MINCOR RESOURCES NL

QUARTERLY REPORT
FOR THE PERIOD ENDED 31 MARCH 2006

QUARTER HIGHLIGHTS

- *Mincor implements **new growth strategy** to expand its core nickel business and grow in gold and base metals*
- *First fruits of new strategy with start of regional nickel exploration drilling at Widgiemooltha and Carnilya Hill and acquisition of Lake Cowan Gold and Gascoyne Tungsten-Uranium Projects*
- *Mincor **doubles interim dividend** on back of strong half year profits of $10 million*
- *Mincor celebrates completion of its **first half-decade** of mining at Kambalda as nickel price approaches all time highs*

MINCOR IMPLEMENTS NEW GROWTH STRATEGY

Following the successful completion of its Nickel Expansion Strategy and the achievement of full production at its four nickel mines, Mincor has implemented a **new growth strategy** aimed at aggressively expanding its highly successful nickel business while massively extending its exposure across the minerals industry via Australia-wide gold and base metal exploration and judicious project acquisitions.

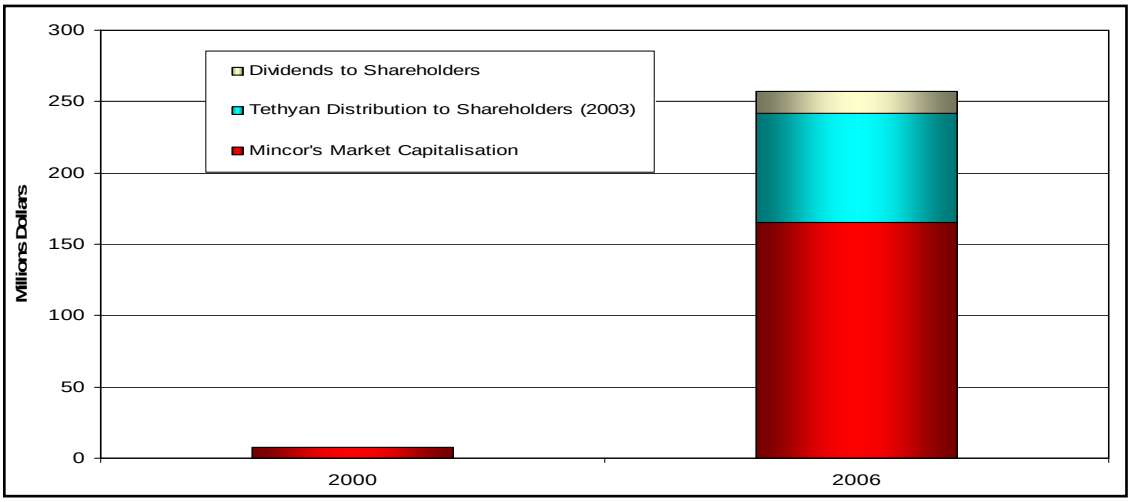
The strategy builds on Mincor's key strengths, including its strong balance sheet and rising cashflows. A key element of the strategy is Mincor's determination to continue to reward shareholders with a generous dividend policy.

Mincor's goals are to have two additional nickel sulphide mines and one new gold or base metals mine in production by the end of the decade.

In nickel, Mincor will focus on **regional exploration** of its highly prospective tenements in the Kambalda Nickel District. Mincor's holdings have recently been enhanced through the earn-in deal with View Resources covering the Carnilya Hill tenements. Exploration budgets of $5-8 million per annum are envisaged for Mincor's highly prospective Kambalda nickel terrain.

In gold and base metals, Mincor will focus on **exploration targets** likely to generate long-life growth assets. A careful process of project acquisition has already generated a likely portfolio of five project areas, including the recently announced Lake Cowan Gold Project and the Gascoyne Tungsten-Uranium Project.

GROWTH IN SHAREHOLDER WEALTH SINCE 2000



Mincor's New Growth Strategy is designed to continue the Company's outstanding record of growing shareholder wealth as it enters its second half-decade as one of Australia's premier mining companies.

MINING OPERATIONS, KAMBALDA (Mincor 100%)

TABLE 1: Production, Grade, Revenue and Costs – March Quarter 2006

	Miitel[1]	Redross	Mariners	Wannaway	Total
Ore Tonnes Mined (DMT)	58,804	23,928	47,929	6,096	136,758
Ore Tonnes Treated (DMT)	58,446	24,621	44,489	5,878	133,433
Average Nickel Grade (%)	2.59	3.61	1.93	2.62	
Nickel-in-Concentrate Sold	1,308.0	763.3	738.7	131.5	2,941.5
Copper-in-Concentrate Sold	139.6	50.6	75.2	13.1	278.4
Cobalt-in-Concentrate Sold	26.2	14.9	15.0	2.9	59.1
Sales Revenue (A$)*	*16.56m*	*9.52m*	*9.26m*	*1.89m*	*37.23m*
*Direct Operating Costs** (A$)*	*8.67m*	*6.41m*	*7.72m*	*1.25m*	*24.05m*
*Indirect Costs*** (A$)*	*0.99m*	*0.57m*	*0.35m*	*0.11m*	*2.02m*
*Operating Surplus (A$)****	*6.90m*	*2.54m*	*1.19m*	*0.53m*	*11.16m*
Capital/Development/Expl Costs (A$)	3.73m	0.94m	1.64m	0.19m	6.50m
Costs Per Pound Payable Nickel					
Payable Nickel Produced (lbs)	*1,874,104*	*1,093,364*	*1,058,919*	*242,145*	*4,268,532*
Mining Costs (A$/lb)	*2.66*	*4.17*	*4.28*	*3.29*	*3.49*
Milling Costs (A$/lb)	*1.05*	*0.76*	*1.41*	*1.03*	*1.06*
Ore Haulage Costs (A$/lb)	*0.21*	*0.19*	*0.35*	*0.30*	*0.25*
Other Mining/ Admin (A$/lb)	*0.70*	*0.75*	*1.25*	*2.02*	*0.91*
Royalty Cost (A$/lb)	*0.53*	*0.53*	*0.33*	*0.54*	*0.48*
By-Product Credits (A$/lb)	*(0.31)*	*(0.24)*	*(0.38)*	*(0.35)*	*(0.31)*
Cash Costs (A$/lb Ni) - Quarter	4.84	6.15	7.24	6.84	5.87

[1] *"Miitel" includes 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 regional exploration costs, excludes depreciation, amortisation and tax.*

MINING PROGRESS – KAMBALDA NICKEL OPERATIONS

Overview

Mincor achieved a solid production performance for the quarter, with 3,470 tonnes of contained nickel metal produced from the Company's four operations. However this was lower than the previous quarter due to the impact of the January holiday period and generally lower grades at Miitel and Redross.

Cash costs at Miitel and Redross increased quarter on quarter in line with the lower nickel grades at both mines, as well as the mining schedule, which dictated a heavy emphasis on non-production activities such as backfill. Cash costs at Mariners showed a marked improvement as the rehabilitation of the broken ground in the previously mined areas was completed. However Mariners' cash costs remain high as a function of the generally low-grade ore from the 07 ore body.

Miitel Mine – Mining Progress

Stoping and development continued throughout the mine, with most activity now focused in the North Miitel ore body. Grades were lower than the previous quarter as a result of mining in areas of narrower mineralisation. However, the ore grade for the year to date is still well above the mine plan.

Major decline development continued at North Miitel, with a total of 386 metres achieved.

A total of 261 metres of ore-drive development was completed throughout the mine, including progress on the 395, 419/421, 430, 470, and 497 levels on the N11 ore zone.

Some structural complexity was encountered in the lower-central parts of the North Miitel ore zone. There is evidence of significant additional ore potential linked to this structural complexity, and underground drilling is in progress to both realise this additional potential and fully define the outline of the ore body in that area.

Stressed ground conditions were encountered in the lower parts of North Miitel. This is being successfully controlled by increased ground support regimes and additional backfill, but has caused some delay to stoping on the 430 and 445 levels.

Redross Mine – Mining Progress

During the Quarter decline development was completed to the 20 Level, which is the lowermost level in the current mine plan. In total, 146 metres of decline development was achieved. Capital development of the presently known ore reserves at Redross is now complete.

Ore strike-driving progressed on the 14, 15, 16, 17, 18, and 19 levels, giving a total of 762 metres of ore development. All ore exposures were in line with expectations, in terms of width and grade. Ore strike-driving is expected to be completed during the current quarter. Thereafter, all production from the mine will be via stoping operations.

The ramp-up of airleg stoping continued throughout the Quarter, with stopes in progress on the 10, 11, 12, and 14 levels.

Mariners Mine – Mining Progress

Mariners recorded a pleasing increase in production. Stoping continued in the 07 ore body and development of the 08 ore body commenced. As expected, the grade of ore from the 07 ore body was affected by excess dilution in the old mining areas. However, strike-driving in the new 08 ore body revealed good ore grades and widths, in line with expectations.

Decline development continued, in order to provide access to the un-mined 08 ore body. The first access was reached at the 1700 level, and strike-driving of the ore zone was completed at this level, over a total strike-length of 170 metres. Ore exposures were largely in line with expectations, with the ore zone made up of a large thickness of medium-grade matrix ore over most of the drive length. Flat-back stoping will commence once primary ventilation and escapeway access is completed.

A total of 380 metres of decline and access development was completed. Access development into the 08 ore body at the 1750 level, in the upper northern section of the ore body, was completed. The ore is narrow in this area (which lies outside current ore reserves), and airleg driving will commence shortly. Access development towards the 1675 level of the 08 ore body is now in progress.

Internal raise-drill holes are currently being excavated in order to provide ventilation and escapeway access to the 08 area. One hole of 1.5 metre diameter is complete and a second of 4.0 metre diameter is in progress.

Wannaway Mine – Mining Progress

Wannaway continued satisfactorily as a small-scale remnant operation working on an owner-operator basis. Mining equipment operated reliably. Further review of additional remnant opportunities continued.

HEALTH, SAFETY AND THE ENVIRONMENT

Two lost-time injuries were recorded for the Quarter. Key safety initiatives that were carried out during the Quarter included:

- A site-wide independent audit of the safety management systems.
- An independent safety culture survey.
- An audit of the ground control management plan, and the ground support standards.
- Several additional training initiatives, in areas highlighted for improvement.

KAMBALDA NICKEL EXPLORATION

EXTENSIONAL EXPLORATION (Mincor 100%)

South Miitel

Drilling continued on the southern extension of the two mineralised trends at South Miitel. The lower trend, the N18, has an initial global resource estimate of 258,000 tonnes @ 3.98% nickel for 10,250 nickel contained.

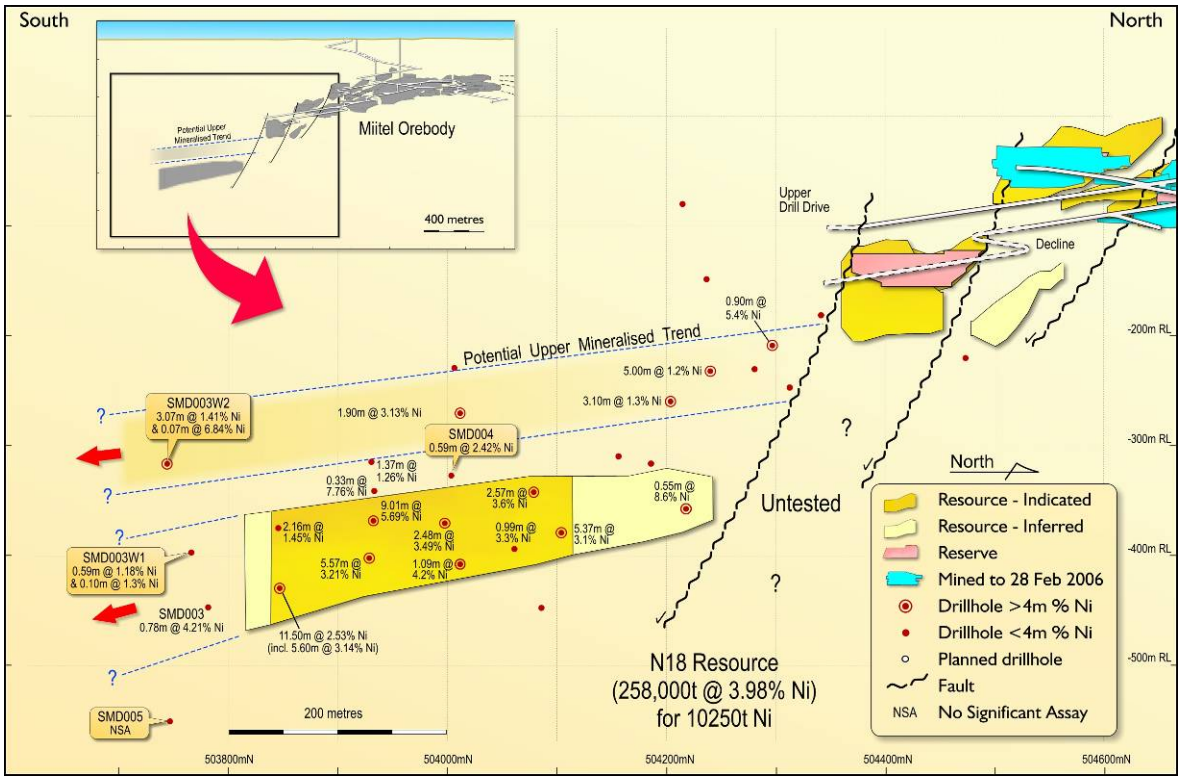
SMD003W1 was a wedge hole which achieved a separation of 52 metres up dip of the parent hole SMD003 (0.78 metres @ 4.21% nickel) drilled on a section 80 metres south of SMD002W2 (11.5 metres @ 2.53% nickel). The wedge hole intersected 0.59 metres @ 1.18% nickel (true width estimated at 0.38 metres) from 783.21 metres in disseminated sulphides at the top of a thin mafic leading edge and 0.1 metres at 1.3% nickel (true width 0.06 metres) from 789.32 metres at the basal contact below the leading edge. A Down-Hole Electro Magnetic (DHEM) survey indicated a strong off-hole conductor above the hole and is in line with the interpreted upper mineralised trend.

SMD003W2 was a second wedge hole drilled up dip of SMD003W1 and achieved a separation of 79 metres to test the upper trend DHEM conductor. The wedge intersected 3.07 metres @ 1.41% nickel (true width estimated at 2.88 metres) from 735.28 metres in disseminated sulphides at the base of the ultramafics. A thin zone of massive ore was intersected within the footwall basalt just below the basal contact. The massive ore returned an intercept of 0.07 metres @ 6.84% nickel (true width estimated at 0.06 metres) from 741.64 metres. The subsequent DHEM survey indicates a localised highly conductive source, with good plunge extents, directly related to the massive sulphides intercept. Follow-up drilling is planned.

SMD004 was designed to test a strong DHEM anomaly above MDD077W1 (2.48 metres @ 3.49% nickel) and is situated well outside the current N18 resource limits. DHEM modelling also indicated the anomaly may be a continuation of mineralisation up plunge of SMD001W1 (9.01 metres @ 5.69% nickel). The hole intersected 0.59 metres @ 2.42% nickel (true thickness estimated at 0.45 metres) from 718.6 metres in stringers of semi massive sulphide. The DHEM survey could not be completed due to obstructions in the hole. The hole did not change the upper limit to the N18 resource.

SMD005 was drilled down dip below SMD003 and achieved a 115 metre separation. The hole was designed to test both the lower margins of the mineralised channel and determine whether there was a steepening plunge to the overall mineralised trend. No significant mineralisation was encountered in the hole. The hole hit an interpreted flank position and the continuation of the hole failed to locate a basalt pinch out. DHEM completed on the hole did not indicate any significant conductors in the vicinity of the hole.

Four holes have now been drilled on section 503780N and is the most southern drill section to date at South Miitel. Although the mineralisation trend is still apparent, the grades of the N18 nickel intersections at this section appear to be weakening. The potential for the N18 mineralisation to strengthen again to the south is high. Currently however, exploration will focus on an area between the existing mine and north of the N18 ore body.



South Miitel Long Section

Redross

RRD124 was drilled 80 metres up plunge of RRD123 (2 metres of 3.07% nickel). The hole intercepted 2.82 metres @ 1.4% nickel (true thickness estimated at 2.56 metres) in hangingwall ultramafic from 455.18 metres and 1.82 metres @ 1.79 nickel (true thickness 1.64 metres) from 463 metres at the basal contact.

DHEM data indicated a small conductor above and south of the hole towards the drill hole RRD123. No follow-up is planned.

A surface diamond hole is planned in the next quarter to drill below RRD120 (1.83 metres @ 4.96% nickel). The position is in line of the projected Redross trend, targeting a potential remake of the N01 ore body.

KAMBALDA REGIONAL NICKEL EXPLORATION (Mincor 100%)

Soils

A total of 1,687 soil sample assays were received in the quarter. The soils were taken on the newly granted exploration leases E15/809 and E15/812 on a 400 metre by 40 metre grid. A number of nickel anomalies have been identified over ultramafics and infill is planned.

South East Widgiemooltha Dome

A major review was undertaken covering the highly prospective area extending from the Bradley Prospect to the Mariners Mine. The review highlighted the outstanding potential of this area, indicating the need for further drilling at the known prospects of Bradley and Anomaly A as well as the greenfields potential of untested magnetic highs within fertile ultramafic rocks. A program of Reverse Circulation and Diamond drilling is planned for the next quarter.

KAMBALDA REGIONAL NICKEL EXPLORATION (Mincor earning 70%)

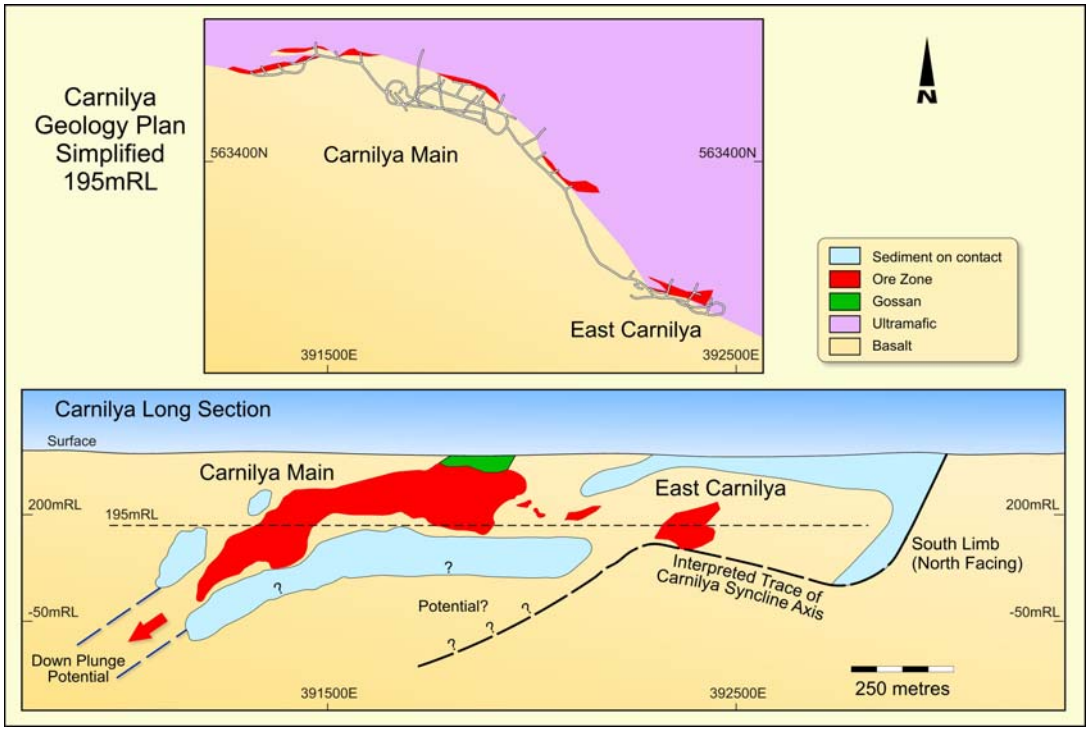
Carnilya Hill Mine

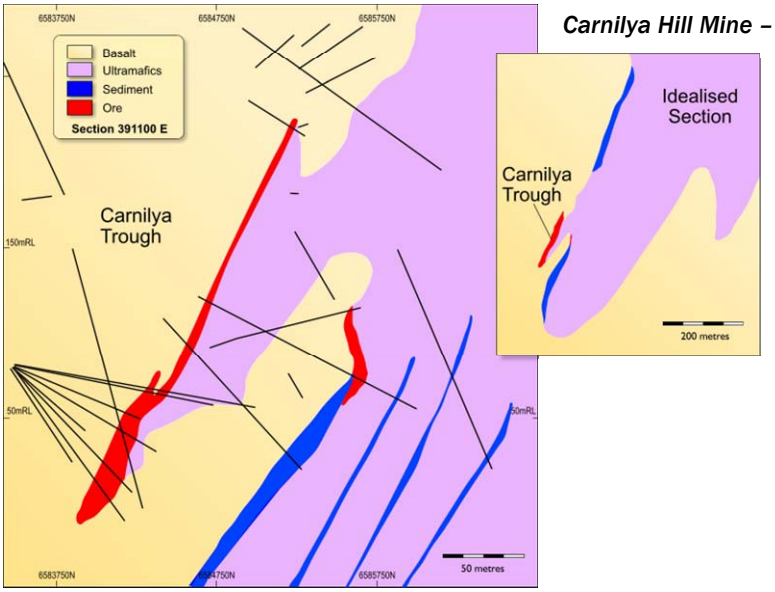
Down plunge extensions to the high-grade Carnilya Hill Mine (historic production of 1.4 million tonnes @ 3.4% nickel) is Mincor's initial exploration target at the Carnilya Tenements. Mincor's detailed data review during the quarter demonstrated that the mineralisation in the mine exhibits a typical Kambalda style trough morphology, although overturned, and contains various amounts of massive, matrix and disseminated mineralisation within a sediment free window.

To the west of the mine, previous drilling has delineated the mineralised trough down to 360 metres vertically below surface. However, there is no drilling beyond this point. Mincor's interpretation, following its data compilation, is that the host trough structure continues beyond the limit of previous drilling. This creates an exceptional and untested exploration target with the potential to replicate the original high-tenor and high-grade Carnilya ore body down plunge.

Mincor commenced exploration drilling in mid-April at Carnilya.

Carnilya Hill Mine – Level Plan and Long Section





Carnilya Hill Mine – Cross Section

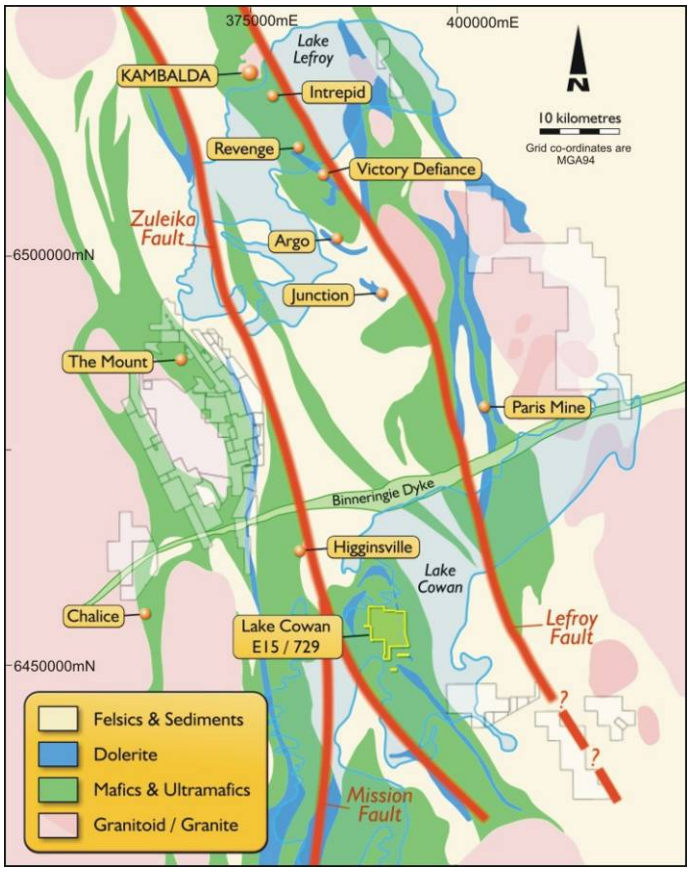
AUSTRALIA-WIDE GOLD AND BASE METAL EXPLORATION (Mincor 100%)

In line with its new growth strategy, Mincor announced during the quarter that it had secured two prime exploration properties in gold and tungsten-uranium. Exploration will commence during the June quarter on both properties, as outlined below.

Lake Cowan Gold Project

The Lake Cowan Gold Project covers part of a large antiform in mafic basalt-gabbro-dolerite rocks adjacent to a number of gold bearing structures, including the Zuleika Shear and the Boulder-Lefroy Fault. These two major structures have acted as a plumbing system for gold bearing fluids, leading to the deposition of major gold deposits in adjacent faults and structures. Examples include the world class 15Moz St Ives Gold Mine, located adjacent to the Boulder Lefroy Fault some 60km northeast of Mincor's tenement, and the 5Moz Norseman mining centre located approximately 40km to the south. The tenement is also located between Avoca Resources' Higginsville Project (which includes the recent Trident and Athena discoveries) and the Zuleika South Project – in the heart of one of the most sought-after gold and nickel provinces in Australia.

Only limited exploration has been carried out within the project area in the past due to its location within Lake Cowan. Mincor plans to fly an ultra-detailed, low level aeromagnetic survey followed by first-pass aircore drill traverses. It is hoped that the aeromagnetic survey will be completed during May, with drilling to commence as soon as possible thereafter.



Lake Cowan Location Diagram

Gascoyne Project (Tungsten, Uranium, Gold, Copper)

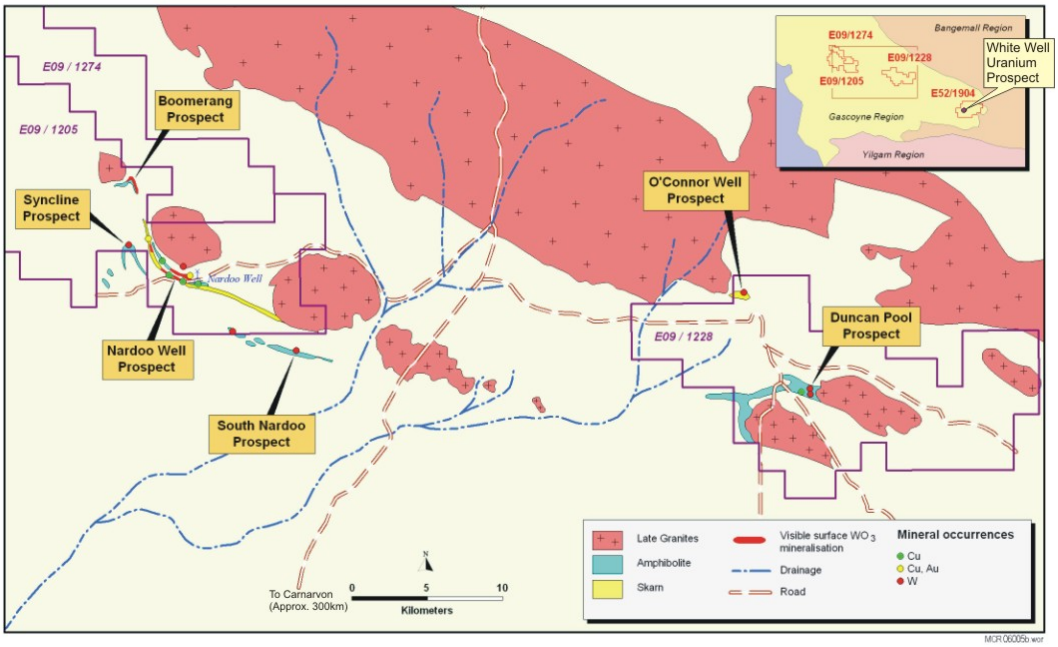
Mincor is about to commence exploration at its 100% owned Gascoyne Project, located approximately 230km east of Carnarvon. Two Exploration Licences – Nardoo Well and Duncan Pool – are now granted and two more are in the advanced stages of application. The licences and applications cover a total area of 756km^2.

Mincor's initial focus will be on the Nardoo Well area, where high-grade tungsten mineralisation (in the form of Scheelite) is known to exist over a strike length of at least 500 metres. The area is poorly tested with limited drilling (to shallow depths, averaging only 15 metres) carried out during the early 1980's. In addition, sparse visible uranium mineralisation is reported in outcrop and in approximately 5% of the drill holes.

Reconnaissance work, including the verification of historical data, has commenced at Nardoo Well and will be followed up by an initial program of RC and diamond drilling, expected to be underway by mid-year (subject to access and rig availability). If it can be demonstrated that the reported tungsten grades pervade the units of interest, it may be possible to delineate a significant shallow open pittable resource, possibly with uranium as a co-product, creating a major strategic growth opportunity for Mincor.

The known mineralisation at Nardoo Well is hosted within a vesuvianite-skarn (originally a calcareous sandstone). Regionally, as well as at Nardoo Well, tungsten mineralisation also occurs as disseminated scheelite within quartz-garnet-amphibolite units, while at Duncan Pool scheelite is present in both amphibolite and marble. These units all form part of the Palaeoproterozoic Morrissey Metamorphic Suite of the Gascoyne Province, which have been intruded by both syn-orogenic and post-orogenic (late stage) granites that have introduced tungsten-fluorine-molybdenum bearing fluids. The area is also prospective for copper, gold and uranium, with numerous known occurrences. The easternmost tenement (E52/1904), which is still under application, contains the White Well Uranium Prospect, and several untested radon and EM anomalies, which have not been explored since 1979-81.

In addition to the drilling at Nardoo Well, Mincor plans to systematically evaluate the tens of kilometres of prospective strike length that hosts the various gold, copper and uranium prospects with a view to drilling priority targets before the end of the year.



Gascoyne Location Diagram

Other New Applications

Mincor has lodged Exploration Licence Applications over prospective base metal targets in New South Wales, the Northern Territory and Western Australia.

CORPORATE MATTERS

Takeover of Former Subsidiary Tethyan Copper Company Limited by Antofagasta and Barrick

During February 2006 Mincor entered a pre-bid acceptance agreement with Antofagasta PLC in connection with an off-market recommended takeover from Antofagasta for all the shares in Tethyan Copper Company Limited. The bid was initially priced at $1.20 per share, and subsequently raised to $1.40 per share.

Tethyan is a former subsidiary of Mincor's that was spun out in a successful IPO in October 2003 at a listing price of 30 cents per share. All Mincor's shares in Tethyan were distributed to Mincor's shareholders at that time via a distribution in specie.

Mincor's agreement with Antofagasta covers Mincor's remaining interest in Tethyan, being 12,557,566 options, each of which is convertible into one ordinary share in Tethyan at an exercise price of 15 cents.

Under the terms of the Agreement Mincor will, subject to certain conditions, transfer to Antofagasta all its Tethyan Options at a price determined by subtracting the exercise price of the options from the Antofagasta bid price. Antofagasta's takeover bid was declared unconditional during April, and on 28 April Antofagasta announced that it had secured a relevant interest in 91% of Tethyan's shares.

Provided all conditions of the Agreement are fulfilled, Mincor expects to receive $15.69 million as payment for the transfer of the Tethyan Options to Antofagasta.

Profits and Dividends

During the Quarter Mincor reported its half-year financial results. The Company made a net profit after tax of $10 million on gross revenues of $79.6 million. The strong result allowed Mincor to double its interim dividend to 2 cents per share.

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 5,160 tonnes of payable nickel metal to April 2008, at an average price of A$17,990 per tonne. This represents approximately 30% of Mincor's budgeted production over that period.

This hedging is distributed as follows:

- Apr 2006 to Jun 2006 — 424 tonnes of nickel per month at a price of A$18,706/tonne
- Jul 2006 to Dec 2006 — 244 tonnes of nickel per month at a price of A$17,015/tonne
- Jan 2007 to Jun 2007 — 180 tonnes of nickel per month at a price of A$17,880/tonne
- Jul 2007 to Dec 2007 — 148 tonnes of nickel per month at a price of A$18,152/tonne
- Dec 2008 to Apr 2008 — 114 tonnes of nickel per month at a price of A$19,074/tonne

Cash and Debt

As at 31 March 2006, Mincor had cash and receivables of $52.51 million and creditors and accruals of $36.77 million, giving a net working capital position of $15.74 million.

The Company has no debt, and has available undrawn debt facilities of $10 million under the CBA Revolving Facility.

The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Reeve, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reeve is a full-time employee of Mincor Resources NL. Mr Reeve has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeve consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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APPENDIX 1 – Surface Drill Holes Completed during the Quarter

Following is a list of collar details for all surface drill holes completed during the quarter. Coordinates are in the MGA94 (zone 51) coordinate system.

Hole ID	Grid	Hole Type	NAT East	NAT North	NAT RL	Max Depth	Azimuth	Dip
SMD003W1	MGA	Diamond	372694	6503888	302	870	249	-68
SMD003W2	MGA	Diamond	372694	6503888	302	800	249	-68
SMD004	MGA	Diamond	372570	6504124	300	785.4	256	-63
SMD005	MGA	Diamond	372732	6503902	302	980.7	246	-70
RRD124	MGA	Diamond	372219	6493148	322	508.8	286	-63