off, true width estimated at 0.60 metres).

The geological setting of this intersection is strongly suggestive of the basalt-basalt pinch out zone which typically occurs at the extremities of the Miitel orebodies, indicating that the hole may have intersected the lower or upper part of a mineralized channel. Down-hole electromagnetic surveying is now underway, following which a further hole, likely to be a wedge off the parent hole, will be drilled.



### Wannaway

Outstanding results were achieved from underground drilling at Wannaway (announced 30 June 2004). Two holes encountered wide zones of substantial nickel mineralization down-plunge of the NO1 orebody, only 35 metres below existing mine development.

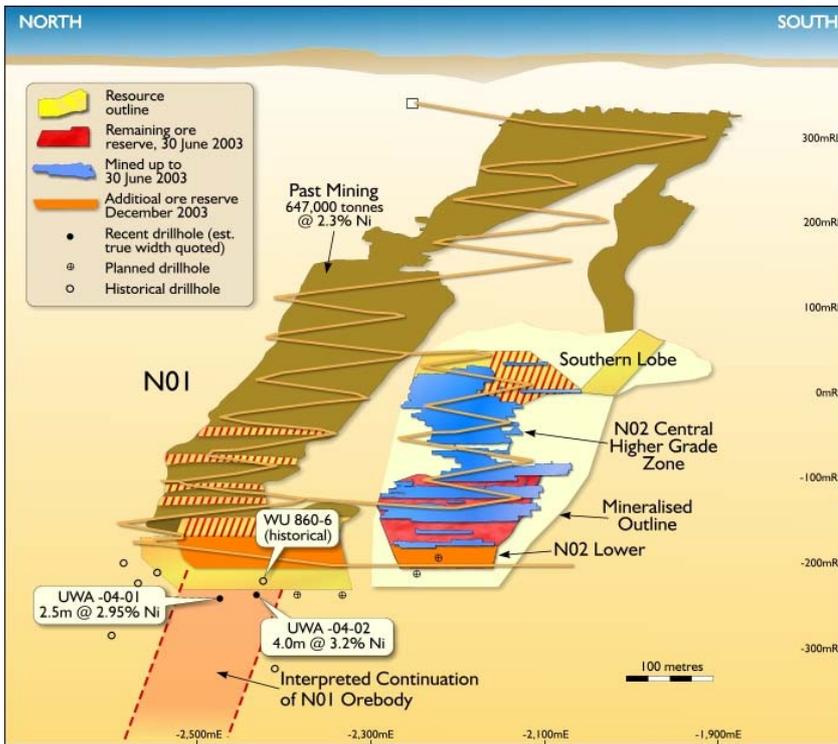
**UWA-04-01: 5.47 metres at 2.95% nickel** (1% nickel cut-off) including **4.99 metres at 3.08% nickel** (1.5% nickel cut-off). True width approximately 2.5 metres, 590 metres below surface; and

**UWA-04-02: 7.14 metres at 3.20% nickel** (1% nickel cut-off). True width is 4.0 metres, 585 metres below surface.

Hole UWA-04-02 terminated in mineralization due to poor ground conditions. A review of historical hole WU860-06 indicates that further ore may be present beneath UWA-04-02 and that mineralization may be developed over a true thickness of over 10 metres. WU860-06 is located above and to the south of UWA-04-02 and intersected a horizontal thickness of 10.48 metres at 2.75% nickel within a sediment free window on the basal contact.

The discovery of continuing mineralization beneath the NO1 ore body indicates that, rather than terminating at depth, the ore body is open ended. This represents an exceptional exploration target along the trend of the channel direction. The new drilling also indicates that the sediment along the basal contact is thinning, providing further evidence that the ore zone may open up at depth. Please see long section below.

A diamond drill hole from surface has now commenced in order to test the possibility of a substantial new extension to the Wannaway ore body. The hole is aimed at a target some 100 metres down-plunge of the intersections reported above, and is expected to reach target depth by the end of July.



### Redross and Jeremy Dee Prospects

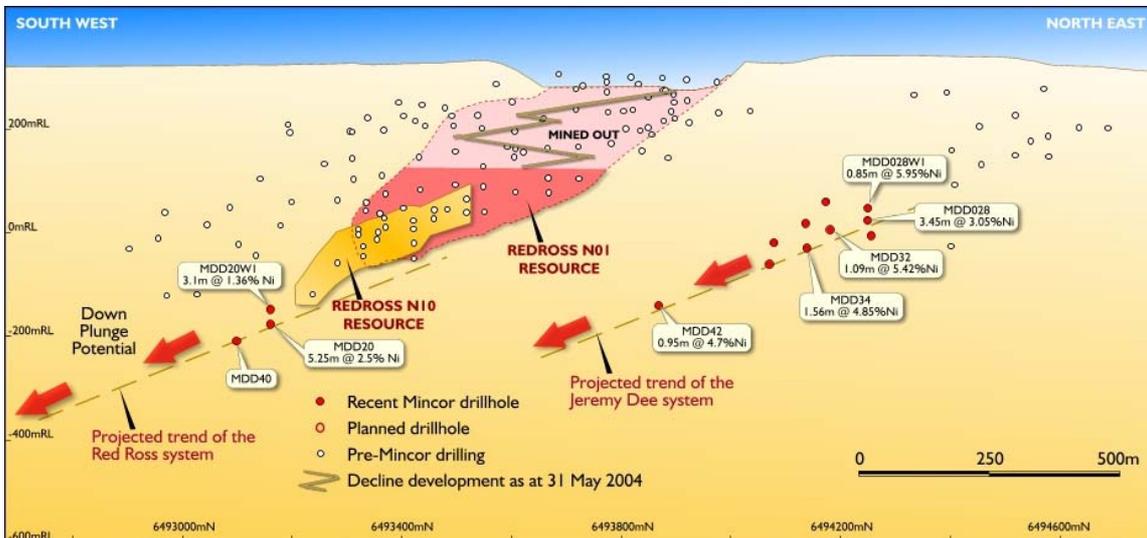
At Jeremy Dee, located just north of Mincor's Redross Nickel Mine, a step-out hole some 200 metres down plunge of previous drilling intersected a narrow zone of high-grade mineralization:

**MDD042: 0.95 metres at 4.70% nickel** (1% nickel cut-off) from 474.4 metres down hole, true width approximately 0.80 metres.

The hole intersected an interpreted upper flanking contact followed by the mineralization in a basalt-basalt pinch-out position, suggesting that possible mineralization associated with the main channel is likely to be up-dip.

Jeremy Dee now has a demonstrated strike length of over 500 metres. Future drilling will test both strike extensions and the up-dip width of the mineralization. Please see the long section below.

The first of a planned fence of holes was completed down plunge of the Redross ore body (MDD040). This intersected low grade mineralization, but a subsequent down-hole electromagnetic survey identified a strong off-hole anomaly in the near vicinity. Further drilling is planned.



### Regional Nickel and Gold Targets

Data collection, compilation and interpretation covering Mincor's extensive holdings around the Widgiemooltha Dome is nearing completion. Numerous high quality targets have been identified for drill testing over the coming months.

### Details of Surface Drill Holes Completed During the Quarter

Details of all surface holes completed during the quarter are tabulated below:

Hole Number	MGA Easting	MGA Northing	Collar Azimuth (degrees)	Collar Dip (degrees)	Total Depth (metres)
MDD038	372455.00	6504252.00	270	-64	687.0
MDD039	372458.82	6504252.79	265	-67	716.0
MDD040	372237.60	6492955.31	288	-71	660.7
MDD041	372514.40	6504094.57	271	-70	774.0
MDD042	372483.30	6493735.82	288	-70	513.5
WDD015	358877.05	6502200.23	058	-70	In progress

## CORPORATE MATTERS

### Full Year Financial Results

Mincor expects to release its audited full-year financial results on or before 26 August 2004.

Provisional and un-audited results suggest that Mincor will achieve a record net profit after tax of between \$10 million and \$11 million for the 2003/4 Financial Year. This is on provisionally estimated sales revenues of \$89 million and earnings before interest, tax, depreciation and amortization (EBITDA) of \$32 million. Revenue foregone due to the 7 months of the financial year that the original project finance hedging was in place is estimated at approximately \$15 million.

### 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 7,010 tonnes of nickel metal to July 2006, at an average price of A\$16,657 per tonne. This represents approximately 33% of Mincor's budgeted production over that period, and is less than 20% of Mincor's current Ore Reserves.

This hedging is distributed as follows:

- July '04 to December '04: 346 tonnes of nickel per month at a price of A\$17,282/tonne;
- January '05 to June '05: 306 tonnes of nickel per month at a price of A\$16,553/tonne;
- July '05 to December '05: 288 tonnes of nickel per month at a price of A\$16,319/tonne;
- January '06 to July '06: 195 tonnes of nickel per month at a price of A\$16,300/tonne.

### Corporate Governance

Mincor has completed an extensive review of its Corporate Governance procedures, and has updated these procedures in order to comply fully with the Ten Essential Corporate Governance Principles and each of the Best Practice Recommendations published by the Australian Stock Exchange Corporate Governance Council. The new procedures are being finalized and will be adopted by Mincor's board on 2 August 2004, after which the procedures will be published on Mincor's website.

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, Robert Hartley, Jim Reeve or Dean Will, 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](mailto: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](mailto:mincor@mincor.com.au)  
Website: [www.mincor.com.au](http://www.mincor.com.au)  
Telephone: (61 8) 9321 7125  
Facsimile: (61 8) 9321 8994  
ABN: 42 072 745 692  
ASX Code: MCR