MINCOR

QUARTERLY REPORT

for the period ended 30 June 2006

HIGHLIGHTS OF THE QUARTER

- **Outstanding quarterly production of 3,800 tonnes nickel in concentrate**
- **Strong production and high nickel prices combine to deliver record quarterly operating surplus of $30 million**
- **Mincor exceeds financial year production target with sales of 13,500 tonnes nickel in concentrate for 05/06, generating record gross revenues of $175 million**
- **High grade massive sulphides intersected in drilling at Carnilya Hill: 4.7 metres @ 11.83% nickel within wider intersection of 11 metres @ 6.95% nickel**
- **Growth and Expansion Strategy underway with aggressive nickel exploration drilling in the Kambalda Nickel District and copper, tungsten and gold projects added to Mincor's exploration portfolio**

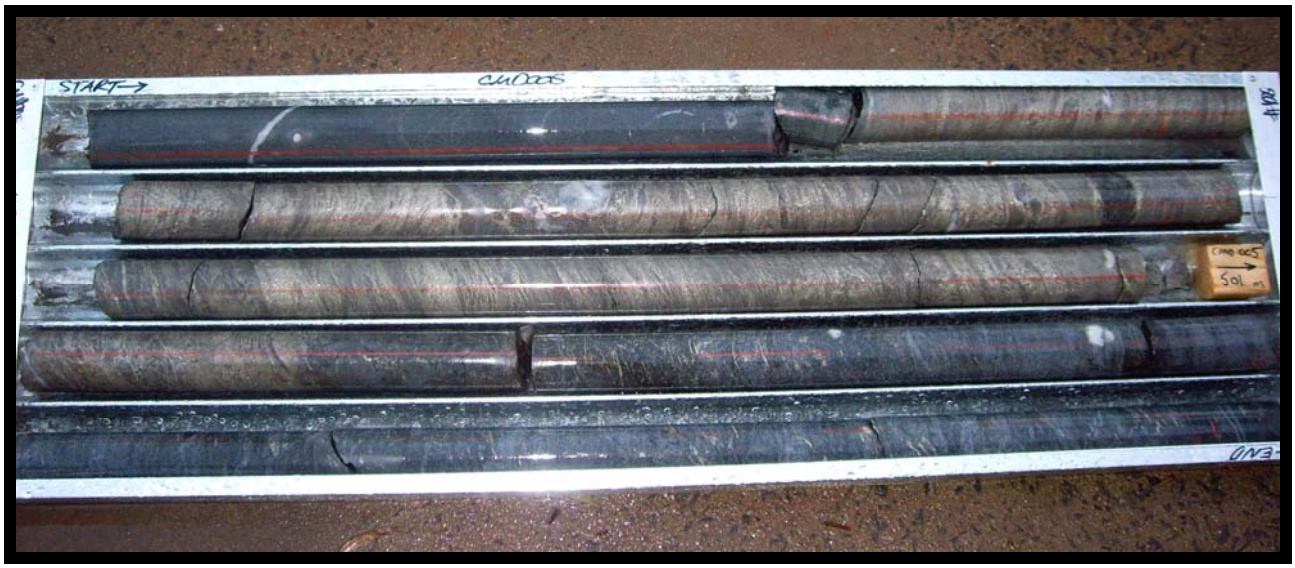
BUILDING A RECORD OF EXPLORATION SUCCESS

During 2002, only a year after successfully commissioning the Miitel and Wannaway nickel mines, Mincor discovered the North Miitel ore body, which is now in production. Following a focus on new mine development during 2003 and 2004, Mincor re-commenced serious exploration in mid-2005, quickly discovering the South Miitel ore body and, in the first half of 2006, drilling what may become the discovery hole of a new ore body at Carnilya Hill.

Mincor's nickel exploration is split between near-mine work, aimed extending the ore reserves at all four of its nickel mines through underground and surface drilling, and regional exploration work, drilling a plethora of targets developed by the Company's exploration team around the Widgiemooltha Dome as well as the exciting new prospect at Carnilya Hill.

Outside the Kambalda Nickel District Mincor has developed a portfolio of 100%-owned early stage exploration projects, and work is proceeding on these projects in parallel with the Company's aggressive nickel exploration.

Mincor has budgeted $8 million for exploration in the 2006/7 financial year, funded from its internal cashflows. This continues the Company's outstanding record of investing in its future growth through the discovery and development of new mineral resources.



Photograph of massive nickel sulphide mineralisation in drill hole CMD005 at Carnilya Hill, grading over 11% nickel, part of a wider intersection of 11 metres @ 6.95% nickel.

MINING OPERATIONS, KAMBALDA (Mincor 100%)

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

	MIITEL[1]	REDROSS	MARINERS	WANNAWAY	TOTAL
Ore Tonnes Mined (DMT)	58,549	32,924	48,963	6,715	147,151
Ore Tonnes Treated (DMT)	56,656	32,865	48,063	6,935	144,519
Average Nickel Grade (%)	3.14	3.67	2.28	3.06	
Nickel-in-Concentrate Sold	1,578.8	1,066.2	968.1	186.8	3,799.9
Copper-in-Concentrate Sold	147.3	67.3	90.0	19.4	324.0
Cobalt-in-Concentrate Sold	30.6	19.5	18.0	4.1	72.2
Sales Revenue (A$)*	*25.17m*	*16.13m*	*14.98m*	*3.49m*	*59.77m*
*Direct Operating Costs** (A$)*	*9.64m*	*6.54m*	*8.11m*	*1.47m*	*25.76m*
*Indirect Costs*** (A$)*	*1.91m*	*1.31m*	*0.73m*	*0.22m*	*4.17m*
*Operating Surplus**** (A$)*	*13.62m*	*8.28m*	*6.14m*	*1.80m*	*29.84m*
Capital/Development/Exploration Costs (A$)	2.47m	0.37m	1.42m	0.03m	4.29m
Costs Per Pound Payable Nickel					
Payable Nickel Produced (lbs)	*2,262,427*	*1,527,954*	*1,387,283*	*267,673*	*5,445,337*
Mining Costs (A$/lb)	*2.59*	*2.81*	*3.35*	*2.79*	*2.85*
Milling Costs (A$/lb)	*0.87*	*0.75*	*1.20*	*0.87*	*0.92*
Ore Haulage Costs (A$/lb)	*0.19*	*0.19*	*0.31*	*0.27*	*0.23*
Other Mining/Administration (A$/lb)	*0.61*	*0.54*	*0.98*	*1.55*	*0.73*
Royalty Cost (A$/lb)	*0.84*	*0.86*	*0.53*	*0.81*	*0.77*
By-product Credits (A$/lb)	*(0.47)*	*(0.34)*	*(0.45)*	*(0.47)*	*(0.43)*
Cash Costs (A$/lb Ni) – Quarter	4.63	4.81	5.92	5.82	5.07

TABLE 2: Production Summary – Financial Year 2005/06

	MIITEL[1]	REDROSS	MARINERS	WANNAWAY	TOTAL
Ore Tonnes Treated (DMT)	238,670	121,473	152,534	28,220	540,897
Average Nickel Grade (%)	2.92	3.76	2.07	2.64	
Nickel-in-Concentrate Sold	6,101.4	3,999.1	2,754.0	641.0	13,495.50
Copper-in-Concentrate Sold	607.1	254.6	266.5	65.7	1,193.9
Cobalt-in-Concentrate Sold	116.4	74.2	52.9	14.0	257.5
Sales Revenue (A$)*	*78.97m*	*50.24m*	*36.18m*	*9.20m*	*174.59m*
*Direct Operating Costs** (A$)*	*35.03m*	*24.84m*	*28.41m*	*6.05m*	*94.32m*
*Indirect Costs*** (A$)*	*5.33m*	*3.53m*	*1.56m*	*0.57m*	*10.99m*
*Operating Surplus**** (A$)*	*38.61m*	*21.87m*	*6.21m*	*2.58m*	*69.28m*
Capital and Development Costs	14.41m	3.76m	8.51m	1.55m	28.23m
Costs Per Pound Payable Nickel					
Payable Nickel Produced (lbs)	*8,743,314*	*5,730,779*	*3,946,483*	*918,543*	*19,339,120*
Mining Costs (A$/lb)	*2.29*	*2.87*	*4.45*	*3.49*	*2.95*
Milling Costs (A$/lb)	*0.93*	*0.72*	*1.31*	*1.01*	*0.95*
Ore Haulage Costs (A$/lb)	*0.19*	*0.17*	*0.33*	*0.29*	*0.22*
Other Mining/Administration (A$/lb)	*0.60*	*0.57*	*1.11*	*1.79*	*0.76*
Royalty Cost (A$/lb)	*0.61*	*0.62*	*0.39*	*0.62*	*0.57*
By-product Credits (A$/lb)	*(0.36)*	*(0.27)*	*(0.36)*	*(0.37)*	*(0.34)*
Cash Costs (A$/lb Ni) – Full Year	*4.26*	*4.68*	*7.23*	*6.83*	*5.11*

(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 an outstanding production performance for the quarter, producing 3,799 tonnes of nickel in concentrate or over 4,290 tonnes of nickel metal contained in ore. This brought the Company's production for the 2005⁄6 financial year to 13,495 tonnes of nickel in concentrate, exceeding the Company's production target by 500 nickel tonnes.

The strong quarterly production was due to the expected ramp-up in production and grade at Mariners after an extended period of rehabilitation, as well as high-grade production from the N14 ore body at North Miitel.

Cash costs per pound of nickel decreased at all mines compared to the previous quarter. Cash costs at Mariners decreased by 20% as the high-cost rehabilitation phase of the operation came to an end.

Miitel Mine – Mining Progress

Stoping and development continued throughout the mine, with most activity now focused in the North Miitel ore body. Production was enhanced in the last 2 months of the quarter as the final long hole stopes in the original Miitel ore body were extracted. This area has now been largely superseded by North Miitel as the mine's main production centre.

Approximately 30,000 tonnes of ore were mined from the 210, 235, 285 and 375 long hole stopes. Mining continued in the 421 and 395 flat back stopes in the N11 ore body.

Major decline development continued at North Miitel, with a total of 271 metres achieved. A total of 155 metres of ore-drive development was completed throughout the mine, including progress on the 470, 515, and 520 levels on the N11 ore zone. Encouragingly the ore developed on the N11 ore body has generally been of higher grade than predicted by the ore reserve.

Some structural complexity was encountered in the lower-central parts of the North Miitel ore zone. Development and diamond drilling in these areas has identified the potential for significant ore reserve extensions. Work continues.

A feasibility study into the development of the South Miitel N18 resource continued during the quarter.

Redross Mine – Mining Progress

Capital development of the presently known ore reserves at Redross was largely completed in the previous quarter. Minor escapeway and ventilation development was completed during this quarter totaling 24 metres.

The last of the mechanised ore strike-driving was completed during the quarter. However there remains the possibility of extending some of the drives further north outside reserve boundaries. During the quarter ore strike driving amounted to 461 metres and was conducted on the 16, 17, 18, 19 and 20 levels. The strike-drives generally continued further than predicted by the ore reserve outline, adding to reserves in a number of areas. Otherwise the width and grade of ore exposed in the development was consistent with that predicted by the reserve. With the completion of the strike driving phase, all future production from the mine will be from stoping operations.

The ramp up of airleg stoping continued throughout the quarter, contributing approximately 62% of production. Airleg stoping was conducted on the 9 through to 14 levels inclusive. Alternative stoping methods, aimed at increasing productivity and minimising dilution were successfully trialed in the lower levels of the mine. These will be incorporated into the long term mine plan.

Mariners Mine – Mining Progress

Mariners continued its production ramp-up following the completion of rehabilitation operations in the 07 ore body. Both tonnes and grade improved over the previous quarter.

Long hole open stoping continued in the 07 ore body on the 1865, 1850, 1835 and 1790 levels. Innovations in blasting and stoping were implemented that reduced dilution compared to previous periods, and substantially enhanced grade. Flat back stoping commenced on the 1700 level late in the quarter after the ventilation and escapeway raise bore holes were completed. 40 metres of advance was achieved in this heading.

Development of the 08 ore body continued on the 1750 and 1675 levels with 131 metres completed during the quarter. The 1750 development on the 08B ore surface has revealed substantial ore outside the current reserves. Development on the 08B ore body on the 1675 level has demonstrated more structural complexity than previously interpreted. While the ore profile on the 1675 level has been narrower than expected, the structural complexity enhances the opportunity for reserve additions.

Decline development continued in order to provide access to the lower parts of the un-mined 08 ore body. A total of 168 metres of decline development was completed during the quarter. The fourth access to the 08 ore body was reached at the 1650 level and cross cutting to the ore will commence in the next quarter.

Internal raise drill-holes were completed in order to provide ventilation and escapeway access to the 08 area.

The permanent and primary pumping system was successfully commissioned during the quarter. This infrastructure provides a second pumping network and mitigates the risk of pumping failure and temporary flooding.

Wannaway Mine – Mining Progress

Wannaway continued satisfactorily as a small-scale remnant operation working on an owner-operator basis. Grade improved compared to previous months. Mining equipment operated reliably. Innovative mining methods using injection grouting to cement backfill allowed long hole stoping of the 935 remnant sill pillar. This material contributed substantially to the higher grades achieved for the quarter.

In consultation with the workforce and with their support, modifications to the roster were implemented which have enhanced productivity. The workforce at Wannaway remains enthusiastic and committed to the ongoing success of the mine.

Further review of additional remnant opportunities continued and exploration development on the 840 in the N01 and the 490 in the N02 levels identified additional ore outside of reserves.

HEALTH, SAFETY AND THE ENVIRONMENT

One lost-time injury was recorded for the quarter. At year end the 12 month Lost Time Injury Frequency Rate was 14.5 compared to the 2004/05 industry average of 11.7. The quarter's result was an improvement over the previous 3 quarters, however more work is required and is ongoing.

Key safety initiatives carried out during the quarter included:

- Revision of the Ground Control Management Plan;
- Revision of the Underground Fires Management System and an audit against this standard;
- Drafting of the Subcontractor Management System for discussion;
- Re-training all personnel in Hazard Identification and Personal Risk Assessment;
- Draft of the 2006/07 Safety Management/Improvement Plan; and
- Continuation of the Health and Fitness program in the Lake Eaton Village.

KAMBALDA NICKEL EXPLORATION

EXTENSIONAL EXPLORATION (Mincor 100%)

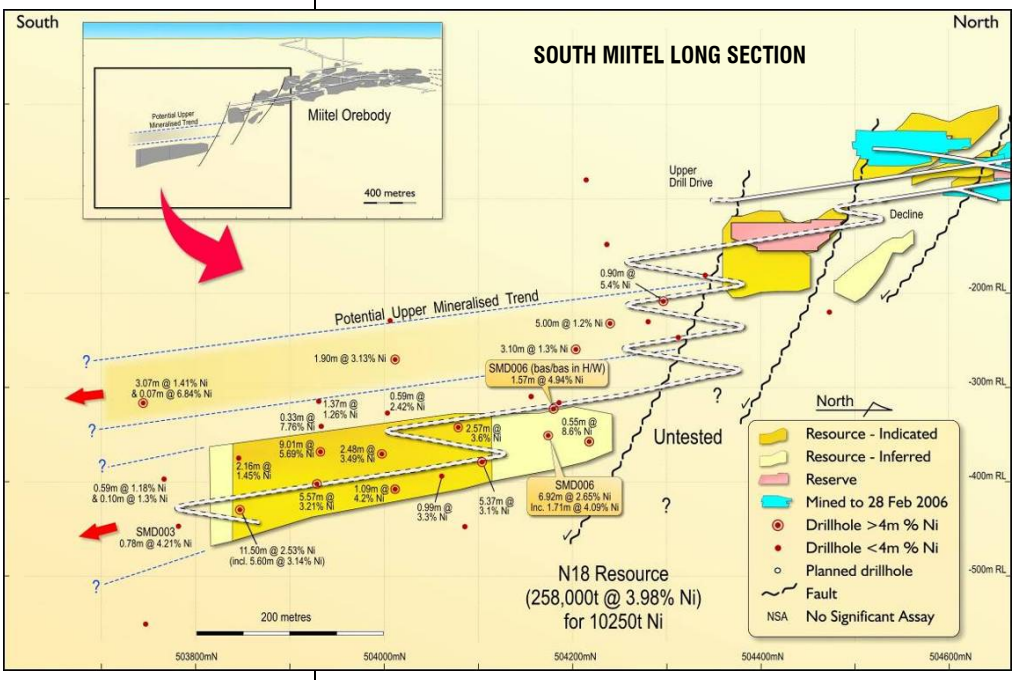
South Miitel

The N18 resource at South Miitel is currently estimated at 258,000 tonnes @ 3.98% nickel for 10,250 tonnes nickel contained. One infill drill-hole within the N18 resource was completed during the quarter.

N18 (South Miitel Drilling)

SMD006 was positioned to target the sparsely drilled northern end of the South Miitel ore body, with the aim of building confidence in the current geological interpretation and enabling this section to be upgraded from the Inferred Resource to the Indicated Resource category.

The drill-hole intersected a previously unknown zone of massive sulphide mineralisation above the South Miitel ore body, returning 1.57 metres @ 4.94% nickel from 675 metres. Core angles indicate a true width of approximately 1.0 metre. This massive sulphide zone lies within a basalt/basalt pinch-out position, within a basalt leading edge overlying the South Miitel ore body. This position has not been intersected in previous drilling, suggesting it has limited extent to the south. However it may extend to the north and/or up-plunge.



Drill-hole SMD006 also intersected the main South Miitel ore body (known as the N18 ore zone) as it was designed to do. A wide zone of mineralisation was intersected in the predicted position, providing strong confirmation of the resource model in this area. The intersection comprises a consistent profile of disseminated and matrix sulphides: **6.92 metres @ 2.65% nickel** from 702.82 including 1.71 metres @ 4.09 % nickel from 708 metres. Core angles indicate a true width of 6.5 metres for the total intersection.

This intersection confirms the current geological interpretation and provides an upgrade to the width of mineralisation at this point. The N18 Resource will be re-modelled and recalculated and the revised tonnage and grade figures will form part of Mincor's annual end-of-June statement of Resources and Reserves.

A review was completed on the sparsely drilled area between the N18 and the Miitel Mine in order to investigate the possibility that the N18 trough structure extends north. An historic drill-hole, MID15, was successfully re-entered and an extra 40 metres drilled from the previous base of the hole. No mineralisation was encountered in the hole but the down-hole electro-magnetic (DHEM) survey indicated a strong off-

hole anomaly in a stratigraphic position that could link the new massive zone intersected in SMD006 with the mineralisation in the N13 (Miitel Mine) ore zone above. Follow up drilling is planned for this high quality target.

Redross

Drill-hole RRD0125 was designed to test 160 metres down dip of nickel mineralisation encountered in RRD0120 (1.83 metres @ 4.96% nickel from 663.69 metres).

The hole intersected a minor sediment horizon on the basal contact at 869 metres, with no nickel mineralization.

REGIONAL NICKEL EXPLORATION SOUTH EAST WIDGIEMOOLTHA DOME

(Mincor 100%)

A systematic regional Reverse Circulation (RC) and Diamond Drilling campaign commenced during the quarter testing the highly prospective basal contacts from the Bradley Prospect to the Mariners Mine. The program is a third completed with drilling to date concentrated at Bradley, Anomaly A, Redross South and Redross East.

Bradley

The Bradley prospect is located 2km south of the Redross Mine and is hosted within the outer (Mariners) contact. Historic drilling intersected significant near surface mineralisation in drill-hole RED388: 10.5 metres @ 3.0% nickel from 102.9 metres. A drilling campaign of 5 RC holes and a diamond hole plus a wedge was completed.

While a number of sub-economic nickel sulphide intersections were achieved, the results suggest that the Bradley Prospect is a low tenor system. However detailed modeling of the local geology based on the new drill results shows evidence of a flatter trend beneath Bradley. It is possible that the Bradley mineralisation is a halo effect from the main mineralised channel below. Deeper drilling is planned to test this theory.

Anomaly A

Anomaly A mineralisation can be traced over 300 metres and is interpreted to have shallow northerly plunge. The best mineralisation encountered to date is the historic hole RED281 with 4.13 metres @ 7.20% nickel from 150 metres. The interpreted trough at Anomaly A contains high tenor massive ore grading up to 24.5% nickel.

MRC098 and MRC099 were drilled to test for near surface mineralisation. Both holes returned sub-economic results, downgrading the potential for an open pitable resource.

Two diamond holes, MDD100 and MDD102, were drilled down plunge but failed to intersect significant mineralisation. A moderate DHEM conductor was identified directly below MDD102 and requires follow up.

Redross East Contact

The Redross East ultramafic contact has a strike length of 2.5 kilometres with numerous occurrences of nickel sulphide mineralisation. The best intercept is a thick disseminated zone in MDD055: 17.7 metres @ 0.9% Ni from 51.3 metres, using a 0.5% nickel cut-off.

Six out of a planned 12 drill-holes were completed: MRC112-MRC114, MRC117, MRC 123 and MRC136. No significant nickel sulphides were encountered. The information from these holes will be used to finalise the positions of the remaining holes.

Redross South

The Redross South ultramafic contact is a fertile zone that is only very poorly tested over a strike length of 800 metres. A historic high-tenor intercept occurs in RED997522: 2.4 metres @ 1.33% nickel, including 0.12 metres @ 12.95% nickel from 130.5 metres.

Eight holes have been drilled to date, MRC124-MRC128, MRC130-MRC131 and MRC131A, with no significant nickel sulphides intersected. DHEM surveys will be completed next quarter. Assay results are pending.

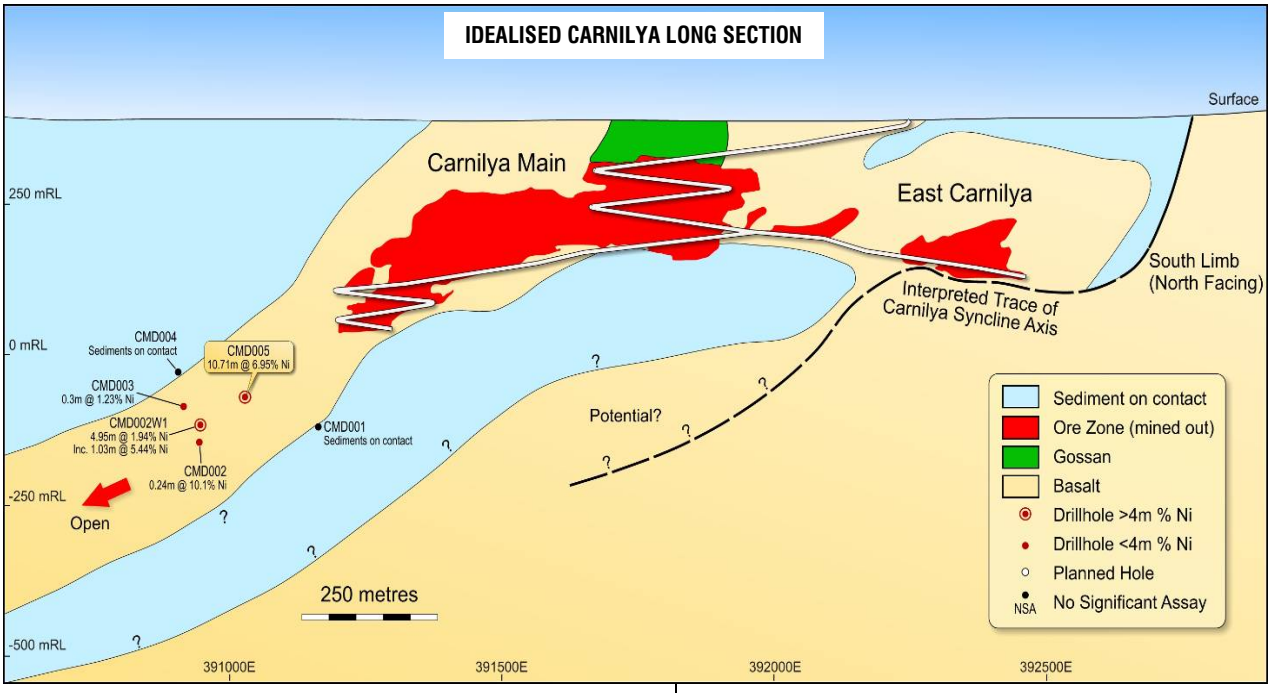
REGIONAL NICKEL EXPLORATION CARNILYA HILL JOINT VENTURE

(Mincor earning 70%)

Carnilya Hill Mine (historic production of 1.4 million tonnes @ 3.4% nickel) exhibits a typical Kambalda-style trough morphology, although overturned, and contained massive, matrix and disseminated mineralisation on the basal contact in a sediment-free window. Historic drilling and mining delineated the mineralised trough down to 360 metres vertically below surface, but no previous drilling went deeper than this. Mincor's interpretation is that the host trough structure continues beyond the limit of previous drilling. If correct there is potential to replicate the original high-grade Carnilya ore body down plunge. Mincor's diamond drilling programme started this quarter and 5 diamond holes and a wedge were completed.

Mincor's first hole, CMD001, was drilled to test the basal contact 80 metres down plunge of the old mine. The hole failed to intersect the trough surface and eventually intersected unmineralised sediments on the lower limb. This result indicated a shallower plunge to the trough structure than expected. The new plunge direction was then used to position holes on a major step-out section 270 metres west of the mine

The first hole on this section, CMD002, intersected a narrow width of high-tenor disseminated/stringer sulphides on the contact for **0.24 metres @ 10.1%** nickel from 598.25 metres, including 0.16 metres at 13.0% nickel from 598.25 metres.



DHEM surveying of CMD002 indicated a significant conductor up-dip, and a wedge was drilled from this parent hole. CMD002W1 intersected the contact approximately 35 metres up-dip of the original intersection and returned **4.95 metres @ 1.94% nickel** from 590.91 metres, including **1.03 metres @ 5.44% nickel** from 591.02 metres depth, in matrix and disseminated sulphides. Both intersections are close to true widths.

Drill-hole CMD003 was drilled 65 metres up-dip of CMD002W1 and intersected an open contact with minor sulphides, returning 0.3 metres @ 1.23% nickel from 490.05 metres.

A third hole, CMD004, was then drilled 150 metres up-dip of CMD003 and intersected thick sediments. No significant assays were returned.

The next hole, CMD005, was aimed at a geological target with a coincident DHEM anomaly in the updip direction (that is, back towards the existing underground development).

CMD005 intersected very strong mineralization:

10.71 metres @ 6.95% nickel from 496.24 metres, including **4.67 metres @ 11.83% nickel** from 496.52 metres and a further intersection of 2.71 metres @ 2.01% nickel from 518.63 metres.

Core angles indicate that the down-hole intersections are very close to the true widths of the mineralisation.

The mineralised profile in CDM005 is made up of 2 zones. The upper zone comprises 4.7 metres of solid, banded high-grade pentlandite-rich massive sulphides (including a narrow zone of unmineralised basalt), which lie on the overturned basalt contact, followed by 6 metres of disseminated mineralisation.

These results demonstrate the presence of high-grade, high-tenor massive sulphide mineralisation typical of what was previously mined at Carnilya Hill.

Carnilya East

Three RC holes (CMR001-CMR003) were completed to test historic nickel sulphide intersections at Carnilya East. Although no nickel sulphide mineralization was intersected, the presence of a sediment-free, upper ultramafic contact, and a potential target area for future work, was confirmed.

AUSTRALIA-WIDE GOLD AND BASE METAL EXPLORATION

(Mincor 100%)

Gascoyne Project WA (Tungsten, Gold, Copper, Molybdenum, Uranium)

Exploration commenced during the quarter and included an initial assessment of reported scheelite (tungsten) mineralisation at Nardoo Well followed by detailed mapping and channel rock chip sampling of known tungsten-bearing skarn units along the Nardoo Well trend.

The initial work was carried out to verify previous exploration reports from the late 1970's. Results included spectacular values up to **6.66% WO_3 over 3 metres**, strongly confirming the tenor of scheelite mineralisation encountered by previous explorers. Best results are summarised below (locations on diagram):

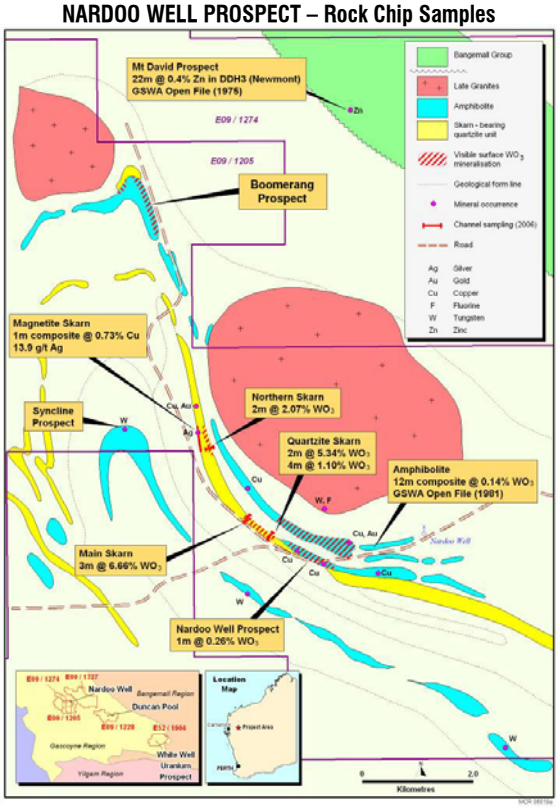
- **2 metres at 5.34% WO_3 (Quartzite Skarn)**
- **4 metres at 1.10% WO_3 (Quartzite Skarn)**
- **2 metres at 2.07% WO_3 (Northern Skarn)**
- **3 metres at 6.66% WO_3 (Main Skarn)**

A more intense program of detailed geological mapping, night lamping (scheelite fluoresces under ultraviolet light) and channel chip sampling commenced in June. The mapping is currently being compiled and samples have been submitted for assay. The results of this work will be used to plan follow up drilling in order to test the strike and dip extent of the mineralisation.

Nardoo Well is primarily a tungsten project containing scheelite ($CaWO_4$) mineralisation hosted within outcropping contact metamorphosed Palaeoproterozoic sediments. Vesuvianite skarns (an altered calcareous sediment) and para amphibolites (metamorphosed sediments) are the main hosts. High-level Mesoproterozoic granite intrusions have injected fluids into these rocks, generating the mineralisation which forms a series of high-grade pods along a strike length of 2-3km within the calcareous sediment (Main Skarn, Quartzite Skarn, Northern Skarn and Magnetite Skarn), as well as zones of disseminated mineralisation within the Nardoo Well amphibolites.

Nardoo Well is only one of numerous areas of interest within the Gascoyne Project however, and the entire project area now totals 1,200km^2. Other metals targeted include copper, molybdenum, bismuth, gold and uranium. Literature studies have highlighted the presence of zinc bearing gossans that crop out sporadically along a 20km long "keel" zone of younger Bangemall Group sediments on Mincor's E09/1274 application to the north of Nardoo Well. Reported zinc mineralization in rock chips and drill-holes at the Mount David Prospect require field checking and verification.

NARDOO WELL PROSPECT – Rock Chip Samples



Exploration will continue through the current quarter and will focus on the evaluation of the tungsten mineralisation at Nardoo Well – drilling is planned to commence as soon as Native Title Clearance is obtained, all results have been received and a suitable drill rig can be sourced. In addition, regional exploration of other reported tungsten occurrences as well as the gold, copper, uranium and zinc potential of the Project area will be evaluated.

Lake Cowan Project WA (Gold)

The Lake Cowan Gold Project covers part of a large interpreted antiform in mafic basalt-gabbro-dolerite rocks in a region that hosts a number of gold bearing structures, including the Zuleika Shear and the Boulder-Lefroy Fault. The world class St Ives group of gold mines (15Moz) are located adjacent to the Boulder Lefroy fault some 60km north of Mincor's tenement and the Higginsville deposits and 5Moz Norseman mining centre are located approximately 15km northeast and 40km south respectively.

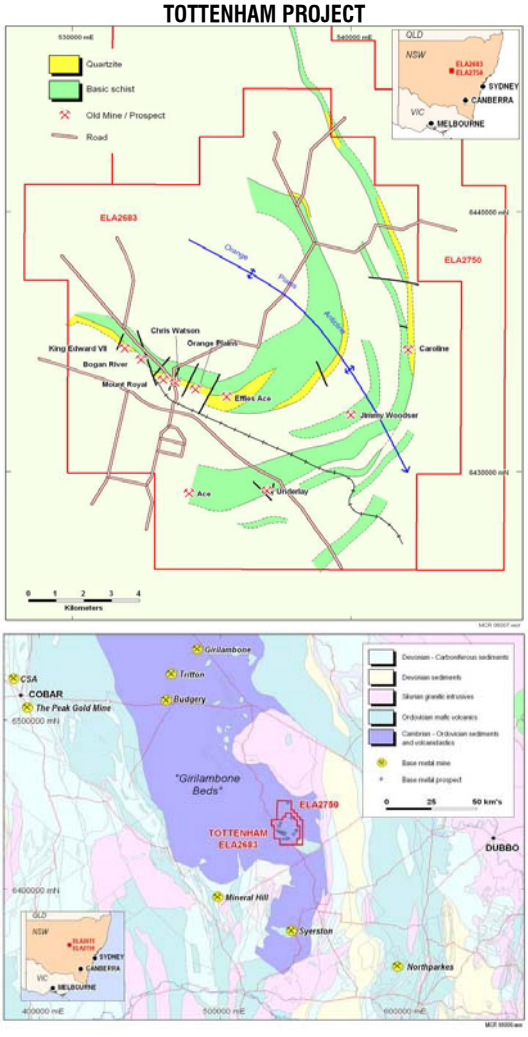
The positioning of the Zuleika Shear and associated structures together with the distribution of mafic rocks highlights the prospectivity of the Lake Cowan area (the tenement area is completely concealed beneath the salt lake).

Mincor has completed a ground magnetic survey and is planning a programme of aircore drilling, which is expected to commence during the current quarter.

Tottenham Project (Copper, NSW)

The 331km^2 Tottenham Project is located 120km south of Girrilambone in the highly prospective Laghlan Fold Belt of New South Wales.

TOTTENHAM PROJECT



The geological setting is similar to that of the Girrilambone group of mines. Mineralisation in the area is associated with shallow-dipping zones of massive sulphides within silica and magnetite altered Girilambone sediments and volcanics.

Drilling in the late 1990's by copper producer Straits Resources Ltd targeted shallow oxide mineralisation and returned significant results at Tottenham including **20 metres at 2.1% copper (from 10 metres) at the Caroline Prospect, and 7 metres at 1.5% copper (from 29 metres) and 10 metres at 1.4% copper (from 43 metres) at the Orange Plains Prospect**.

Most previous exploration focused on the near-surface oxide potential of the area and there has been very little deep drilling. Mincor is currently carrying out desk studies and data compilations and is planning a program of geophysics followed by drilling to test down-dip and along strike of known mineralisation. This will initially focus on both the oxide and sulphide ore potential at the Caroline and Orange Plains Prospects. Mincor has recently extended the Tottenham area by means of an additional tenement application comprising 122km^2 to the east and north of the existing 209km^2 tenement.

Georgina Project (Lead-Zinc-Silver)

Mincor is progressing the Georgina Project tenement applications in the Northern Territory. Once granted, the company plans to explore this region for potential for Mississippi Valley Type (MVT) zinc–lead–silver deposits building on new research by the Northern Territory Geological Survey. Further updates on this project will be provided as the applications proceed and additional data is obtained.

CORPORATE MATTERS

Board Appointments and Internal Promotions

During the quarter Mr Jim Reeve was appointed to Mincor's board of directors. Mr Reeve has served as Mincor's Chief Operating Officer since 2001 and has played a vital role in the development of the Company.

Mr Reeve stepped down as COO at the end of June 2006 and will continue in an exclusive part-time role with Mincor, focusing on the Company's growth plans. Mr Steve Cowle was promoted to the role of COO from the end of June, moving from the position of Mincor's General Manager – Kambalda Operations where he successfully managed a period of change and growth in the Company's operations.

Mr Mike Hildebrand has been appointed to the role of General Manager of Mincor's Kambalda Operations. Mr Hildebrand is a mining engineer with extensive experience in underground mining operations.

Receipt of Payment for Tethyan Options

Mincor received $15.69 million as payment for the transfer of its Tethyan options to Antofagasta following the successful off-market takeover in May 2006 by Antofagasta for all of the shares in Tethyan Copper Company Limited.

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.

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 4,813 tonnes of payable nickel metal to May 2008, at an average price of A$18,784 per tonne. This represents approximately 33% of Mincor's budgeted production over that period.

This hedging is distributed as follows:

Jul 2006 to Dec 2006	269 tonnes of nickel per month at a price of A$17,673/tonne
Jan 2007 to Jun 2007	217 tonnes of nickel per month at a price of A$18,801/tonne
Jul 2007 to Dec 2007	198 tonnes of nickel per month at a price of A$19,322/tonne
Jan 2008 to May 2008	141 tonnes of nickel per month at a price of A$20,388/tonne

Cash and Debt

As at 30 June 2006, Mincor had cash and receivables of $99.09 million and creditors and accruals of $54.24 million, giving a net working capital position of $44.85 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 Peter Muccilli and Mr Richard Hatfield who are Members of The Australasian Institute of Mining and Metallurgy. Mr Muccilli and Mr Hatfield are full-time employees of Mincor Resources NL. Mr Muccilli and Mr Hatfield have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are 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 Muccilli and Mr Hatfield consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mincor Resources NL
Postal Address:
PO Box 1810, West Perth WA 6872 Australia
Email: mincor@mincor.com.au
Website: www.mincor.com.au
Tel: (08) 9321 7125
Fax: (08) 9321 8994
ABN: 42 072 745 692
ASX Code: MCR

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 Australia
Email: perth.services@computershare.com.au
Tel: (08) 9323 2000 Fax: (08) 9323 2033

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	Prospect	Tenement	Hole Type	NAT North	NAT East	NAT RL	Max Depth	Azimuth	Dip
CMD001	Carnilya Hill	M26/49	Diamond	6563500	390999	267.4	672	0	-60
CMD002	Carnilya Hill	M26/49	Diamond	6563400	390757	368.5	672	0	-65
CMD002W1	Carnilya Hill	M26/49	Diamond	6563400	390757	368.5	259.7	354	-65
CMD003	Carnilya Hill	M26/49	Diamond	6563600	390760	363.9	651	354	-70
CMD004	Carnilya Hill	M26/49	Diamond	6563699	390755	363	546	354	-65
CMD005	Carnilya Hill	M26/49	Diamond	6563600.4	390759.8	367	651	354	-65
CMR001	Carnilya Hill	M26/48	Reverse Circulation	6563190	392520	346	210	352	-60
CMR002	Carnilya Hill	M26/48	Reverse Circulation	6563155	392523	345.8	228	352	-60
CMR003	Carnilya Hill	M26/48	Reverse Circulation	6563107	392639	344.3	222	Vertical	-90
MDD100	Anomaly A	M15/91	Diamond	6497010	372785	295	221	268.9	-55
MDD102	Anomaly A	M15/91	Diamond	6497200	372845	295	234	268.9	-60
MDD107	Bradley	M15/90	Diamond	6491840	371892	310	347	265.9	-62
MDD107W1	Bradley	M15/90	Diamond	6491840	371892	310	348	265.9	-62
MDD127	Redross South	M15/90	Diamond	6491800	371580	305	342	268.9	-60
MID15	South Miitel	M15/668	Diamond	6504475	372446	299	708	248.9	-59
MID24	South Miitel	M15/668	Diamond	6504475	372444	295	Abandoned	241.9	-56
MRC093	Anomaly A South	M15/81	Reverse Circulation	6495000	372570	295	240	268.9	-60
MRC093A	Anomaly A South	M15/81	Reverse Circulation	6495000	372570	295	65	268.9	-60
MRC098	Anomaly A	M15/91	Reverse Circulation	6496830	372650	295	42	268.9	-70
MRC099	Anomaly A	M15/91	Reverse Circulation	6496895	372675	295	114	268.9	-70
MRC101	Anomaly A	M15/91	Reverse Circulation	6497200	372810	295	102	268.9	-60
MRC109	Bradley	M15/90	Reverse Circulation	6491990	371655	310	180	268.9	-70
MRC110	Bradley	M15/90	Reverse Circulation	6491990	371685	310	120	268.9	-70
MRC111	Bradley	M15/90	Reverse Circulation	6492050	371760	310	166	268.9	-60
MRC112	Redross East Contact	M15/90	Reverse Circulation	6493770	372380	310	150	338.9	-70
MRC113	Redross East Contact	M15/90	Reverse Circulation	6494200	372460	300	150	268.9	-60
MRC114	Redross East Contact	M15/90	Reverse Circulation	6494200	372620	300	170	268.9	-60
MRC117	Redross East Contact	M15/81	Reverse Circulation	6495000	372600	300	114	268.9	-60
MRC123	Redross East Contact	M15/81	Reverse Circulation	6496220	372900	300	84	268.9	-60
MRC124	Redross South	M15/90	Reverse Circulation	6491150	371290	305	130	268.9	-60
MRC125	Redross South	M15/90	Reverse Circulation	6491150	371350	305	122	268.9	-60
MRC126	Redross South	M15/90	Reverse Circulation	6491800	371500	305	170	268.9	-60
MRC128	Redross South	M15/90	Reverse Circulation	6492180	371640	305	144	338.9	-60
MRC129	Bradley	M15/90	Reverse Circulation	6492150	371800	310	168	268.9	-60
MRC130	Redross South	M15/90	Reverse Circulation	6491580	371590	305	150	268.9	-60
MRC131	Redross South	M15/90	Reverse Circulation	6491800	371408	320	170	268.9	-60
MRC131A	Redross South	M15/90	Reverse Circulation	6491800	371408	320	86	268.9	-60
MRC136	Redross East Contact	M15/90	Reverse Circulation	6494200	372700	300	85	268.9	-60
RRD0125	Redross	M15/90	Diamond	6492477	372425	317	980.5	287.61	-67
SMD006	South Miitel	M15/668	Diamond	6504274	372457	299	780	250.9	-67