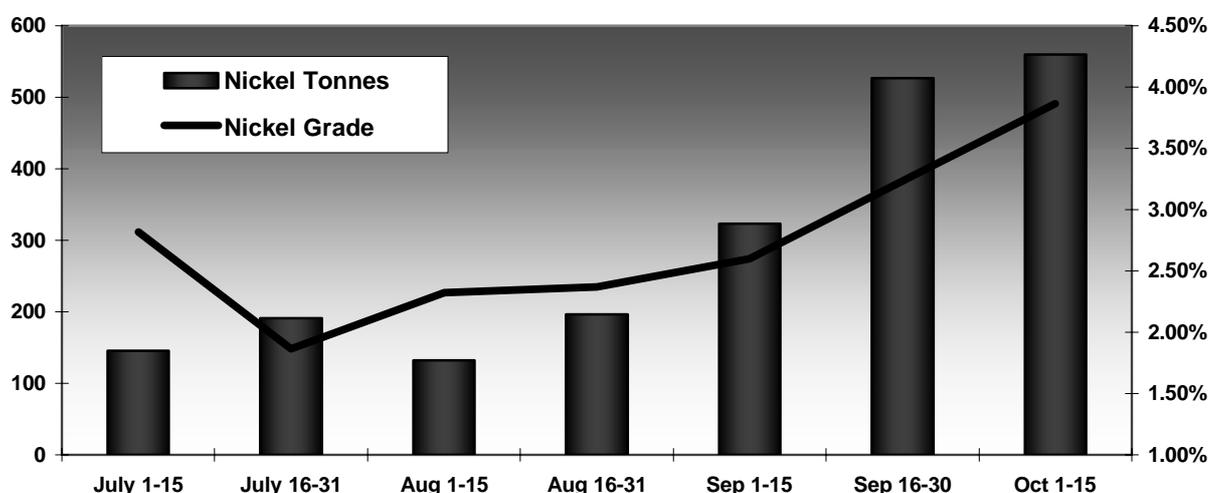


QUARTERLY HIGHLIGHTS

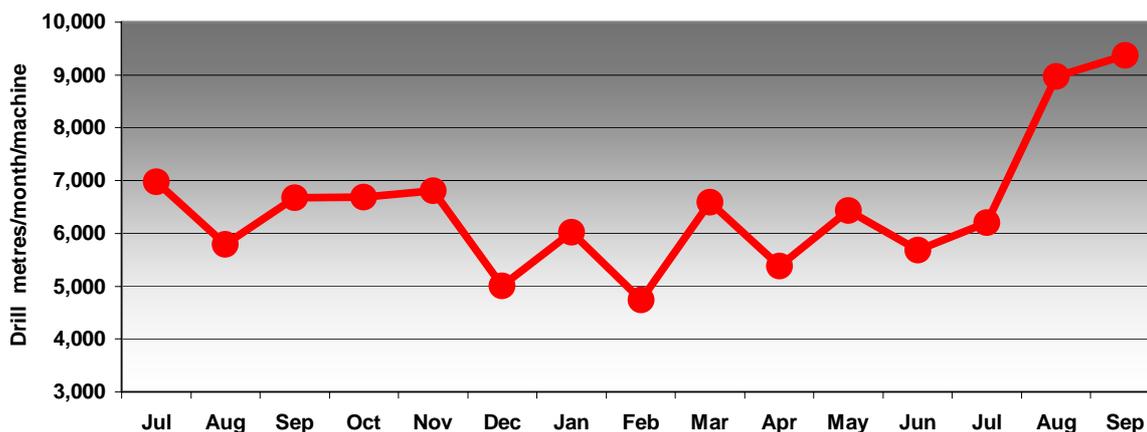
- Major operational changes successfully implemented – cost and productivity improvements achieved.
- Miitel breaks production records in September following ramp-up of new operational structures in July and August.
- Redross Mine commences production – Mincor’s third nickel mine in the Kambalda District.
- Mariners Mine development passes important milestones – on target to start production in early 2005 as Mincor’s fourth nickel mine.
- Substantial reserve upgrade announced – over 53,000 nickel tonnes in reserves at end-June 2004.
- Major regional exploration programme commences, with drilling underway at two prospects.
- Shareholders rewarded with second annual dividend as profits continue to grow.

OPERATIONAL CHANGES ACHIEVE TURN-AROUND AT MIITEL

Fortnightly Nickel Metal Production and Nickel Grade from Miitel Through Ramp-up Phase: 1 July to 15 October



Single Boom Jumbo Productivity – Monthly from July 2003 to September 2004



MINING OPERATIONS, KAMBALDA (Mincor 100%)

Production, Grade, Revenue and Costs – September Quarter

	Miitel ⁽¹⁾	Wannaway	Redross ⁽²⁾	Mariners	Total
Ore Tonnes Mined (DMT)	60,075	16,820	3,253		80,148
Ore Tonnes Treated (DMT)	58,664	15,653	3,012		77,329
Average Nickel Grade (%)	2.54	2.14	2.58		
Nickel-in-Concentrate Sold	1,272.6	273.0	66.9		1,612.5
Copper-in-Concentrate Sold	127.3	32.6	5.6		165.5
Cobalt-in-Concentrate Sold	25.8	6.0	1.2		33.0
Sales Revenue* (A\$)	15.66m	3.46m	0.82m		19.95m
Direct Operating Costs** (A\$)	7.31m	2.42m	0.79m		10.52m
Indirect Costs*** (A\$)	1.08m	0.23m	0.05m		1.36m
Operating Surplus (A\$)****	7.27m	0.81m	(0.016)		8.07m
Capital & Development Costs (\$)	2.72m	0.45m	1.65m	2.50m	7.31m
Costs Per Pound Payable Nickel					
Payable Nickel Produced (lbs)	1,823,623	391,249	95,824		2,310,696
Mining Costs (A\$/lb)	2.10	3.49	4.44		2.43
Milling Costs (A\$/lb)	1.08	1.25	1.03		1.10
Ore Haulage Costs (A\$/lb)	0.16	0.28	0.18		0.18
Other Mining/ Admin (A\$/lb)	0.68	1.18	2.61		1.03
Royalty Cost (A\$/lb)	0.55	0.58	0.53		0.56
By-Product Credits (A\$/lb)	(0.37)	(0.44)	(0.32)		(0.38)
Cash Costs (A\$/lb Ni) - Quarter	4.19	6.34	8.46		4.92

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

⁽²⁾ Redross – Costs incurred during ramp-up phase at Redross do not reflect 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.

Major Operational Changes Successfully Implemented but Challenges Remain

On 1 July Mincor implemented major operational changes at Miitel and Wannaway, including a change of mining contractor and changes to the shift and roster structure. Production was slow during the ramp-up phase through July and August but by September Miitel was on track and produced a record-breaking 28,098 tonnes of ore for the month, breaking the previous production record by nearly 5,000 tonnes. Miitel looks likely to equal this record in October.

Major cost and productivity improvements were also achieved. By quarter-end, single boom jumbo productivity was up 35% over the average for the previous 12 months (see graph). Twin boom productivity was up 60% by comparison to the same period. Unit costs per tonne of ore and per pound of nickel were down on the previous quarter, despite the lower quarterly production.

However the mining environment remains challenging, with all aspects of the industry under pressure. In addition, new environmental legislation in Western Australia is currently delaying construction of Mincor's mine-site camp. Until the camp is built, Mincor will not obtain the full benefits of the operational changes it has made.

Mining Progress - Miitel

Mining operations continued satisfactorily, but production was impacted by the ramp-up of the new operational structures in July and August. However production tonnes were at record levels by September, providing overall tonnage figures for the Quarter in line with previous quarters. Grades remained depressed for July and August due to the slow rate of advance continuing to delay access to the crown pillars. Access to these pillars was achieved during September, and grades have since recovered (see chart).

Mechanised stoping operations continued throughout the mine, using both flatback and longhole methods. Crown pillar extraction was successfully completed on the 326 and 350 Levels, and commenced on the 374 Level. Airleg mining of narrow ore positions continued on the 180H, 206H, 206N and 278S Levels.

Mining Progress - Wannaway

Production was lower than in previous quarters, as Wannaway continued to move into a remnant mining phase. Tonnages were also impacted by the operational ramp-up at the start of the quarter.

Stoping was completed in the lower part of the N02, with the successful conclusion of the 570 pillar longhole stope. Longhole stoping of the N01 lower sediment-associated ore in the 835 and 840 stopes commenced, although ore grades were generally lower than expected. Stoping of the narrow, higher-grade Southern Lobe continued on the 392, 376 and 362 Levels. Access to a new upper level, the 342 Level, commenced, in order to extract the upper sections of this ore position.

Elsewhere, on the N01 ore zone, remnant mining and work to provide access to additional remnants, was carried out on the 935, 910, 885, 880 and 870 Levels.

Further geological interpretation and underground exploration drilling continues, aimed at locating additional stoping blocks in the near-mine area.

Mining Progress Redross

Development work continued throughout the Quarter. Ore was intersected on the 7A Level in late July, and has since been exposed on the 8, 9 and 10 Levels. All exposures to date confirm the expected widths, grades, and continuity of the ore.

Redross commenced deliveries of ore in August, somewhat ahead of budget. The mine is now in a ramp-up phase of production.

A total of 222 metres of Decline advance was completed during the Quarter, as well as 264 metres of access and stockpile development. The Decline is now at about the 11 Level, and continuing. A total of 240 metres of ore development was completed.

On the 7A Level (above old stope workings), ore has been exposed on the N01 ore zone, and rehabilitation and stoping has commenced. Ore has also been driven on the adjacent N10 Surface, and this area is being prepared for stoping.

Access development was completed on the 8, 9 and 10 levels, and strike driving of the ore is underway on each of these levels.

Health, Safety and the Environment

No Lost-time Injuries were recorded for the Quarter.

DEVELOPMENT PROJECTS, KAMBALDA (Mincor 100%)

North Miitel Ore Body

Development of the twin declines to North Miitel continued, with a total advance of 317 metres. Progress was marginally slower due to the operational ramp-up, however the programme is on track and no delay in accessing the North Miitel ore body is expected.

Mariners Nickel Mine

Work continued satisfactorily on the pump-out and rehabilitation of the Mariners Mine.

At the time of writing, the water level had dropped to a depth of 290 metres below surface, and is now below the level of most of the high-volume old stopes. Rehabilitation of the decline and other underground infrastructure has proceeded satisfactorily. Generally, all areas of the mine seen to date have been found to be in good condition, requiring only minimal rehabilitation.

Since the end of the quarter, the main borehole pump has been upgraded, to provide extra capacity to deal with the greater head at the current depths. An underground pump station was installed and

commissioned during the quarter. The main ventilation rise has been successfully cleared of backfill, and is in good condition. The escape-way rise has been cleared to a depth of around 25 metres, and further work to complete the clearing of this rise is about to commence.

A programme of shallow surface drilling is in progress, to define the positions of water ingress, prior to a programme of grouting aimed at sealing these inflows.

The project remains on track to commence ore production in early 2005

EXPLORATION, KAMBALDA NICKEL DISTRICT (Mincor 100%)

Field work on Mincor's regional exploration programme, which has been under preparation for several months, commenced during the Quarter, with drilling now underway at two prospects on the East Widgie Block. In addition, two extensional exploration targets were drill-tested during the Quarter.

Extensional exploration during the current quarter will comprise a major underground drilling programme between Miitel and North Miitel, a deep surface hole to follow up the intersection at South Miitel, and further surface drilling at Jeremy Dee.

Regional exploration work will advance rapidly throughout the Widgiemooltha area, with both gold and nickel targeted and numerous prospects already identified for drill-testing. A more detailed breakdown of Mincor's regional exploration programme will be released separately.

Widgiemooltha Regional Exploration

A number of regional gold and nickel exploration programmes have commenced. A detailed gravity survey is underway over the East Widgie Block (north of Miitel) and may be extended to cover the entire Widgiemooltha Dome. Orientation soil sampling is also underway at the East Widgie Block following a review of all historical soil data. This work is aimed at assessing the effectiveness of improved analytical techniques that allow ultra-low detection limits as well as alternative methods such as enzyme leach. If successful, appropriate techniques will be extended to other areas. In parallel, a regional targeting exercise has seen all available data (including geological, geophysical, geochemical and drilling) incorporated into a regional three-dimensional model that will be continuously interpreted and updated as targets are tested and new information is obtained.

Reverse circulation and diamond drilling has commenced at the East Rhona and Blacksmith nickel prospects - both are situated on the northward extension of the Miitel basal contact.

Miitel Area – Extensional Exploration

At the northern end of the Miitel orebody, development and drilling has revealed structural complexity that appears to divide this part of the ore body into two narrow sub-horizontal trends. Recent work has extended the known limit of mineable ore for an additional 90 metres beyond previously defined limits. It was thus decided to further test the area between Miitel and North Miitel with a surface diamond hole (MDD043) that was drilled approximately 100 metres further to the north.

No economic ore was intersected however the area retains good potential for structural concentrations of economic ore. A major programme of underground diamond drilling is planned from the North Miitel Decline, likely to commence during the current quarter once appropriate drill positions have been established.

Wannaway Area – Extensional Exploration

A significant programme of surface drilling was completed during the Quarter at Wannaway. This comprised two wedges off a deep parent hole (WDD15W1 and WDD15W2) and was targeted at potential downward extensions to the Wannaway NO1 orebody. Both holes intersected sediment on the basal contact with 1 metre at 1.33% nickel in WDD15W1 and 1.4 metres at 0.83% nickel in WDD15W2.

The holes indicate that the sediment-free window appears not to continue at depth. However the new data, and new interpretations, suggest a possible shallow plunge to the Wannaway mineralisation, indicating targets in an up-dip direction. This concept is being firmed up prior to drill-testing.

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 6,805 tonnes of nickel metal to September 2006, at an average price of approximately A\$16,500 per tonne. This represents approximately 33% of Mincor's budgeted production over that period, and is approximately 20% of Mincor's current Ore Reserves.

This hedging is distributed as follows:

- Oct 2004 to Dec 2004: 416 tonnes of nickel per month at a price of A\$17,300/tonne
- Jan 2005 to Jun 2005: 306 tonnes of nickel per month at a price of A\$16,553/tonne
- Jul 2005 to Dec 2005: 288 tonnes of nickel per month at a price of A\$16,319/tonne
- Jan 2006 to Jun 2006: 288 tonnes of nickel per month at a price of A\$16,429/tonne
- Jul 2006 to Sep 2006 88 tonnes of nickel per month at a price of A\$16,834/tonne

Second Annual Dividend Payment

During the Quarter Mincor paid its second annual dividend of 1.5 cents per share to shareholders, bringing the Company's total dividend payments to date to \$5.6 million.

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.



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