



2003-2004 ANNUAL REPORT

CORPORATE DIRECTORY

Directors

David Humann (Chairman)
David Moore (Managing Director)
Ian Burston
Jack Gardner

Company Secretary

Brian Lynn

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Stock Exchange Listing

Mincor Resources NL shares are listed on the
Australian Stock Exchange
(Home Branch – Perth)
ASX Code: MCR

ACN & ABN Numbers

ACN: 072 745 692
ABN: 42 072 745 692

Auditors

PricewaterhouseCoopers
QV1 Building, 250 St Georges Terrace
Perth, Western Australia 6000

Bankers

Commonwealth Bank of Australia
Société Générale Group
Westpac Banking Corporation

Solicitors

Blakiston & Crabb
1202 Hay Street
West Perth, Western Australia 6005

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
42 St Georges Terrace
Perth, Western Australia 6000

Date and Location of Annual General Meeting

Thursday, 11 November 2004 at 11.30am
Venue: Celtic Club, 48 Ord Street, West Perth



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COMPANY PROFILE



Head office staff – Mincor Resources NL

Profits and Growth from the Kambalda Nickel Miner

Mincor is a profitable nickel mining company and the largest producer of nickel concentrate from the Kambalda Nickel District.

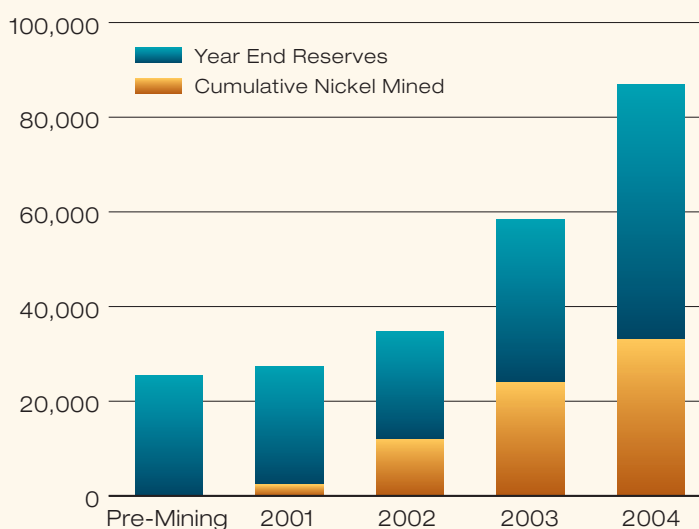
Mincor operates three mines in the Kambalda District and is developing a fourth. Mincor's operations have produced over 1 million tonnes of ore and over 35,000 tonnes of nickel in concentrate since commencement of operations in 2001.

Despite commencing production with attributable reserves of 25,000 tonnes of nickel metal, Mincor today has reserves of more than 53,000 tonnes of nickel metal – an outstanding record of growth that has seen the Company replace ore reserves at nearly double the rate at which it has mined them.

Mincor employs 13 people in head office and 35 people at its mine sites. The Company's mining contractor employs a further 160 people – a figure that will grow as the new operations ramp up.

Mincor maintains an unrelenting focus on the safety of its operations and the health and well-being of its workforce, and is continually seeking to improve its standards. The company recognises its wider responsibilities to the community and the environment, and has been a consistent supporter of local groups and charities, and an employer of local residents.

Growth of Nickel Metal in Reserves (tonnes)



COMPANY HIGHLIGHTS 2003-2004

Safety

Mincor's unrelenting focus on safety achieves nearly two years free of lost time incidents in early 2004.

Profits and Dividends

Profits rise by 24% as Mincor produces fourth annual profit in a row, and second successive annual dividend.

Fifth Consecutive Year of Growth in Shareholder Wealth

Year on year share price appreciation for the fifth consecutive year. With dividends and capital returns, \$10,000 invested in 1999 would be worth over \$160,000 today.

Growth in Reserves

Mincor continues its outstanding record of growing reserves – reserves today are at the highest level ever, after more than three years of successful mining.

Hedging

Mincor's low-priced and bank-imposed project finance hedging finally ends, leaving the company exposed to the strong nickel price for the final five months of the financial year.

Shareholders Rewarded in Spin Off of Tethyan Copper Company Limited

Mincor's shareholder's reaped windfall gains in the highly successful spin-off of Tethyan Copper Company Limited, receiving Tethyan shares worth (at listing) 12 cents per Mincor share, and subsequently trading as high as a value of 23 cents per Mincor share.

Year of Delivery for the Nickel Expansion Strategy

Year of implementation for Mincor's landmark Nickel Expansion Strategy – extensive development work on two new mines and one major mine expansion, absorbing cash flows but establishing a production profile second to none in the first great minerals boom of the twenty first century.

Production

Operational constraints experienced in the latter half of the year – Mincor undertakes far-ranging operational and structural changes whose benefits will flow in the coming years.

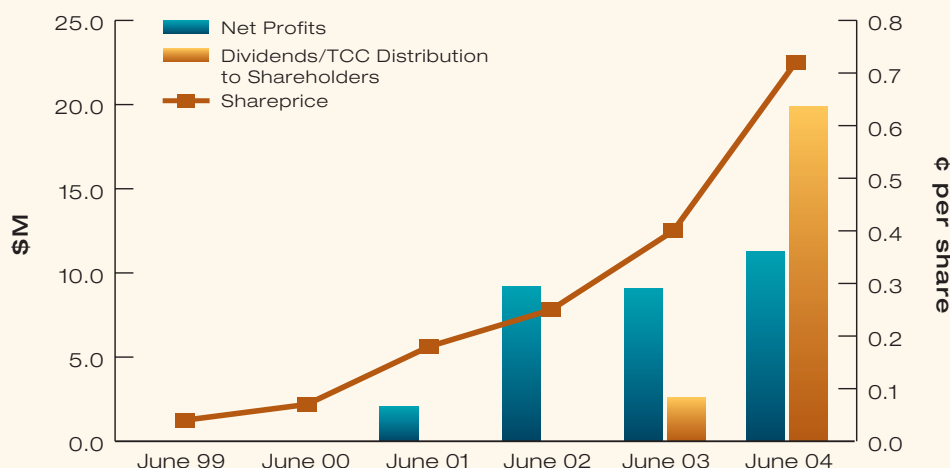
Much More to Look Forward To

Mincor is targeting a 76% increase in production over the next two years, and continues its aggressive exploration programme, on some of the best nickel exploration ground in Australia.



Directors and Company Secretary –
Mincor Resources NL

Profits and Shareholder Returns Generated by Mincor since 1999



CHAIRMAN'S REPORT



To our Shareholders

Mincor has experienced another excellent year of progress and we have produced further increases in value for shareholders. I am also pleased to report we maintained an excellent safety record in the year under review.

Revenues increased from A\$78.9 million to \$86.3 million (+9.4%) and net profit after tax increased from \$9.1 million to \$11.3 million (+24.2%).

Net cash flow from operations was a healthy \$12.6 million. We invested heavily in our Nickel Expansion Strategy, which has seen Redross in production and will see Mariners in operation within months. We bought out the minority interests in the Miitel Joint Venture, and acquired new and exciting exploration properties.

A 1.5 cent per share fully franked dividend of \$2.68 million was paid to shareholders on 24 September 2003.

Your directors have declared a further 1.5 cent per share fully franked dividend of \$2.9 million payable on 24 September 2004. These dividends reflect our confidence in the future of your company.

The cash dividends are in addition to the substantial in specie distribution of Tethyan Copper Company Limited shares to all shareholders upon our divestment of this former subsidiary company in October 2003.

The company remains free of debt and our production of nickel sulphide ore continues to increase. The price of nickel remains high and demand from the growing world market, and in particular China, is strong.

We have hedged an appropriate proportion of our nickel production and currency exposure on very favourable terms. This programme ensures we lock in a portion of our revenues for the medium term at advantageous prices and exchange rates.

As predicted in my 2003 report to shareholders, our former subsidiary company, Tethyan Copper Company Limited achieved its public listing on the Australian Stock Exchange and raised A\$15 million in new equity capital. This money is being invested in the development of its major copper gold project in Pakistan. Results of current exploration programmes are excellent and the demand for copper continues to be strong.

As stated above all Mincor shareholders received a distribution of Tethyan Copper Company Limited fully paid ordinary shares. I recommend shareholders continue to monitor the progress of the Tethyan Copper project.

The Managing Director's report which follows gives a detailed description of our exploration and development progress and demonstrates our success in achieving, at a low cost, a significant net increase in our nickel reserves and resources.

The challenge for the current financial year is to minimise mining costs and to safely achieve our targeted production of 11,000 tonnes of nickel in concentrate in the 2004/2005 financial year.

Your company continues to benefit from the entrepreneurial skill and intense effort of our management and staff who have worked very hard to achieve this result and to consolidate the position of Mincor as a leading Australian nickel producer.

I should also like to thank my board of directors and our company secretary for their strong support during the year.

We intend to press forward as rapidly as possible to produce nickel at high margins of profit in these favourable times.

A handwritten signature in blue ink, reading 'David Humann'. The signature is stylized with a large, looped 'D' and a cursive 'Humann'.

David Humann
Chairman

MANAGING DIRECTOR'S REPORT

To our Shareholders

Mincor has ended the year greatly strengthened by comparison to its position at the start of the year. At that time our operations were still hampered by the particular structure and constraints of the Miitel Joint Venture, we were tied to a mining contract that was becoming increasingly uncompetitive, and a shift and operational structure that, as it proved, was incapable of withstanding the impact of increased mining activity in the Goldfields. The Company was also locked into bank-imposed hedging contracts that deprived it of much of the benefit of the rising nickel price.

All this has now been resolved. Today Mincor has an operational structure that reflects modern best practise standards, and a fundamentally revised mining contract. The Miitel Joint Venture has been dissolved, and the early low-priced hedging has ended.

Moreover, in addition to the successful implementation of these changes, Mincor has set about delivering on its ambitious Nickel Expansion Strategy. During the year we developed the historic Redross Nickel Mine, which is now in production. We undertook the development of the North Miitel ore body, which is proceeding rapidly, and we undertook the dewatering and re-development of the Mariners Nickel Mine, which is also proceeding rapidly.

By the end of the financial year, then, the company had thrown off the constraints of the past, it had three major new operations under development, it had full exposure to the strong nickel price, it had delivered a 24% increase in profits, and had vitally consolidated its landholdings around the Widgiemooltha Dome.

We now look forward to the future with great confidence. We have budgeted production of 11,000 tonnes of nickel metal in this financial year, rising to 15,000 tonnes in the following year. Our new operations, quite apart from their productive capacity, can be seen as seeds of future growth. Hence our focus on extensional exploration. We have four mines – four seeds – to grow, and are confident that the reserves at all four of them will indeed grow substantially.

We are also confident that our extensive and highly prospective landholdings contain more ore bodies. Our regional exploration is focused on the discovery of another high grade, million tonne ore body. Our focus on exploration is entirely appropriate at the present time. At this point in the price cycle the acquisition of an ore body requires a huge leap of faith. Now is the time to explore.

In summary then, we are pleased with our strong profit performance, and are happy that we have been able to maintain our dividend, at a time when the Company is investing heavily in its future growth. We are very happy with the growth in reserves that we have achieved, and with our new operational structure, which will deliver increasing shareholder value over the coming years. And we are delighted to be mining nickel in the Kambalda District right now.

I would like to thank all our staff for the extraordinary efforts they have put in over the past year. Mincor has achieved great things, and could not have done so without their dedication and professionalism. I thank all our contractors, past and present, for their efforts, and I thank our shareholders for their continued support.

David Moore
Managing Director



REVIEW OF MINING OPERATIONS

Overview

Mincor operates the Miitel and Wannaway nickel mines and has just commenced production from the Redross nickel mine. The Company is also developing the Mariners and North Miitel nickel projects. All of these mines and projects are located in the Widgiemooltha district, immediately south of Kambalda, Western Australia. Production volumes from Miitel and Wannaway for the year were impacted by various operational constraints, but excellent progress was achieved at each of the development projects.

At the Miitel mine, we continued to extend stoping operations towards both the northern and southern ends of the ore body. Deliveries of ore were about in line for tonnage, which represented an increase of about 10% on the previous year. The average mined grade was lower than for the previous year, as stoping operations moved into some of the peripheral areas of the ore body. Here, disseminated ore makes up a greater proportion of the ore profile than in the central part of the ore body, where massive sulphides are abundant. The mining of the North Miitel ore body will become an important part of the total Miitel operation in the second half of the forthcoming year.

The Wannaway Mine operated at a reduced average production rate for the year, as mining moved to a remnant phase. Wannaway was due to close in December 2003. However, strong nickel prices and the continued exploitation of a remaining lower grade resource allowed this mine to continue to generate strong cashflows. It is expected that Wannaway will continue to operate for at least another year at essentially the current level of 80,000 tonnes per annum. Further drilling downplunge has given indications of additional potential, and this area is being further tested.

On the development front, Mincor has proceeded with the implementation of all significant elements of the Nickel Expansion Strategy.

- At Wannaway, the development of the 'Southern Lobe' on three levels has provided access to small, narrow, but higher-grade blocks of ore, which are continuing to be mined by hand-held methods. The 'Southern Lobe' project eventually included all additional opportunities to extend the life of the Wannaway mine.
- The major new access development from Miitel to North Miitel commenced in October 2003, and will provide access to the North Miitel ore body in late 2004.
- The development of the Redross Mine started in October 2003, and the decline from the bottom of the open pit has now reached the top of the remaining ore body. Mining of ore commenced in July 2004.
- The Mariners project was committed to in January 2004, and dewatering and rehabilitation commenced in May, following the permitting and installation of extensive pumping infrastructure.
- The North Dordie Open Pit remains as the only undeveloped component of the Nickel Expansion Strategy. This small, fairly marginal project requires a complex blending strategy to be successful, and this opportunity does not exist at present. This potential project will be kept under constant review.

All of Mincor's mines and development projects in this area are 100% owned by Mincor Resources NL.

Mining at Miitel and Wannaway was carried out under contract by Clough Engineering Ltd through to the end of June 2004. Barmenco Limited commenced development at Redross in November 2003, and have taken over all contract mining and development at Miitel, North Miitel, Wannaway and Mariners from 1 July 2004. Mincor acknowledges the work of Clough Engineering over the past three-and-a-half years, and now welcomes Barmenco as Mincor's contractor in the operation of these projects.



Figure 1: Location Map

Safety

The safety of all employees and contractors is of paramount importance to Mincor, and continues to be an area of focus for further improvement.

The operation continued through to February without a Lost-Time Injury ('LTI'), achieving a total of 21 months LTI-free. However, in the latter part of the year, two LTI's were sustained: a diamond driller received a thumb injury, and an underground operator sustained a hairline fracture when he slipped and fell at the Miitel surface workshop. Fortunately, both individuals have fully recovered.

In addition, there were a number of Medically-treated Injuries (MTI's) and also a number of potentially serious incidents which did not cause injury. These serve to emphasise that we cannot be complacent about safety, and must be constantly driving towards greater hazard awareness, and improvement in our safety systems.

Sales

Mincor's Ore Tolling and Concentrate Purchase Agreement ('OTCPA') with WMC continued to work satisfactorily throughout the year. Under this long-term agreement, ore produced at the Miitel and Wannaway nickel mines is transported (55km and 75km respectively) to WMC Resources Limited's ("WMC") Mill at Kambalda, where it is toll-treated by WMC. Ore trucks arriving at the mill are weighed before the ore is dumped on the ore pad. A random selection procedure is used to divert an average of 1 in 5 truckloads to a sample stockpile, and the accumulated ore is sampled according to an agreed procedure. This allows average grades for nickel, copper, and cobalt to be determined, and assigned to the entire delivery. The moisture content is also determined, and a correction applied to arrive at a total dry tonnage.

The ore is milled through the Kambalda Mill, and the concentrates sold to WMC under a long-term offtake agreement. Payment is made by WMC in US dollars, based on the prevailing spot metal prices. Approximately 97% of revenue comes from payment for nickel, with copper and cobalt making up the balance.

In the coming year, ore produced from the Redross and Mariners mines will be toll-treated and the concentrates sold to WMC under the existing Miitel OTCPA.

Miitel Nickel Mine (Mincor 100%)

Production

The Miitel mine generally continued to perform well throughout the year. Overall, difficulties were experienced in obtaining the full complement of skilled underground workforce, as a result of the extremely buoyant conditions prevailing throughout the mining industry, compared with previous years. Nevertheless, tonnages mined over the past year were about 10% higher than the previous year. However, the overall grade was lower, as mining operations accessed more of the lower grade sections of the ore body, and mining was nearly completed in the central N01 ore body.

Table 1: Production for 2003/2004 – Miitel Nickel Mine

	Total Ore Tonnage Mined (dry)	Total Ore Tonnage Delivered (dry)	Ni (%) Grade	Cu (%) Grade	Co (%) Grade	Nickel in Concentrate (tonnes)
2003/2004	230,858	229,740	3.19	0.30	0.07	6,494

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the finalisation of tonnages and grades at the Kambalda Mill. The above figures are final)

REVIEW OF MINING OPERATIONS



Mining progressed throughout the ore body, with development and stoping proceeding to access some of the more peripheral ore zones at the northern and southern end. As in previous years, all stoping operations progressed safely and satisfactorily in terms of the orderly extraction of the ore body.

In the central area of the N01 ore zone, stoping and final pillar extraction progressed successfully on the 254, 278, 302, 326 and 350 metre levels. At year end, only a small amount of final pillar extraction on the 350 metre level remained to be completed.

Immediately to the south, mining of the N01S ore body continued on the 302, 326, 350 and 374 metre levels. High grade pillars remain to be extracted on the 350 and 374 metre levels.

Further to the south, development and stoping progressed satisfactorily on the N05 ore body, on the 345, 372 and 396 metre levels.

In the upper southern area, a decline and associated ventilation and escapeway development were completed into the N02S ore zone, and development proceeded on the 254 and 278 metre levels, providing first production from this new ore position.

At the northern end of the ore body, development and drilling has revealed greater structural complexity that effectively divides this part of the ore body into two narrow subhorizontal trends. Recent work in this area has extended the limit of known mineable ore for an additional 90 metres beyond previously-defined limits. Further potential to the north will be tested in the near future. Development and stoping continued on the 210, 235, 260 metre levels, and lower down on the 285 metre level.

Elsewhere, selective airleg mining was carried out on a number of small narrow stoping areas that are not suitable for mechanised mining.

Figure 2 illustrates the current interpretation of the ore body in long-section, with Resources, Reserves, and mined areas.

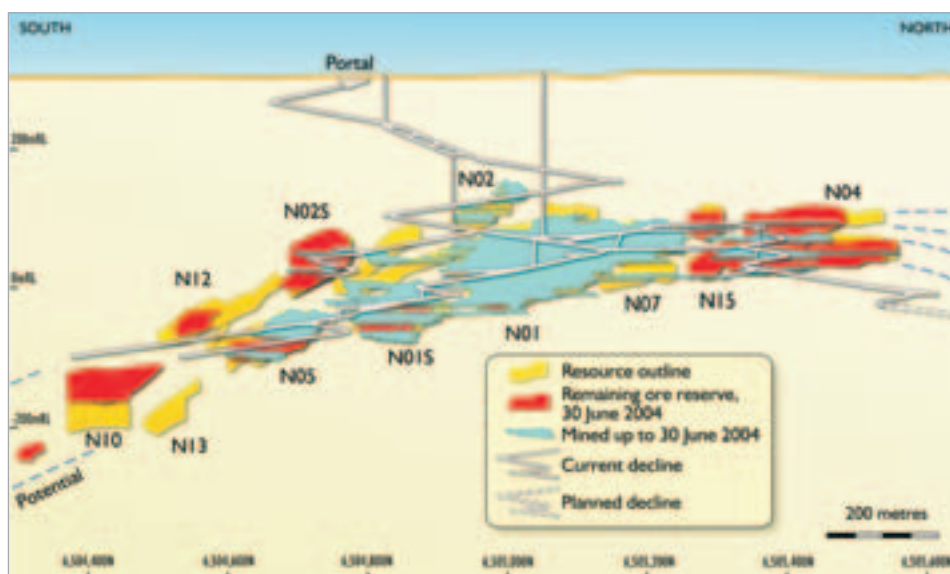


Figure 2: Miitel long section

Costs

The direct cash cost (mining, milling, haulage and royalties) per pound of nickel (after by-product credits) was A\$3.61, and total cost (including depreciation and amortisation, and other non-cash costs) was A\$4.68 per pound of nickel. These costs were higher than for previous years, as a result of the overall lower grade mined. However, the average realised price for nickel was also considerably higher. Revenue was also generated by the copper and cobalt content of the concentrate sold to WMC, and this was also higher because of the increased prices for these metals.

Drilling

An ongoing programme of underground drilling continued throughout the year. Much of this work was aimed at resolving the detailed structure of the ore body, prior to stoping plans being finalised.

However, further drilling has also allowed the near southern extension of the ore trend to be evaluated. This area is quite complex, and drilling is continuing. Additional drilling is planned in the area between Miitel and North Miitel.

Resources and Reserves

Resources and Reserves were recalculated for Miitel as at 30 June 2004, and the current figures are shown in Tables 3 and 4.

The original ore reserve at Miitel, on which the project was evaluated, acquired, and financed, was 844,000 tonnes at 3.96% nickel, containing 33,422 tonnes of nickel. At the end of June 2004, a total of 701,250 tonnes at 3.91% nickel had been mined and delivered to the Kambalda Mill, containing 27,870 tonnes of nickel.

The end-of-June remaining ore reserve of 366,000 tonnes at 2.95% nickel, when added to the ore that has already been mined, gives a notional pre-mined ore reserve figure of 1,067,250 tonnes at 3.6% nickel, containing 38,420 tonnes of nickel. This represents an increase of around 5,000 tonnes of contained nickel against the original ore reserve.

Note that the above figures do not include North Miitel, which is dealt with separately (below).

It is expected that ongoing work in the current year will further add to this increment.

Future Developments

Underground drilling from within the mine has indicated greater complexity and lower average intensity of mineralisation in the area immediately south of the southern end of the ore body. In order to pursue this trend further south, a series of drill holes is underway on 100 metre spaced traverses. The first two of these holes have been drilled, and they clearly indicate the continuation of the mineralised trend. However, further work is required to fully understand the geological structure of this area, and the distribution of mineralisation. At this point, no major new ore body extensions have been located, but the area remains very prospective for such additions along this well-defined mineralised channel.

At the north end, strike driving of the ore body on the 210 metre and 235 metre levels has continued well beyond the previous ore reserve boundary, providing a total of about 90 metres extension to known mineable mineralisation in this area. There are indications that these extensions continue further to the north, and a shallow surface drilling programme is planned to test this area.



Wannaway Nickel Mine (Mincor – 100%)

Overview

The Wannaway Nickel Mine operated satisfactorily throughout the year. Although originally planned to close in April 2003, and subsequently extended to December 2003, high nickel prices, and discovery of incremental ore, allowed production to continue at an average rate of around 6-8,000 tonnes per month in the latter half of the year. All capital expenditure and the original purchase price has been fully paid, and the mine now essentially operates on a cash basis, with a no-capital cut-off grade of around 1.2% to 1.5% nickel, at the current high nickel prices. There is a considerable amount of lower grade Resource down-plunge of the N01, and this is being further evaluated for future development.

Flat-back stoping was completed progressively on the remaining levels of the N02 Ore Zone, and crown pillar extraction continued sequentially from the top of the mine downwards, as the final part of the mining programme on each level. At year-end, final-stage mining is extracting the last remaining tonnages on the lowermost level (the 570 level) of the N02 central higher grade core.

At year-end, the total tonnage mined by Mincor since commencement had amounted to 398,200 tonnes at 3.23% nickel containing 12,900 tonnes of nickel. This far exceeds the original ore reserve of 290,000 tonnes at 3.56% nickel containing 10,324 tonnes of nickel, on which the project was purchased and brought into production. A further 112,200 tonnes of ore at 2.2% remains in ore reserves as at 30 June 2004, and there is additional potential which is being evaluated by drilling programmes in place at year-end.

REVIEW OF MINING OPERATIONS

Production

Production continued throughout the year at an average rate of 8-10,000 tonnes per month in the first half of the year, falling to 6-8,000 tonnes per month in the second half, as the N02 ore body was depleted, and other ore sources were developed.

Production came principally from four sources during the year. Firstly, mining continued on the N02 ore zone. Here, stoping and crown pillar extraction was successfully completed on the 494, 515, 542, and 550 metre levels, and was at an advanced stage on the 570 metre level, which is the lowest level on this ore body. Although some small pillars had to be retained in position on an as-required basis in order to ensure the stability of the stoping areas, generally this stoping operation was highly successful. Essentially all ore was extracted according to plan, in an orderly and safe manner. At this point, with the exception of the small remaining tonnages in the 570 metre level, the original N02 ore reserve is essentially completely mined.

The second source of ore was the 'Southern Lobe', in the upper-southern part of the N02 ore zone. This area was developed with three strike-drives (at the 362, 378 and 392 metre levels), in order to evaluate the continuity of mineralisation. These drives then became the bases for a small but successful stoping operation employing appropriate traditional non-mechanised narrow-vein airleg mining techniques. There appears to be some scope for increasing this sort of tonnage for future, ongoing small-scale operations, and exploration potential is being evaluated.

Thirdly, lower-grade sediment-hosted ore was won from the down-plunge areas of the N01 ore body. Earlier drilling in this area had indicated grades of 1.8 to 2.0% nickel in laminated sediments on the basalt contact, with a small component of true matrix nickel sulphides at the base of the ultramafic unit. In order to evaluate and extract this ore, it was decided to strike-drive the ore body at the 835/840 metre level, and at the 822 metre level. These developments, however, have demonstrated that there appear to be extensive areas of subgrade mineralisation within this sediment-hosted zone. As a result, some of this low-grade ore reserve tonnage has been written back to Resource category.

Finally, additional tonnages were also mined from remnants within the original N01 ore body, in the 860, 880, and 935 stopes.

Table 2: Production for 2003/2004 – Wannaway Nickel Mine

	Total Ore Tonnage Mined (dry)	Total Ore Tonnage Delivered (dry)	Ni (%) Grade	Cu (%) Grade	Co (%) Grade	Nickel in Concentrate (tonnes)
2003/2004	99,337	99,784	2.54	0.27	0.06	2,185

(Note: Some of these figures may differ slightly from provisional results previously reported. This is due to delays inherent in the ore sampling and assaying procedures at the Kambalda Mill. The above figures are finalised.)

Figure 3 outlines the extent of mining as at the end of June 2004.

Costs

Direct cash cost (mining, milling, haulage and royalties) per pound of nickel (after byproduct credits) was A\$5.13, and total cost (plus depreciation and amortisation) was A\$5.66. These costs have increased on a unit basis, because of the lower grade mined during the year.

Drilling

Underground drilling was carried out to test for additional high grade ore in the area to the south of the N02 (down-dip of the southern extension of the Southern Lobe). However, only subgrade minor mineralisation was encountered. Surface drilling was also undertaken, to explore the area within access of the existing mine infrastructure. Encouraging indications of mineralisation were

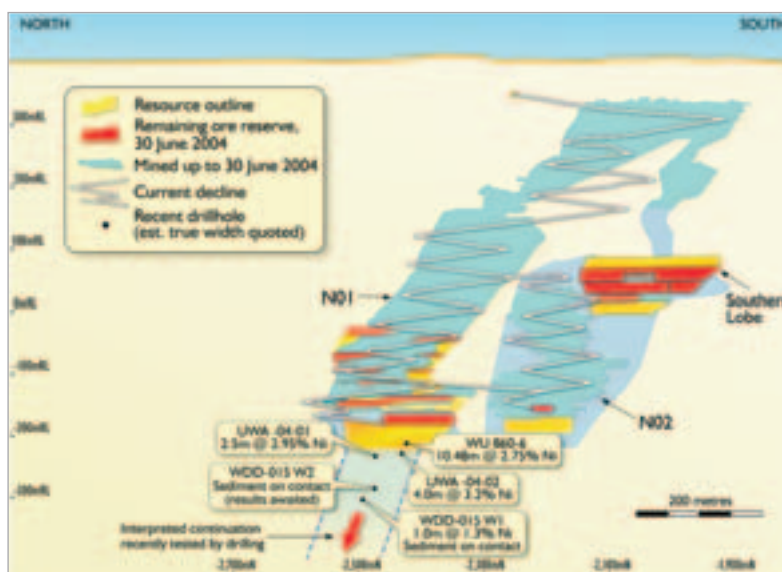


Figure 3: Wannaway Long Section

found in some of these drillholes, but no additional mineable ore has yet been located. Some further details are provided in the Exploration report given below.

Resources and Reserves

The Resources and Reserves are shown in Tables 3 and 4.

The total remaining Ore Reserve, when compared with the Ore Reserve given in last year's Annual Report (and including production for the year) shows a net increase of 104,000 tonnes at 2.2% grade.

However, an ore reserve update was announced in December 2003. When production plus remaining reserves are compared with December's tonnage, a net loss of 60,000 tonnes at 2.1% grade is indicated. This has resulted from the removal of some low grade areas from the Ore Reserve, following assessment during the development of the sediment-hosted Lower N01 (as described above). However, there are many remaining opportunities for additional ore reserve tonnages in the remnant and peripheral areas of both the N01 and N02 ore zones, and this potential will continue to be evaluated on an ongoing basis.

Future Developments

The current budget provides for continuation of the Wannaway mine at an average rate of 7-8,000 tonnes for the forthcoming year. At that point, depending on the prevailing nickel price, it is likely that the mine could continue to produce at a similar rate for some time beyond.

Low-cost long-hole stoping of the low grade sediment-hosted ore in the Lower N01 will be carried out in the next few months. Exploration will be continued, testing near-mine targets and extensions.

Resources and Reserves Tabulation – as at June 2004

- All figures are total for project, as at June 2004. Mincor's proportion is 100% in each case.
- Resources are undiluted, and inclusive of the mineralisation in Ore Reserves.
- June 2004 figures are shown in bold black type. For comparison, previous figures are shown in blue italic type.

Table 3: Resources

Resource		Inferred		Indicated		Measured		Total	
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)
Mariners	2004	-	-	187,000	4.5	215,000	3.7	402,000	4.0
	2003			187,000	4.5	215,000	3.7	402,000	4.0
Redross	2004	32,000	3.3	313,000	5.2	-	-	345,000	5.0
	2003	32,000	3.3	313,000	5.2	-	-	345,000	5.0
North Dordie	2004	68,000	1.6	73,000	1.5	-	-	141,000	1.5
	2003	68,000	1.6	73,000	1.5	-	-	141,000	1.5
North Miitel	2004	-	-	373,000	3.7			373,000	3.7
	2003			373,000	3.7	-	-	373,000	3.7
Miitel	2004	27,000	3.6	268,000	4.1	28,000	4.1	323,000	4.0
	2003	367,000	2.5	173,000	3.7	135,000	4.9	675,000	3.3
Wannaway	2004	120,000	2.2	45,000	3.6	101,000	3.8	266,000	3.1
	2003	183,000	1.8	195,000	2.3	157,000	3.1	535,000	2.4
GRAND TOTAL									
June 2004		247,000	2.3	1,260,000	4.1	343,000	3.7	1,850,000	3.8
June 2003		650,000	2.2	1,315,000	3.8	507,000	3.1	2,471,000	3.4

REVIEW OF MINING OPERATIONS

Table 4: Ore Reserves

Resource		Probable		Proved		Total		Ni Tonnes
		Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	
Mariners	2004	511,000	2.7			511,000	2.7	13,629
	2003	-	-	-	-	-	-	-
Redross	2004	513,000	2.9	-	-	513,000	2.9	14,712
	2003	526,000	3.0	-	-	526,000	3.0	15,526
North Miitel	2004	500,000	2.5			500,000	2.5	12,356
	2003	463,000	2.7			463,000	2.7	12,281
Miitel	2004	211,000	2.5	155,000	3.6	366,000	2.9	10,787
	2003	216,000	3.3	216,000	3.6	432,000	3.5	14,930
Wannaway	2004	67,000	1.91	45,000	2.6	112,000	2.2	2,450
	Dec2003	103,000	1.78	112,000	2.7	214,000	2.2	4,700
GRAND TOTAL								
June 2004		1,801,000	2.6	201,000	3.4	2,001,000	2.7	53,934
June/Dec 2003		1,309,000	2.8	328,000	3.3	1,636,000	2.9	47,437

NB: Ore tonnage and grade figures are rounded, in some cases causing apparent minor discrepancies in totals

The calculation of the above Resource and Reserve figures was carried out by, or supervised by, P Muccilli, S Krebs, S Cowle, D Will, J Reeve. These people are full-time employees of Mincor Operations Pty Ltd, or Mincor Resources NL, and satisfy the requirements of a Competent Person as defined by the JORC Code, in the activities they were undertaking.



REVIEW OF DEVELOPMENT PROJECTS

Over the past two years Mincor has been looking at opportunities for expansion of nickel production from new initiatives on its existing leases – a project known as the Nickel Expansion Strategy.

If the previous year was a year of evaluating new opportunities for Mincor, then 2003/04 was the year of implementation, as Mincor moved rapidly to put four of these 'Nickel Expansion Strategy' projects into production. Redross, Mariners, North Miitel, and the Wannaway Southern Lobe were all given approval for go-ahead during the year, and are all now in various stages of advancement as development projects.

Each of these projects are each expected to contribute significantly to production in the current year.

Redross Nickel Project

The Redross Project is situated 11 kilometres south of and along strike from the Miitel Nickel Mine. Anaconda Australia Incorporated worked it as an underground operation between 1970 and 1978, producing a total of around 438,000 tonnes at 3.2% nickel. WMC mined the top of the remaining ore body as a shallow open pit in 1989, producing a further 97,000 tonnes at 2.4% nickel.

The closed Redross nickel mine was part of the assets purchased with the Miitel lease block.

The two main economic ore lenses at Redross are the N01 (formerly the Redross Vein) and the N10 (formerly the Eastern Vein). The N01 is the main ore body with 78% of the contained metal in Reserve.

In October 2003, Mincor announced the formal go-ahead for the Redross Project. Barminto Limited were selected as the mining contractor for the project, and commenced cutting the Decline Portal from the base of the open pit in November. Declining started in December, and total development has been proceeding at the rate of around 240 to 260 metres per month. Surface facilities including offices, workshop, grid powerline connection and other infrastructure have been completed.

At end of August, the decline had advanced 1,400 metres, and had reached the 8 level at the top of the remaining ore body. Accesses had been cut through to the old 5, 6, 7 and 8 levels for ventilation. A ventilation fan has been installed at the 7 level, and the old Redross Shaft established as the exhaust airway. The first ore was delivered in August: 700 tonnes at 3.1% nickel.

The accesses have allowed the old mine levels to be inspected, and all openings have generally been found to be in excellent condition. A small amount of ore had been won from the 8 Level, where the thickness and grade of the ore body was in line with expectation.

Progressively over the next few months, the decline will continue to be advanced, and strike driving of the ore will commence. Stopping blocks will be established, and production will commence using a hybrid of half uppering and airleg leading stopping. Production is planned to ramp up progressively in the current year, reaching a rate of 12-15,000 tonnes per month by early to mid 2005.



Old Redross Headframe

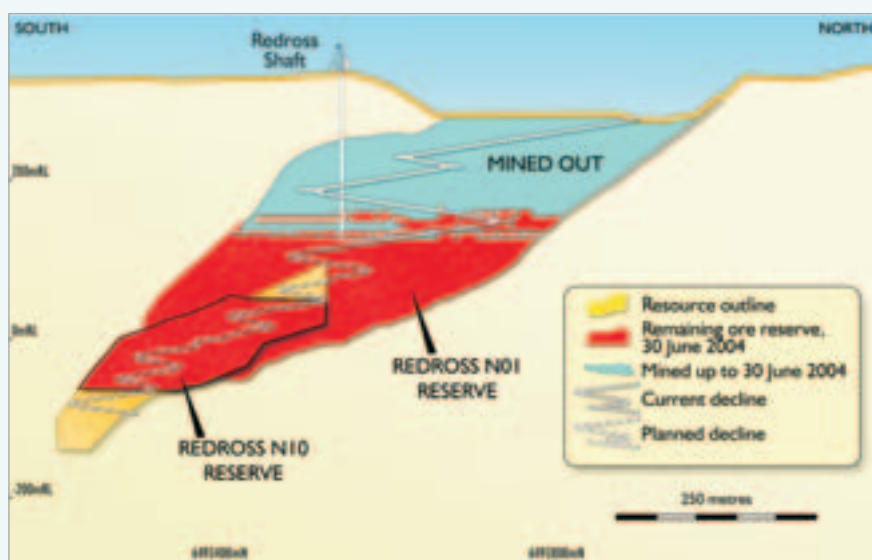


Figure 4: Redross Long Section

REVIEW OF DEVELOPMENT PROJECTS



During this process of re-development, there have been ongoing studies on the optimal stoping method to be applied, once the stoping blocks are established. This has resulted in a slight revision to the Ore Reserves, caused by application of more conservative dilution and extraction parameters.

Mincor's existing Ore Tolling and Concentrate Purchase Agreement with WMC Resources Limited will apply to the Redross Mine in the same way as it now applies to the Miitel Mine. This provides Mincor with an assured processing facility, guaranteed metallurgical recoveries, and guaranteed off-take of nickel concentrate.

There is considerable exploration potential in and around the Redross Mine, as has been demonstrated by the results from MDD20 downplunge of the Redross trend. There are also some very promising results at the adjacent Jeremy Dee prospect (see Exploration section), which would be accessible from the existing Redross Decline.

Mariners Nickel Project

The Mariners Project is situated 4 kilometres south of Miitel. It was worked as an underground operation between 1991 and 1999 by WMC. In the latter part of this period, the mine experienced large water inflows and this, together with low nickel prices at the time, caused the closure of the mine. During the period of operation, WMC mined a total of 1.1 million tonnes of ore at 2.5% nickel.

The closed Mariners Mine was part of the assets obtained by Mincor at the time of the purchase of the Miitel lease block.

At mine closure WMC had fully developed the 07 ore body including 90% of the strike drives, and had started limited stoping.

In addition WMC had drill defined a further ore body, the 08 ore surface, but there is currently no development in place to access this ore body. The 08 ore body boundaries have not been defined by drilling, and there is considered to be excellent potential for discovery of additional ore. Mincor has not carried out any further exploration on Mariners at this stage. The focus to date has been to re-establish access to the existing ore reserve.

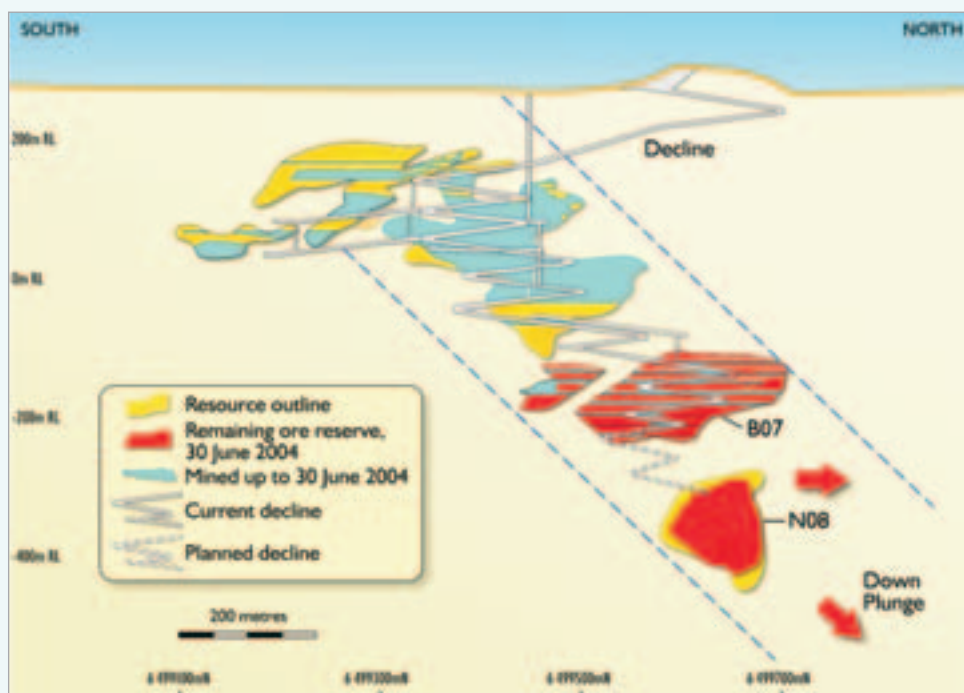


Figure 5: Mariners Long Section

Early in the past year, Mincor completed its Feasibility Study on the re-opening of the Mariners mine, and announced the go-ahead for this project in January 2004. The task of constructing the infrastructure for de-watering the mine as well as rehabilitating the mine portal and decline access and re-establishing the electrical and ventilation services was commenced immediately. By mid-May, the permitting and construction of surface and borehole pump stations, and the required large-diameter pipeline had been completed, to allow disposal of mine water to Lake Lefroy, approximately 15 kilometres to the north. After a period of commissioning and testing of the infrastructure, pumping commenced in late May, at the rate of 80 to 90 litres per second. By mid-August, the water level in the mine had been pumped out to a depth of 160 metres from surface. The rate of progress has been variable – initially faster than expected and then, for a period, much slower than expected. Progress has since returned to expectations, and a number of steps have been taken to ensure sustained progress at the upper levels of pumping capacity. Water ingress to the mine is estimated to be at around 70 litres per second, but is expected to fall as the draw-down cone proceeds to expand. Initiatives are also in hand to progressively plug the inflows, and some progress has been made. This will be an area of continued focus.



Re-establishment of the mine infrastructure has progressed largely as planned, as the mine workings have become accessible. The portal and decline have been found to be in excellent condition, and have been rehabilitated to 150 metre vertical depth (as at mid August). The original 3.0 metre diameter ventilation rise (which had been back-filled at the closure of the mine) had been successfully cleared, and removal of backfill in the nearby escapeway rise is in progress. Re-establishment of underground electrical installations and permanent underground pump-stations is about to commence.

Mariners is an exciting project with tremendous upside. To date all challenges have been successfully overcome, and the mine remains on track to commence production in January 2005. Production will progressively ramp up to around 15,000 tonnes per month by June 2005. The ore will be toll-treated at the WMC Kambalda Mill, under the existing off-take agreement with WMC.

North Miitel Nickel Project

The North Miitel Project is situated 700 metres north of Miitel along the strike of the basal contact. North Miitel was evaluated by surface drilling by Mincor in the previous year, and a Feasibility Study completed soon after. The project was given the go-ahead by Mincor in October 2003, and development of the twin declines to provide access and ventilation commenced soon after.

No further drilling of North Miitel has been undertaken in the past year. However, the area is considered to be very prospective for additions. In particular, the northern extension of the ore trend is identified as being an area of likely additional ore, as the northernmost existing drillhole contains one of the best intersections in the ore body (5.5 metre true width at 3.8% nickel). Partly in order to secure this, Mincor purchased the leases (known as the 'East Widgie' Block) from WMC in late 2003. This purchase secures Mincor's ownership of any northern extension or additional ore bodies in this very well mineralised trend.

Since commencement, the North Miitel Twin Declines have each advanced approximately 480 metres. Progress has been somewhat slower than originally planned, as a result of some contract changeover issues and manpower shortages. At this stage, it is expected that mining will commence in late 2004, and progressively increase to 8,000 tonnes per month by mid 2005. The first ore will come from the N14 ore body, the smaller southern ore body that will be accessed from the decline en route to the main N11 ore body.

A combination of airleg stoping for the narrow, high grade N14 ore lens, and standard flat-back mining for the main N11 ore body is considered appropriate.

REVIEW OF DEVELOPMENT PROJECTS



Wannaway 'Southern Lobe' Nickel Project

Part of the original Nickel Expansion Strategy, the Wannaway 'Southern Lobe' project has been expanded to include the evaluation of all opportunities within the Wannaway mine environment, which have the potential to extend the life of this operation.

As described above, the original Wannaway ore reserve tonnage of 290,000 tonnes has already been exceeded by an additional 110,000 tonnes of ore mined to the end of June, and the operation is expected to mine approximately a further 85,000 tonnes in the current year.

Additional ore has been defined in the 'Southern Lobe' area (ie the upper-southern N02), where a successful small-scale airleg mining operation has been established to extract this narrow ore. Further underground drilling is being targeted in this area, to locate further extensions.

Re-evaluation of remnant mining opportunities on the original N01 ore body is also progressing. Remnant mining has commenced on some of these blocks, and will continue in the coming year. Again, there appears to be potential to continue to locate additional blocks that can be accessed and mined.

The development of the lower grade sediment-hosted ore at the base of the N01 ore zone was carried out in the second half of the last year. The 835/840 drive and the 822 drive were driven along the contact to assess the grade of this material. Generally, this ore is of lower grade, and narrower than indicated from earlier drilling. Further development and stoping will continue to assess this area.

Underground drilling below the 822 Drive has indicated a sediment-free 'window' of contact with matrix ore. Three intersections ranging between 2.5 and 10 metres at 2.7 to 3.2% nickel were located. Further drilling to test the downplunge potential of this opportunity was not possible from

underground because of very acute drill angles. A surface hole was drilled to test approximately 40 metre downplunge, but only subgrade light mineralisation of 1.0 metre at 1.3% was achieved in this first hole. A second test using a wedge from the parent hole was completed in mid September. Although assay results have not been received, visual inspection of core suggests ore mineralisation is subgrade with sediment present on the contact.

Continued mining of the lower grade ore at Wannaway depends on a strong nickel price. While the current price is maintained, we confidently expect that Wannaway will continue as a small but profitable mine for some time to come.

North Dordie Nickel Project

The North Dordie Project is a small, low-grade potential open pit operation containing a total in-pit resource of 214,000 tonnes at 1.06% nickel. It is located just to the northwest of the Miitel ore body.

A number of studies have been carried out to determine the viability of mining this resource. However, because the ore is of relatively low grade and has suffered the effects of near-surface weathering, there are a number of ore-quality issues that require North Dordie ore to be blended with Mincor's ore stream from the underground mines on the Miitel lease block. At this stage, there is only a very limited opportunity for a substantial benefit to be achieved, and therefore this project remains in abeyance at this time.

This opportunity will continue to be evaluated, as circumstances change.

REVIEW OF **EXPLORATION OPERATIONS**

The key objectives of Mincor's exploration growth strategy are:

- 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 further develop Mincor's growing regional exploration portfolio in the Kambalda-Norseman region, including its Widgie Gold programme. The Company currently has 100% ownership of 3,000 square kilometres of tenements or tenement applications prospective for nickel and gold.

Widgiemooltha Dome

Significant new ground was added to Mincor's exploration portfolio with the purchase of the East Widgie Block nickel rights from WMC Resources Limited and finalisation of the acquisition of 13,600 hectares tenements around the Widgiemooltha Dome from Gold Fields Limited. Exploration activities during the year continued to focus mainly on nickel sulphide targets in the near-mine environments at Miitel, Redross and Wannaway.

At Redross, this entailed further drilling of the Jeremy Dee prospect and the recommencement of down plunge drilling to test for extensions to the main Redross ore body. At Miitel, a programme of down plunge drilling to the south is yielding encouraging results and drilling was also carried out on a new target at Wannaway, where recent underground drilling has shown that the N01 ore body may re-develop down dip. These programmes are ongoing and drilling is continuing into the new financial year.

Work also began on regional targets around the Widgiemooltha Dome, including detailed aeromagnetics over the newly acquired East Widgie Block and reverse circulation drilling along the Dordie ultramafic contact. Airborne geophysics and first pass reverse circulation drilling was also carried out at the Tramways project near Norseman.

A total of 11,074 metres of surface diamond drilling and 2,302 metres of reverse circulation drilling was completed. This work is discussed in more detail below.

Redross Area

A programme of near mine drilling a short distance to the north of Redross resulted in the discovery of the Jeremy Dee prospect. The discovery hole (MDD028) intersected 3.46 metres at 3.05% from 336 metres down hole and subsequent drilling has demonstrated the continuation of this structure over a strike length of at least 500 metres (figure 6). The most recent drill hole (MDD042), a 200 metre step out to the south of the previous southern-most hole intersected 0.95 metres at 4.7% nickel from 474 metres in a basalt-basalt pinch-out position. Future drilling will test both strike extensions and the up dip width of the mineralisation – the latter being the vital element required to provide sufficient tonnes per vertical metre for economic extraction.

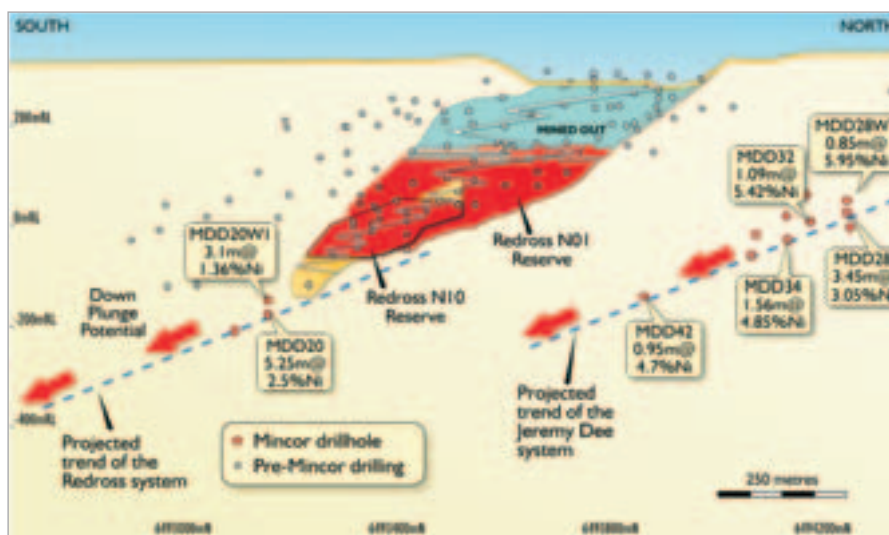


Figure 6: Long section showing Redross and Jeremy Dee



Drill core at Mincor's Miitel core farm

REVIEW OF **EXPLORATION OPERATIONS**

The first of a fence of holes down plunge of the Redross ore body itself was also completed (MDD040), intersecting low-grade mineralisation. Down hole electromagnetic surveys have identified a strong off-hole anomaly however and the programme is continuing.

Wannaway Area

N01 Extension

The following results were achieved from underground drilling at Wannaway with two holes encountering wide zones of nickel mineralisation down-plunge of the N01 ore body, only 35 metres below existing mine development. These two holes are shown in long section (figure 7) and contained the following intercepts:

Table 5

Hole Number	Down-Hole Width	Nickel Grade	True width	Vertical Depth Below Surface
UWA-04-01	4.99 metres	3.08%	2.5 metres	590 metres
UWA-04-02	7.14 metres	3.20%	4.0 metres	585 metres

Intercepts calculated using a 1% nickel cut-off

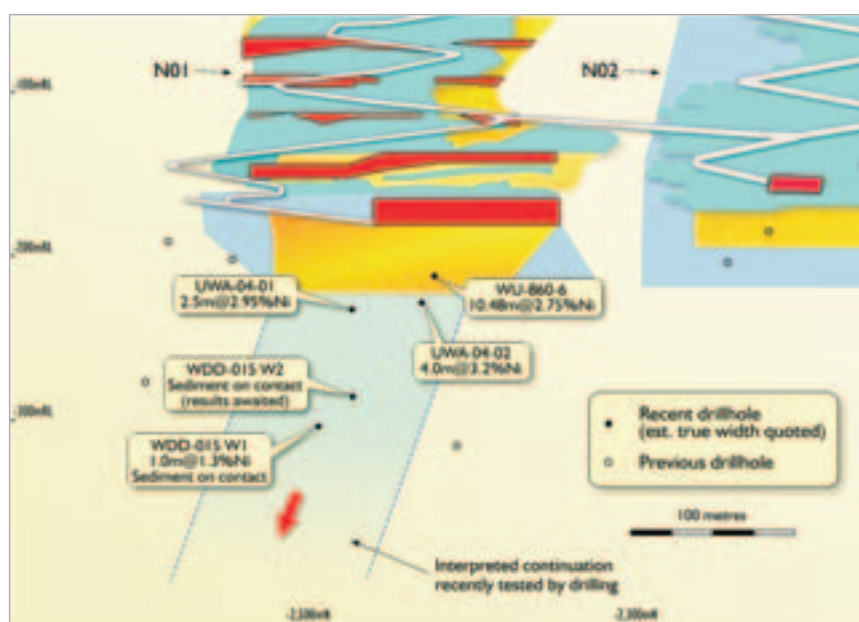


Figure 7: Long Section showing down plunge potential at Wannaway. The full extent of the current Wannaway Ore Body is shown in Figure 3.

Hole UWA-04-02 terminated in mineralisation due to poor ground conditions. Historical hole 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.

This is significant in that the discovery of continuing mineralisation beneath the N01 ore body indicates that, rather than terminating at depth, the ore body may be open ended.

A programme of drilling from surface comprising a parent hole and a series of wedges commenced to test this concept. The parent and one wedge have recently been completed and both have intersected sediment on the basal contact (1 metre at 1.33% nickel in the parent, results still awaited for the wedge). This

drilling has thus far failed to delineate a consistent sediment free zone along the contact and any further work will be planned following a complete review of all new information.

Wannaway Strike

A programme of wide-spaced drilling along strike (north and south) of the Wannaway mine has also been carried out. This was motivated by the very low density of exploration and targeted further repetitions of the two known ore bodies. This followed initial drilling at the Talisker prospect, which identified massive pyrrhotite with low tenor nickel mineralisation on the basal contact, approximately 500 metres north of Wannaway. A total of four holes were drilled to the north of Wannaway and three to the south, all within 1.5 kilometres of the mine and with an average separation of approximately 250 metres. Several holes to the north have intersected massive pyrrhotite at the basal contact with one hole (WDD010) containing visible pentlandite (nickel sulphide). Overall, the nickel tenor was low (WDD010 had a down hole intercept of 0.86 metres at 1.55% nickel).

Miitel Area

South Miitel

Following initial success immediately south of current reserves at South Miitel, a drilling programme commenced to test the potential for a southward continuation of the Miitel ore body. The first two holes (MDD039 and MDD040) failed to intersect significant mineralisation although low-grade nickel on the basal contact in both holes suggested that the mineralised system did continue.

It was decided to drill a step-out hole, some 160 metres further south, down the projected plunge and this intersected 0.99 metres at 3.30% nickel from 753 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 ore bodies, indicating that the hole may have intersected the lower or upper part of a mineralised channel. Down-hole electromagnetic surveying has identified a strong off-hole anomaly that further emphasises the possibility that MDD041 has intersected close to a mineralised channel. Further drilling is planned, most likely commencing with a wedge off MDD041. Figure 8 is a long section showing the relative positions of the above intercepts.

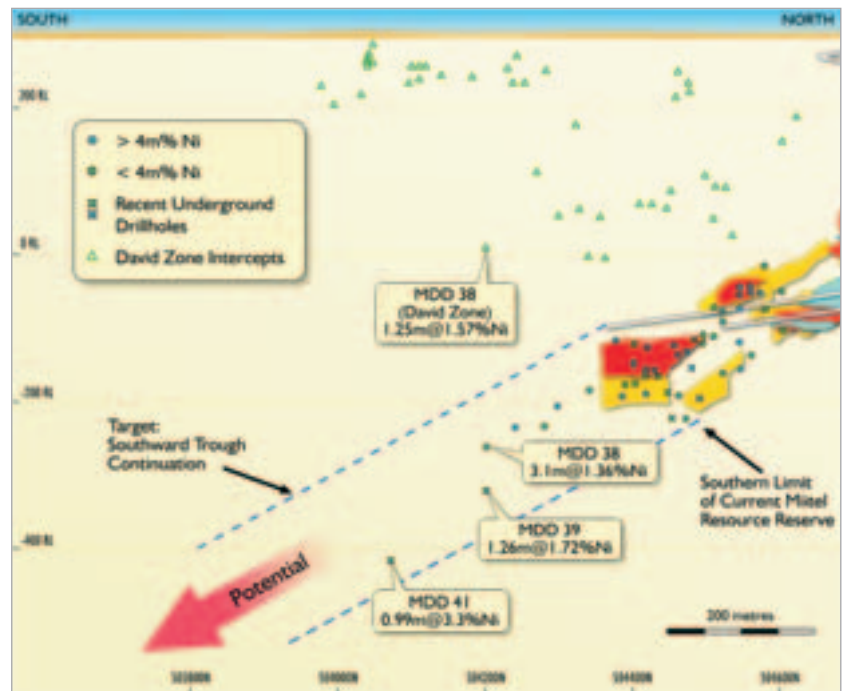


Figure 8: Long section showing South Miitel

Targets Along the Northward Strike of Miitel

Overlying the North Miitel ore body is a zone of low-grade mineralisation along the basal contact, intersected in holes drilled by a previous explorer. There is a possibility that this zone represents an ore trend parallel to the rich Miitel trend, extending onto Mincor's recently acquired East Widge Block. Two out of a fence of three planned exploration holes have been drilled in this area. Sediments were intersected with no significant mineralisation. The third hole will be drilled in due course. The North Miitel ore body remains completely open to the north, the northernmost hole having intersected a true width of 5.5 metres at 3.84% nickel (figure 9).

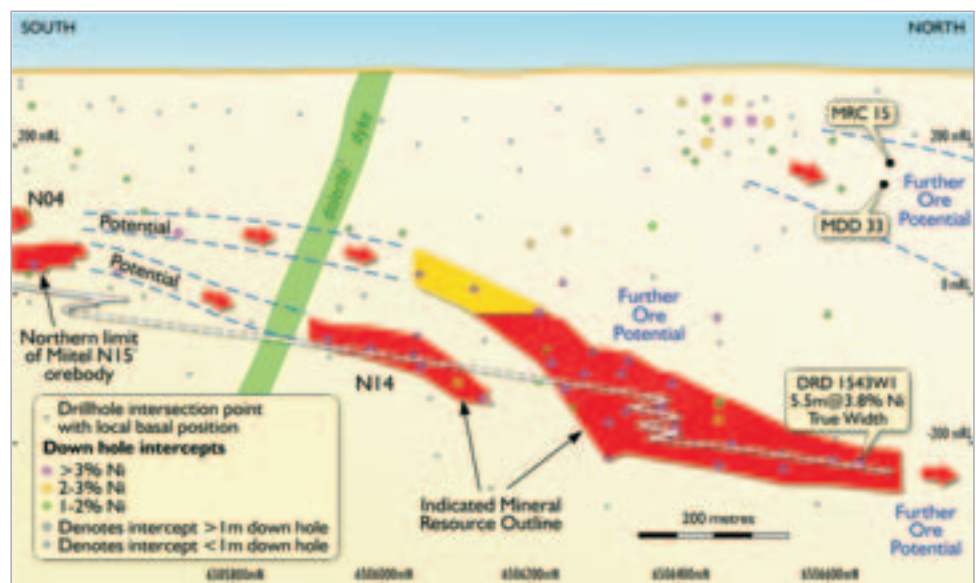


Figure 9: Long section showing North Miitel

REVIEW OF **EXPLORATION OPERATIONS**

Regional Nickel Targets

The bulk of exploration funding to date has been directed towards near-mine extensional exploration. To date, Mincor has carried out only limited exploration on regional targets, however one of the Company's prime objectives for 2004-2005 is the discovery of a new, million tonne high-grade nickel ore body through an expanded regional programme around the Widgiemooltha Dome.

Mincor's Widgiemooltha tenements contain in excess of 60 kilometres of strike of prospective ultramafic basal contact evidenced by the fact that this hosts four operating mines with exceptional near-mine prospectivity as well as seven advanced prospects, numerous early stage prospects and large amounts of untested potential. For example, a combined strike length of approximately 6 kilometres of fertile basal contact between the Miitel and Mariners mines contains only 9 drill holes that penetrate more than 100 metres below surface. Mincor has also added the East Widgie Block to its Widgiemooltha Nickel project. The East Widgie Block contains an additional 7 kilometres of strike of the highly prospective Miitel basal contact, commencing near the (current) northernmost limit of North Miitel. The prospectivity and distribution of Mincor's tenements around the Widgie Dome is shown in figure 10.

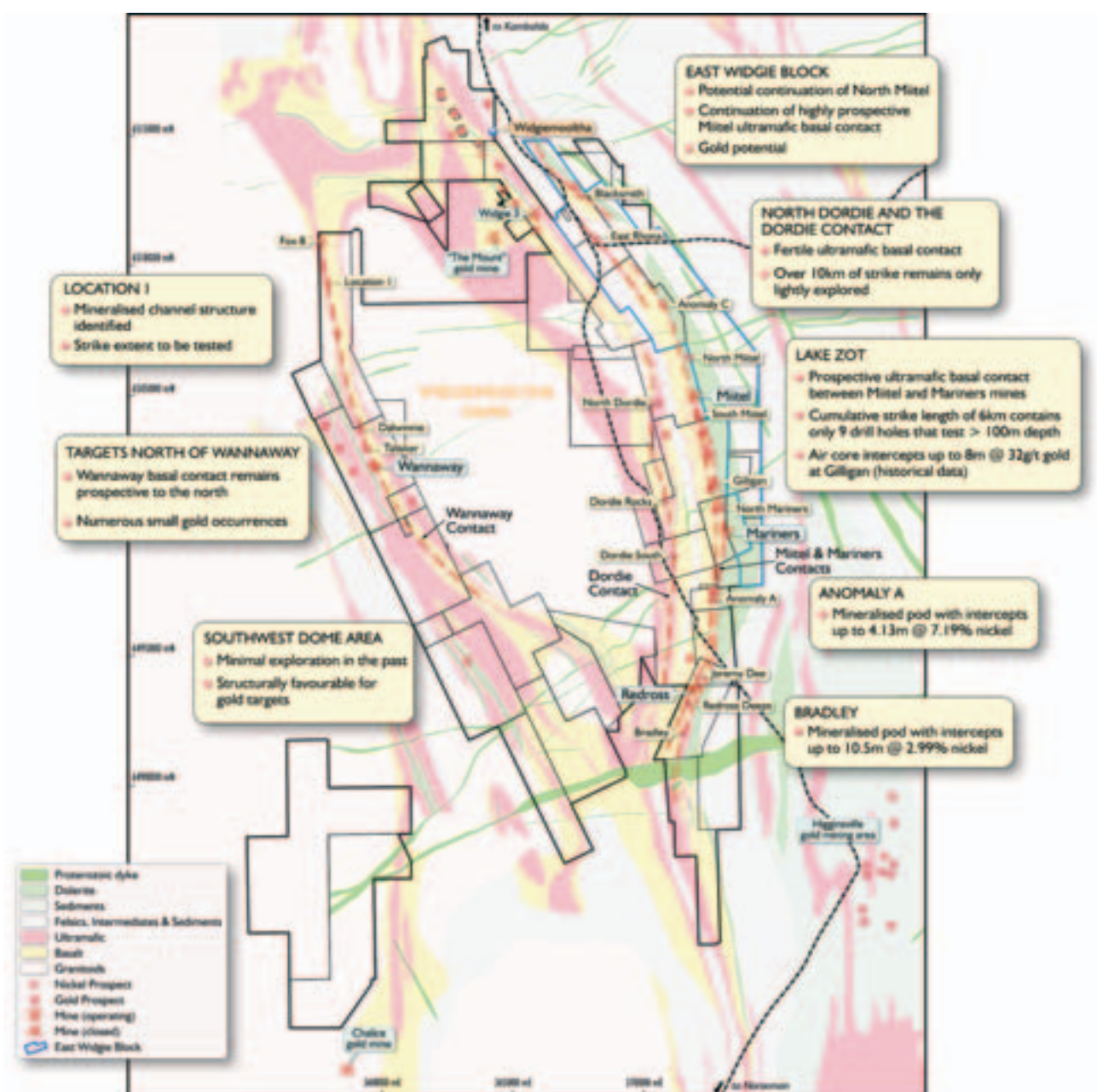


Figure 10: Widgiemooltha project – regional targets

The first phase of this expanded regional programme has included three-dimensional modelling of virtually all of the known basal contact positions and associated lithologies and structures. This is almost complete and will be followed by a thorough target review and ranking exercise, followed by a sustained drilling campaign.

Regional Gold Targets

The acquisition of the gold rights to approximately 13,600 hectares of tenements was completed. This gives Mincor gold rights over most of the Widgiemooltha Dome. These tenements contain some 42 historical gold workings and 4 sub economic gold resources. Mincor believes that the Widgiemooltha Dome area contains the right structural and lithological ingredients to host a major gold deposit. Controlling most of the ground in a single package will allow a comprehensive exploration programme to be carried out during the coming year.



Other Prospects in Western Australia

Mincor remains active throughout the Kambalda – Widgiemooltha – Norseman region and holds granted tenements that comprise the Tramways project and the southernmost portion of the Dundas Project. Several new licences were granted during the year, including the Killaloe licence, which now forms part of the Tramways Project.

Tramways Project

The Tramways project comprises two Exploration Licences and five Prospecting Licences situated towards the southern end of the Norseman-Wiluna belt. Geologically, the area comprises a complex tectonostratigraphic assemblage of mafic, ultramafic and sedimentary units which have undergone greenschist to amphibolite grade metamorphism. The Buldania granite occurs to the southwest of the project area and a number of small granite bodies intrude within the project area. The area is also intruded by a number of dominantly east-west trending Proterozoic dolerite dykes and a major northwest trending fault system transects the area - which may represent a south-eastern extension of the Boulder-Lefroy system, responsible for numerous world class gold deposits to the north, including the Kalgoorlie "Golden Mile".

An initial drilling programme was completed at the Tramways Licence, comprising nine reverse circulation holes for 603 metres to test aeromagnetic targets and to confirm underlying lithologies. No significant mineralisation was encountered, however the programme yielded valuable geological and structural information. A detailed aeromagnetic survey was also completed over the newly granted Killaloe tenement to the west. The Jeffreys Find Prospect has also been added

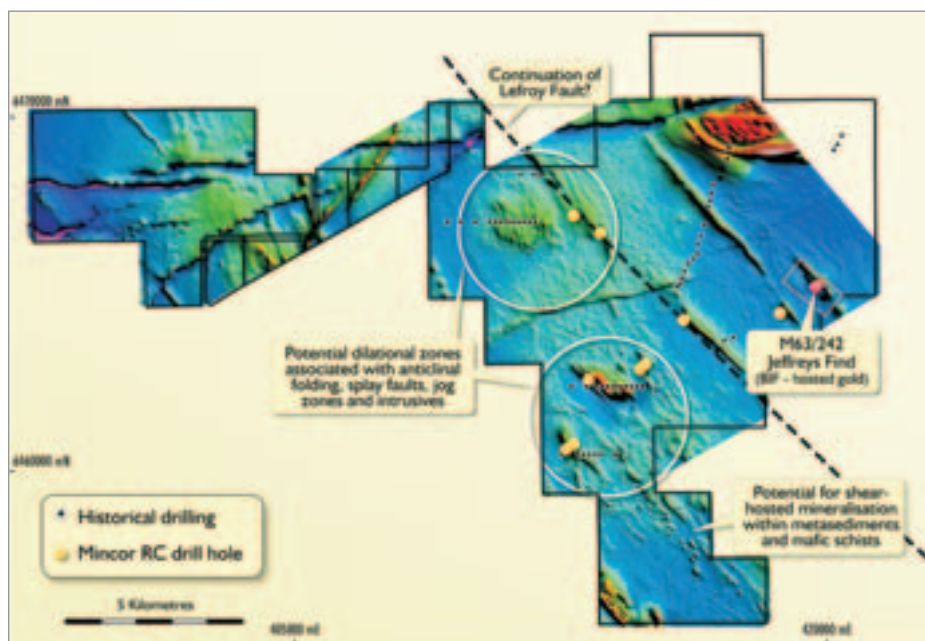


Figure 11: Aeromagnetic image of the Tramways tenements showing recent drilling and the newly acquired Jeffreys Find prospect.

REVIEW OF EXPLORATION OPERATIONS

to the Tramways project via the purchase of M63/242 from Gold Fields Limited for \$10,000 (figure 11). Jeffreys comprises a subeconomic gold resource associated with a northwest trending banded iron formation (BIF). A number of drill holes have defined consistent gold mineralisation at shallow depths over a strike length of 250 metres. Historical data indicates that the prospect remains open at depth with a lowermost drill intercept of 3 metres at 7.02 grams per tonne of gold along one fence. The exploration of the northwesterly strike continuation of the Jeffreys BIF together with its down-dip potential will be tested as part of the next phase of work at Tramways.

Dundas Project

Eight out of the ten Dundas tenements remain under application, however, when granted this project will comprise 1,878 square kilometres of the Archaean Buldania greenstone belt and adjacent rocks of the Archaean Yilgarn Craton and Proterozoic Albany Frazer Belt (figure 12). A previous explorer carried out regional aeromagnetic interpretations, regolith and other geochemical sampling and first pass rotary air blast (RAB) and reverse circulation (RC) drilling. This led to the establishment of an effective soil sampling method and confirmed the presence of Archaean aged greenstones with the potential to host gold mineralisation. A number of gold, nickel, copper and zinc soil anomalies remain untested in what is effectively a "new" greenstone belt.

Other Applications

Mincor has lodged applications for five new exploration tenements covering 17,529 hectares in and around the Widgiemooltha Dome area.

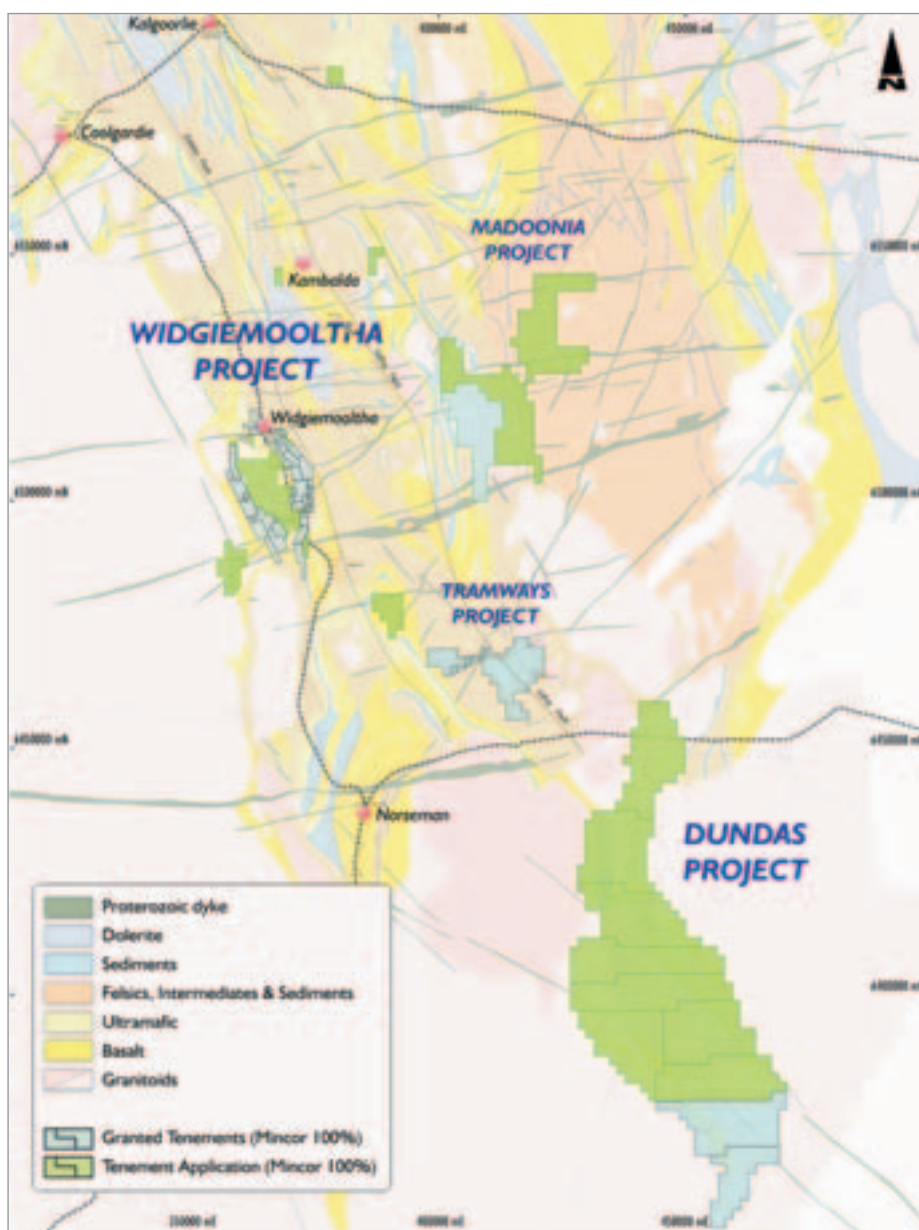


Figure 12: Mincor's Dundas Project forms a significant portion of the Company's land holding in Western Australia

OFFSHORE GOLD ASSETS

Geita / Imweru Project, Tanzania

The Imweru Project is located within the Geita Greenstone Belt in the Lake Victoria Goldfields of Tanzania and is subject to an option agreement with Canadian major, Barrick Gold Corporation. The licence contains a number of gold mineralised reef systems, which Mincor identified during a drilling programme carried out in 2000. Barrick have subsequently progressed the project, having carried out geophysical surveys, rock / soil sampling programmes, rotary air blast (RAB) drilling, reverse circulation (RC) and diamond drilling. This work continues to yield encouraging results with further work planned by Barrick during the coming year.

South Pacific Gold

Sabeto Project, Fiji

Mincor's Sabeto project is located 25 kilometres from Nadi on the main island of Viti Levu in Fiji and is the subject of an exploration and farm-in transaction with Alcaston Mining NL. The area is highly prospective for bonanza grade epithermal veining of similar style to the adjacent Tuvatu deposit (1.64 million tonnes at 8.5g/t gold for 450,000 ounces) as well as the 10 million ounce Vatukoula mine, operated by Emperor Gold Mines Limited.



View from Banana Creek Prospect looking west over moderately dipping Miocene volcanoclastics

Alcaston are focussing attention on three main prospects: Banana Creek, Central Ridge and Tuvatu North. To date, three

significant bonanza style epithermal quartz veins have been discovered at the Banana Creek Prospect. Surface channel rock chip samples have returned values up to 0.15 metres at 46.3g/t gold, 14.4g/t silver and limited drilling to date has produced intercepts that include 0.4 metres at 23.4g/t gold and 6.3g/t silver.

At Central Ridge prospect, samples from a series of parallel mineralised zones of highly fractured monzonite porphyry have returned significant assay results, including 16.5g/t gold, 7.53% copper and 4.9g/t silver from a grab rock chip sample. A channel rock chip sample in the same area returned 11 metres at 4.45 g/t gold. Previous drilling at the prospect is not considered to have adequately tested these zones.

Exploration at the Tuvatu North prospect is focussed on locating the strike extensions of the high grade epithermal veins that make up Emperor's Tuvatu deposit, located only 300 metres south of the Sabeto tenement boundary. Drilling is required to test beneath soil and scree cover in the area.

Vanuatu Projects

Mincor's Vanuatu projects are subject to the same agreement with Alcaston as Sabeto and comprise the Webe Creek and Tafusi projects on the northern island of Espiritu Santo. Webe Creek hosts the Lonasmata prospect which contains a 3 kilometre long and 300 metre wide zone containing mineralised epithermal veins, anomalous gold in soils, hydrothermal alteration and geophysical anomalies. The area is considered prospective for a Porgera-style (>14 million ounces) gold discovery and Alcaston have recently announced that a 1,500 metre drilling programme is planned to test this prospect.



Exploration Camp at Webe Creek, Vanuatu

STATEMENT OF HEALTH, SAFETY & ENVIRONMENTAL POLICIES



Vision and Mission

Vision

Mincor's stakeholders include its shareholders, employees, local residents and the wider community. Mincor recognises its responsibilities to all its stakeholders and will ensure that its Health, Safety and Environmental standards are second to none.

Mission

- Mincor will carry out its business in a responsible manner, and will protect and cherish the natural environment.
- Mincor will ensure that its employees are protected from all occupational injuries and diseases.
- Mincor will provide a safe working environment for its employees, will ensure that Health and Safety are management's top priority and that its work force is fully trained in Health and Safety matters.

Policy Statement

Mincor attaches the greatest value to the health and safety of its employees; it is every manager's and supervisor's duty to do everything in his or her power to avert damage, occupational injuries and occupational diseases, and it is also everyone's personal duty to avert damage and occupational injuries and occupational diseases, both in respect of himself or herself and of his or her fellow-workers.

Principles and Values

Mincor subscribes to the following eleven self-explanatory principles and values:

- All injuries, occupational diseases and damage can be prevented.
- Preventing injuries, occupational diseases and damage makes good business sense.
- Everybody occupying a managerial or supervisory position is personally responsible for the safety and health of those working under him or her.
- Everybody in Mincor's employment carries personal responsibility for his or her own and his or her fellow workers' health and safety.
- Training is an essential element in ensuring the safety and health of employees.
- Safety and health audits are carried out regularly, participatively and meaningfully, with the emphasis on the modification of attitudes.
- Every shortcoming in the field of occupational health and safety is rectified immediately and permanently.
- All injuries, occupational diseases and damage are investigated thoroughly and participatively, not only to determine the direct causes but also to uncover underlying causes.
- People are the most important element of Mincor's occupational health and safety programme.
- Following best practices elsewhere in the world, supervisors spend at least 20% of their time on matters directly related to the protection of their subordinates' health and safety.
- Contractor's personnel are viewed as Mincor employees for health and safety purposes. Mincor's safety principles and values apply equally to contractor's personnel.
- Deviations from these principles and values and from required conduct are unacceptable.

Objectives

- Elimination of unsafe environments and unsafe working conditions.
- Elimination of unsafe acts.
- Maintenance of high safety awareness among all employees.
- Continual safety training at all levels.
- Comprehensive induction of part-time and casual employees.
- Insistence on equivalent safety standards from contractors.

Corporate Governance Statement

The directors of Mincor Resources NL aspire to the highest standards of corporate governance. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of the main corporate governance practices are summarised below. Other information about the Company's corporate governance practices were adopted by the board on 3 August 2004 and are set out on the Company's website at www.mincor.com.au including the following:

- Statement of Board and Management Functions;
- Nomination Committee Charter;
- Policy and procedure for selection and appointment of new directors;
- Summary of code of conduct for directors and key executives;
- Summary of policy on securities trading;
- Audit Committee Charter;
- Policy and procedure for selection of external auditor and rotation of audit engagement partners;
- Summary of policy and procedure for compliance with continuous disclosure requirements;
- Summary of arrangements regarding communication with and participation of shareholders;
- Summary of Company's risk management policy and internal compliance and control system;
- Process for performance evaluation of the Board, Board committees, individual directors and key executives;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

Board Composition

The Board comprises of four directors, all of whom with the exception of the Managing Director, Mr David C.A. Moore, are non-executive, independent directors. Details of the directors are set out in the directors' report.

Mr Humann is a director of and minority shareholder in James Anne Holdings Pty Ltd, a company which provides the services of Mr Humann to act as director and chairman of the Company. James Anne Holdings Pty Ltd receives consulting fees for providing the services of Mr Humann to the Company.

The directors (in absence of Mr Humann) have ascertained the level of consulting fees paid to James Anne Holdings Pty Ltd is not material to either the Company, James Anne Holdings Pty Ltd or Mr Humann and that the arrangement does not affect Mr Humann's non executive status.

The Board (subject to members' voting rights in general meeting) is responsible for selection of new members and succession planning, and has regard to a candidate's experience and competence in areas such as mining, exploration, geology, finance and administration. The wide commercial experience of its board members assists Mincor Resources NL in meeting its corporate objectives and plans.

The Board delegates responsibility for the Company's administration and operation to its Managing Director, who is accountable to the Board.

Under the Company's Constitution:

- the maximum number of directors on the Board is currently set at 9.
- a director (other than the Managing Director) may not retain office for more than 3 years without submitting for re-election.
- at the Annual General Meeting each year effectively one third of the directors in office retire by rotation and must seek re-election by the shareholders.

Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Corporate Governance Statement

Compensation Arrangements

All compensation arrangements for directors and senior executives are determined at Board level after taking into account the current competitive rates prevailing in the market.

Audit Committee

The Audit Committee comprises Mr I.F. Burston (Chairman of the Audit Committee), Mr D.J. Humann and Mr D.C.A. Moore. Mr Burston has over 30 years experience in the extractive and related industries and therefore possesses the requisite industry knowledge to participate on this committee. Mr Humann is a chartered accountant and therefore possesses the requisite financial literacy and expertise to participate on this committee. Mr Moore is an executive director with requisite financial and industry knowledge.

The main responsibilities of the Audit Committee are to:

- review and report to the Board on the annual financial report, the half-year financial report and all other financial information published by the Company or released to the market;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
 - effectiveness and efficiency of operations
 - reliability of financial reporting
 - compliance with applicable laws and regulations
- oversee the effective operation of the risk management framework; and
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit.

In fulfilling its responsibilities, the Audit Committee receives regular reports from management and the external auditors. It also meets with the external auditors at least twice a year – more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit Committee and the Chairman of the Board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Details of Audit Committee Meetings held during the year can be found in the Directors Report.

Confirmation Whether Performance Evaluation of the Board and its Members Have Taken Place and How Conducted

During the financial year an evaluation of the Board and its members was not carried out.

Company's Remuneration Policies

All compensation arrangements for directors and senior executives are determined at Board level after taking into account the current competitive rates prevailing in the market.

Remuneration levels of the directors and senior executives are set by reference to other similar sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the consolidated entity's operations in Australia, the South West Pacific and Africa. Remuneration of non-executive directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to non-executive directors.

Details of the nature and amount of remuneration paid to each director of Mincor Resources NL and each of the five executives of the consolidated entity are provided in Note 22 of the financial statements.

Names of Remuneration Committee Members and their attendance at Committee Meetings

Name	No of meetings held	No of meetings attended
D J Humann	1	1
D C A Moore	1	1

Existence and Terms of Any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors.

Managing Risk

The Board meets regularly to evaluate, control, review and implement the Company's operations and objectives, benchmarked against a strategic plan which is regularly updated.

Regular controls established by the Board include:

- detailed monthly financial reporting; and
- delegated authority to ensure expenditure and revenue obligations are approved by the Managing Director.

The Board recognises the need to identify any areas of significant business risk and to develop and implement strategies to mitigate these risks.

The Company has purchased Director's and Officer's Insurance cover for its board of directors.

Ethical Standards

The Board supports the highest standards of corporate governance, and requires its members, and the staff of the Company to act with integrity and objectivity in relation to:

- Compliance with the law
- Record keeping
- Conflicts of interests
- Confidentiality
- Acquisitions and disposals of the Company's securities
- Safe and equal opportunity employment

The Board and management are also conscious of and aim to ensure fulfilment of the wider obligations of Mincor Resources NL and its staff to people affected by its operations, and for responsible management of the environment.

Health, Safety and Environmental Policy

The Company recognises the importance of maintaining responsible environmental standards and practices in the conduct of its business and is committed to:

- Provide every employee with a safe and healthy work environment in accordance with generally accepted mining industry practice.
- Comply with relevant legislation and adhere to standards of responsible environmental practice for the mining industry, even in the absence of legislation.
- Design, construct and operate exploration, mining and processing facilities to mitigate environmental impacts to the extent technically and economically feasible.
- Maintain a self-monitoring programme to ensure ongoing compliance with corporate policy and with government laws and regulations.
- Reclaim disturbed areas in accordance with site specific criteria and applicable regulations and permits.

Corporate Governance Statement

Health, Safety and Environmental Policy (continued)

- Cooperate with governments and other stakeholders in connection with the formulation of environmental laws, regulations and standards affecting the mining industry.
- Support industry associations which promote good environmental practices and which advance environmental protection in mining and mineral processing.
- Communicate this policy to its shareholders, employees, the public, governments, suppliers and customers.

Shareholders

The Board aims to ensure that shareholders are at all times fully informed in accordance with the spirit and letter of the Stock Exchange's continuous and timely disclosure requirements.

The Annual Report and every Quarterly Report is lodged with the ASX and is distributed to all shareholders. The Annual Report and every Quarterly Report are also made available to shareholders on the Company's website. The Board encourages full participation of shareholders at the Company's General Meeting to ensure a high level of accountability and identification with its strategy and goals.

Explanations for Departures from Best Practice Recommendations

During the Reporting Period from 1 July 2003 to 30 June 2004 the Company has complied with each of the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("ASX Principles and Recommendations"), other than in relation to the matters specified below.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
2	2.4	A nomination committee was established on 3 August 2004.	Prior to 3 August 2004 the full board considered those matters and issues that would usually fall to a nomination committee.
4	4.3	David Moore – executive director is a member of the audit committee.	The other members of the audit committee are both independent from management and have experience relevant to carry out the obligations and duties of an audit committee. It is considered beneficial for Mr Moore to be available to participate in audit committee meetings to answer issues raised by the two independent members.
5	5.1	Until 3 August 2004 there were no written policies and procedures designed to ensure ASX Listing Rule disclosure requests.	Although there were no written policy or procedure such policies and procedures did in fact exist and have now been documented and were formally implemented by the board on 3 August 2004.
8	8.1	No performance evaluation of the board, its Committees and individual directors occurred.	The Company intends to implement performance evaluations of this nature in the 2004/2005 financial year.

Directors' Report

for the year ended 30 June 2004

The Directors present their report on the consolidated entity consisting of Mincor Resources NL ("the Company") and its controlled entities, for the year ended 30 June 2004.

Directors

The names of the directors of Mincor Resources NL in office at the date of this report are:

Name	Particulars	Shareholding Interest
DJ Humann (Chairman)	Mr Humann joined Mincor Resources NL on 30 September 1999 as a Non-Executive Director and Chairperson of the Company. Mr Humann is a Chartered Accountant and Certified Practising Accountant. He was Chairman and Senior Partner of Price Waterhouse (Hong Kong and China) from 1986 until 1994. He was also the Managing Partner of Price Waterhouse, Asia Pacific Region, and a member of the World Board of Price Waterhouse and of the firm's World Executive Management Committee. He was formerly a member of the Australia and New Zealand Firm's Executive Policy Committee. Mr Humann is a member of the boards of a number of public and private companies.	200,000 shares
DCA Moore (Managing Director)	Mr Moore joined Mincor Resources NL on 30 September 1999 and is the Managing Director of the Company. His previous experience includes 13 years with Shell/Billiton where he worked internationally in minerals exploration in all disciplines of project generation and evaluation, new business development, project management and strategic planning. In 1996 he left a position as Billiton's Chief Geologist in Peru, and General Manager of the joint venture company Cia Urumalqui SA, to join Iscor Australia Pty Ltd as executive director of business development based in Perth, Australia. In that role he established Iscor's gold and base metal exploration unit in Australasia. Mr Moore has worked extensively in South America, southern and eastern Africa and Australasia. He holds a B.Sc (Eng) (Mining Geology).	4,964,374 shares 500,000 options
JW Gardner	Mr Gardner is a Non-Executive Director who joined the Company in February 1996. Mr Gardner graduated from the University of Melbourne in 1962 with a Bachelor of Engineering (Mechanical) degree. He also holds a Master of Business Administration degree from Curtin University, Western Australia. After holding directorships and senior management positions with Hawker Siddeley Engineering Pty Ltd, Comsteel Vickers/ANI, Minproc Engineers Pty Ltd and Broken Hill Metals NL between 1970 and 1990, he formed his own Engineering Consultancy. He has consulted on many gold and base metal projects both in Australia and overseas. Mr Gardner was chairman of Ghana Manganese Company from 1995 until 2000. He is currently actively involved in Canadian listed company, Guinor Gold Corporation where he is Chief Engineer – Mining Projects.	4,974,276 shares
IF Burston	Mr Burston is a Non-Executive Director who joined the Company in January 2003. He holds a Bachelor of Engineering (Mech) degree from Melbourne University and a diploma in Aeronautical Engineering from Royal Melbourne Institute of Technology. He has completed the Insead Management Programme in Paris and the Harvard Advanced Management Programme in Boston. Mr Burston has over 30 years' experience in the extractive and related industries. His prior positions included Managing Director and Chief Executive Officer of Aurora Gold Ltd, Chief Executive Officer of Kalgoorlie Consolidated Gold Mines; Vice President – WA Business Development of CRA Ltd and Managing Director of Hamersley Iron Pty Limited. Mr Burston is also a Non-Executive Chairman of Imdex Limited, and Aztec Resources Limited.	50,000 shares

Mr R G Wadley was a director from the beginning of the financial year until his resignation on 27 August 2003.

Mr W J du Plessis was an alternate director for Mr R G Wadley from the beginning of the financial year until his resignation on 27 August 2003.

Directors' Report

for the year ended 30 June 2004

Review of Operations and Significant Events

Tethyan Copper Company Limited

In October 2003 the Company completed an in specie distribution of its shares in Tethyan Copper Company Limited ("TCC") to all shareholders on the basis of 1 TCC share for every 3.37 shares held in the Company. In conjunction with the in specie distribution, TCC undertook a \$15 million capital raising and was listed on the Australian Stock Exchange on 30 October 2003.

Mincor Resources NL retains 12.5 million options in TCC, which are exercisable on or before 30 April 2008 at an exercise price of 15 cents.

Business Acquisitions

Effective 30 September 2003, the Company acquired the remaining 24% interest in the Miitel Joint Venture held by Clough Mining Pty Ltd and Donegal Resources Pty Ltd for consideration comprising \$11.4 million of cash and 9,000,000 fully paid ordinary shares. Of the cash component, \$5.4 million was paid at settlement in January 2004 with the remaining \$6.0 million payable in two tranches over the next year.

On 27 October 2003 the Company acquired the valuable nickel rights on the East Widgiemooltha Tenements for \$1.5 million. These nickel rights cover approximately 10 kilometres of the highly prolific basalt contact zones that host the Miitel, Mariners and Redross ore bodies. The tenements also host any possible continuation of the north Miitel ore body which is open to the north.

Financing Arrangements

In March 2004 Mincor finalised a Security Trust structure with three banks, providing the Company with competitive discretionary hedging facilities. The banks are Commonwealth Bank of Australia (CBA), Societe Generale (SG Australia Ltd) and Westpac Banking Corporation. In addition, Mincor obtained a A\$10 million revolving corporate debt facility from CBA. As of the date of this report, Mincor had not drawn down on this facility.

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 sold forward 7,010 tonnes of nickel to July 2006, at an average price of A\$16,657 per tonne.

Corporate Matters

During the year the Company issued 6,000,000 fully paid ordinary shares in exchange for 6,000,000 fully paid ordinary shares and 12,000,000 options in Tethyan Copper Company Limited, pursuant to Put and Call Option Agreements with seed investors of TCC. The shares acquired were distributed to shareholders of Mincor Resources NL as part of the in specie distribution of TCC shares.

During the financial year the Company raised \$1.2 million following the exercise of 5,688,000 options over fully paid ordinary shares.

On 1 September 2003 the Company announced a fully franked maiden dividend of 1.5 cents per share for a total payment of \$2.68 million.

During the period the Company repaid the remaining \$0.7 million debt owed to Kumba International BV and is debt free at the date of this report, except for finance lease commitments.

Operations

Please refer to the section titled 'Review of Operations' in the main body of the Annual Report.

Principal Activities

The principal activities of the companies in the consolidated entity during the course of the year were the exploration and mining of mineral resources.

No significant change in the activities occurred during the twelve months to 30 June 2004, except as outlined below.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- a) The Company completed an in specie distribution of the majority of its shares in Tethyan Copper Company Limited to all shareholders.
- b) During the year the Company issued 6,000,000 fully paid ordinary shares in exchange for 6,000,000 fully paid ordinary shares and 12,000,000 options in Tethyan Copper Company Limited, pursuant to Put and Call Option Agreements with seed investors of TCC. The shares acquired were distributed to shareholders of Mincor Resources NL as part of the in specie distribution of TCC shares.
- c) The Company acquired the remaining 24% interest in the Miitel Joint Venture held by Clough Mining Pty Ltd and Donegal Resources Pty Ltd for \$11.4 million of cash and 9,000,000 fully paid ordinary shares.
- d) During the year the Company raised \$1.2 million following the exercise of 5,688,000 options over fully paid ordinary shares.
- e) On 1 September 2003 the Company announced a fully franked maiden dividend of 1.5 cents per share for a total payment of \$2.68 million.
- f) The Company repaid the remaining \$0.7 million debt owed to Kumba International BV and is debt free at the date of this report, except for finance lease commitments.
- g) In March 2004 the Company completed a Security Trust financing structure. Under this structure three banks provide the Company with competitive discretionary hedging facilities. Mincor also obtained a A\$10 million revolving corporate facility from one of these banks.
- h) The Company has sold forward 7,010 tonnes of nickel to July 2006, at an average price of A\$16,657.
- i) In November 2003 the Company issued 1,500,000 unlisted options over fully paid ordinary shares to certain employees, exercisable at 84 cents and expiring on 6 November 2008.

Group Results

The operating profit of the consolidated entity for the year after income tax was \$11,309,000 (2003 profit: \$9,079,000).

Dividends

A fully franked dividend of 1.5 cents per share in respect of the year ended 30 June 2003 was paid on 24 September 2003. On 24 August 2004 the Directors declared a fully franked dividend of 1.5 cents per share in respect of the year ended 30 June 2004.

Meetings of Directors'

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2004, and the number of meetings attended by each director were:

	Total Directors Meetings Available	Directors Meetings Attended	Total Audit Committee Meetings Available	Audit Committee Meetings Attended
DJ Humann	13	13	4	4
DCA Moore	13	13	4	4
JW Gardner	13	13	*	*
IF Burston	13	13	4	4
RG Wadley**	2	2	*	*
WJ du Plessis (alternate for RG Wadley)**	2	2	*	*

* Not a member of the Audit Committee during the year. Mr IF Burston was appointed to the Audit Committee on 11 July 2003.

** Mr RG Wadley and Mr WJ du Plessis resigned as Directors on 27 August 2003.

Directors' Report

for the year ended 30 June 2004

Future Developments

Details of important developments occurring in this financial year have been covered in the Review of Operations. The company will continue to actively explore for minerals, and any significant information or data will be released to the market and the shareholders pursuant to the Continuous Disclosure rules as and when they are to hand.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Directors and Executive Remuneration Policies

All compensation arrangements for directors and senior executives are determined at Board level after taking into account the competitive rates prevailing in the market place.

Remuneration levels of the directors and senior executives are set by reference to other similar sized mining and exploration companies with similar risk profiles and are set to attract and retain executives capable of managing the consolidated entity's operations in Australia, the South West Pacific and Africa. Remuneration of non-executive directors is determined by the Board within the maximum approved by the shareholders from time to time. The Board undertakes an annual review of its performance against goals set at the start of the year. No bonuses are paid to non-executive directors. Further details on directors and executive remuneration are provided in Note 22 of the financial statements.

Details of the nature and amount of each element of remuneration for each director of Mincor Resources NL and each of the five senior executives of the Company and the consolidated entity receiving the highest emoluments are set out below:

Name of Directors	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
DJ Humann (Non-executive Chairman)	56,697	-	-	3,303	-	-	60,000
DCA Moore (Managing Director)	-	313,410	48,750	11,002	-	588	373,750
RG Wadley* (Non-executive Director)	-	-	-	-	-	-	-
JW Gardner (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
IF Burston (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
WJ du Plessis* (Non-executive and Alternate Director)	-	-	-	-	-	-	-

*Mr RG Wadley and Mr WJ du Plessis resigned as a Director on 27 August 2003.

Name of Senior Executives	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
J S Reeve (Chief Operating Officer)	-	228,410	19,200	11,002	-	588	259,200
B Lynn (Chief Financial Officer)	-	148,953	19,560	13,459	-	588	182,560
D Will (Chief Mining Engineer)	-	141,455	18,000	11,002	-	490	170,947
S T Cowle (General Manager – Kambalda Operations)	-	104,458	10,000	5,952	138,690	29,121	288,221
R A Hatfield (Exploration Manager)	-	117,862	9,988	11,002	-	588	139,440

*Mr ST Cowle commenced employment with the Company on 24 November 2003.

During the year 1,000,000 options were issued to Mr ST Cowle. The options are exercisable at 84 cents and expire on 6 November 2008. 500,000 of the options are exercisable after 6 November 2005 whilst the remaining 500,000 options are capable of exercise after 6 November 2004. No other options were issued to any of the directors or the five most highly remunerated executives of the Company during the year ended 30 June 2004.

Events Subsequent to 30 June 2004

On 24 August 2004 the Directors declared a fully franked dividend of 1.5 cents per share in respect of the year ended 30 June 2004.

Corporate Governance

The Company's corporate governance policies and practices are set out separately in this document.

Environmental Matters

The consolidated entity is subject to environmental regulation on its mineral properties. To the best of the belief and knowledge of the directors, no breach of environmental legislation occurred during the year and up to the date of this report. Further details on environmental policy is set out in the Annual Report under the Corporate Governance section and the Health, Safety and Environmental Policy section.

Share Options

i) Outstanding share options granted over ordinary shares in the Company at 30 June 2004 are as follows:

Number of Options	Date of Issue	Exercise Price	Date of Expiry
500,000	8 January 2000	17.1 cents	7 January 2005
1,500,000	7 November 2003	84 cents	6 November 2008
2,000,000			

- ii) On 7 November 2003 the Company issued 1,500,000 unlisted options over fully paid ordinary shares to certain employees, exercisable at 84 cents and expiring on 6 November 2008.
- iii) In accordance with the listing rules of the Australian Stock Exchange Limited, the exercise price of all share options held in the Company on the date the Company completed the in specie distribution of its shares in Tethyan Copper Company Limited to shareholders was reduced by 2.9 cents per option to reflect the return of capital resulting from the in specie distribution.
- iv) During the year 5,688,000 fully paid ordinary shares were issued, pursuant to the exercise of options granted by the Company.
- v) None of the option holders have any right to participate by virtue of the options in any share issue of any other corporation.

Insurance of Officers

During the financial year, the Company paid a premium of \$30,525 to insure the directors and secretary of the Company.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Dated in Perth this 25th day of August 2004 in accordance with a resolution of the directors.



DCA Moore
Managing Director

Statements of Financial Performance

for the year ended 30 June 2004

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Revenue from Ordinary Activities	2	86,270	78,992	86,270	78,949
Mining contractor costs		(29,555)	(24,702)	(29,555)	(24,702)
Ore tolling costs		(9,926)	(9,300)	(9,926)	(9,300)
Royalty expense		(5,820)	(4,691)	(5,820)	(4,691)
Employee benefit expense		(3,384)	(2,479)	(3,384)	(2,479)
Borrowing cost expense	3	(297)	(1,365)	(297)	(1,365)
Exploration costs provided for or expensed		(1,898)	(2,140)	(1,898)	(1,928)
Depreciation and amortisation expense	3	(12,597)	(14,268)	(12,597)	(14,268)
Other expenses from ordinary activities		(5,628)	(4,946)	(5,498)	(4,615)
Profit from ordinary activities before income tax expense		17,165	15,101	17,295	15,601
Income tax expense	4	(5,856)	(6,080)	(5,856)	(6,080)
Net profit		11,309	9,021	11,439	9,521
Net loss attributable to outside equity interest		-	58	-	-
Net profit attributable to the members of Mincor Resources NL		11,309	9,079	11,439	9,521
Net increase in asset revaluation reserve	16	5,728	10,845	-	-
Total changes in equity other than those resulting from transactions with owners as owners	18	17,037	19,924	11,439	9,521
		Cents	Cents		
Earnings per share	31	6.0	5.3		
Diluted earnings per share	31	5.9	4.8		

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

Statements of Financial Position

as at 30 June 2004

		CONSOLIDATED		PARENT ENTITY	
		2004	2003	2004	2003
	Note	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash assets	29(b)	9,176	19,085	9,175	18,926
Receivables	5	18,075	15,881	18,071	15,864
Inventory	6	237	138	237	138
Prepayments		193	145	191	145
Other current assets	32	1,902	3,498	1,902	3,498
Total Current Assets		29,583	38,747	29,576	38,571
Non-Current Assets					
Receivables	5	-	229	579	1,095
Investments	7	2,800	556	5,774	5,330
Property, plant and equipment	8	31,045	18,158	31,045	18,153
Exploration, evaluation and development expenditure	9	23,036	25,360	19,817	5,556
Other non-current assets	32	1,384	36	1,384	-
Total Non-Current Assets		58,265	44,339	58,599	30,134
TOTAL ASSETS		87,848	83,086	88,175	68,705
Current Liabilities					
Payables	10	24,810	18,362	24,810	18,020
Interest bearing liabilities	11	119	1,117	119	1,117
Tax liabilities	12	663	7,628	663	7,628
Provisions	13	403	330	403	330
Other current liabilities	32	1,902	3,498	1,902	3,498
Total Current Liabilities		27,897	30,935	27,897	30,593
Non-Current Liabilities					
Payables	10	3,000	-	3,000	-
Interest bearing liabilities	11	140	64	140	64
Provisions	13	816	578	816	578
Deferred tax liabilities	14	3,825	2,917	3,825	2,917
Other non-current liabilities	32	1,384	-	1,384	-
Total Non-Current Liabilities		9,165	3,559	9,165	3,559
TOTAL LIABILITIES		37,062	34,494	37,062	34,152
NET ASSETS		50,786	48,592	51,113	34,553
Equity					
Contributed equity	15	27,227	19,426	27,227	19,426
Reserves	16	545	11,734	-	-
Retained profits	17	23,014	14,385	23,886	15,127
Total parent equity interest		50,786	45,545	51,113	34,553
Outside equity interest in controlled entities	19	-	3,047	-	-
TOTAL EQUITY	18	50,786	48,592	51,113	34,553

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Cash Flows

for the year ended 30 June 2004

		CONSOLIDATED		PARENT ENTITY	
		2004	2003	2004	2003
	Note	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Receipts from customers (inclusive of GST)		88,826	90,282	88,826	90,282
Payments to suppliers and employees (inclusive of GST)		(64,828)	(53,768)	(64,778)	(53,367)
		23,998	36,514	24,048	36,915
Interest received		487	554	486	537
Interest paid		(22)	(1,419)	(22)	(1,419)
Other revenue		-	67	-	44
Income tax paid		(11,913)	(3,500)	(11,913)	(3,500)
Net Cash Inflow from Operating Activities	29(a)	12,550	32,216	12,599	32,577
Cash Flows from Investing Activities					
Payments for investment in controlled entity		-	-	(682)	(500)
Payments for acquisition of exploration properties		(1,727)	-	(1,727)	-
Payments for acquisition of interest in joint venture	26	(5,400)	-	(5,400)	-
Payments for property, plant and equipment		(8,600)	(6,278)	(8,600)	(6,277)
Proceeds from sale of property, plant and equipment		8	-	8	-
Payments for exploration, evaluation and development expenditure		(7,049)	(2,726)	(6,642)	(2,089)
Loans to related parties		-	-	(15)	(178)
Cash received on acquisition of interest in joint venture	26	2,796	-	2,796	-
Repayment of loan by former controlled entity		304	-	304	-
Payments for investments		(208)	-	(171)	-
Proceeds from sale of investments		267	-	267	-
Cash disposed following in specie distribution of investment in controlled entity		(362)	-	-	-
Receipts from Debt Service Reserve Account		-	3,040	-	3,040
Net Cash (Outflow) from Investing Activities		(19,971)	(5,964)	(19,862)	(6,004)
Cash Flows from Financing Activities					
Proceeds from issues of shares		1,200	369	1,200	283
Dividends paid		(2,680)	-	(2,680)	-
Repayment of borrowings		(713)	(21,405)	(713)	(21,405)
Payments for borrowing costs		(295)	-	(295)	-
Net Cash (Outflow) from Financing Activities		(2,488)	(21,036)	(2,488)	(21,122)
Net Increase/(Decrease) in Cash Held		(9,909)	5,216	(9,751)	5,451
Cash at the Beginning of the Financial Year		19,085	13,869	18,926	13,475
Cash at the End of the Financial Year	29(b)	9,176	19,085	9,175	18,926
Non-cash financing and investing activities	30				

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 1

Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. The accounting policies adopted are on a consistent basis with those of previous years and are in accordance with the historical cost convention, unless otherwise stated.

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. Information about how the transition to Australian equivalents to IFRS is being managed, and the key differences in accounting policies that are expected to arise, is set out in note 1(z).

a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Mincor Resources NL as at 30 June 2004 and the results of all controlled entities for the twelve months then ended. Mincor Resources NL and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated entity statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated entity statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

When the parent entity increases its ownership interest in a controlled entity, the acquisition is accounted for separately from previous acquisitions of ownership interest in the controlled entity. In preparing the consolidated accounts the acquisition is accounted for in accordance with Note 1(r).

b) Revenue Recognition

Sales revenue comprises revenue earned from the provision of products to entities outside the consolidated entity. Sales revenue is recognised when the product is delivered and:

- risk has been passed to the customer;
- the product is in a form suitable for delivery;
- the quantity of the product can be determined with reasonable accuracy;
- the product has been despatched to the customer and no longer under the physical control of the producer; and
- the selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer. Sales are initially recognised at estimated sales value when the product is delivered. Adjustments are made for variations in metal price, assay, weight and currency between the time of shipment and the time of final settlement of sales proceeds.

Interest income is recognised as it accrues. The gross proceeds from the sale of assets, including investments and exploration tenements are included as revenue of the consolidated entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

c) Depreciation and Amortisation

Office property, plant and equipment are depreciated or amortised over their estimated useful economic lives using either the straight line or reducing balance method. The expected useful lives are as follows:

- Plant and Equipment – 2 to 5 years
- Furniture and Fittings – 3 to 10 years

Refer to Notes 1(g), 1(h), 1(i) and 1(j) for the accounting policy with respect to exploration and evaluation expenditure, development properties, mine properties, and mine buildings, machinery and equipment.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 1

Summary of Significant Accounting Policies (continued)

d) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit/loss after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on net cumulative timing differences is set aside to the deferred income tax and future income tax benefits accounts at the rates which are expected to apply when those timing differences reverse.

e) Foreign Currency Translation

i) Transactions

Foreign currency transactions are initially converted to Australian currency at the rate of exchange ruling at the date of each transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year in the statement of financial performance.

ii) Foreign controlled entities

Assets and liabilities of the controlled entities have been translated using the temporal method, as all controlled entities rely on the parent entity for funds. Under this method non-monetary assets are translated at historical rates.

Assets and liabilities held or payable in foreign currencies have been converted at the rates of exchange ruling at balance date.

Exchange gains and losses have been brought to account in determining the economic entity's results for the year.

iii) Specific commitments

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Gains or costs arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent exchange gains or losses resulting from those transactions are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale. The net deferred gains or losses on foreign exchange hedge commitments are brought to account in the statement of financial position each reporting period and result in an equal and offsetting hedge asset and hedge liability being recognised. Any gains or losses arising on the hedging transaction after the recognition of the hedged purchase or sale are included in the statement of financial performance.

In the case of hedges of monetary items, exchange gains or losses are brought to account in the financial year in which the exchange rates change. Gains or costs arising at the time of entering into such hedging transactions are brought to account in the statement of financial performance over the lives of the hedges.

When anticipated purchase or sale transactions have been hedged, actual purchases or sales which occur during the designated hedged period are accounted for as having been hedged until the amounts of those transactions in the designated period are fully allocated against the hedged amounts.

If the hedged transaction is not expected to occur as originally designated, or if the hedge is no longer expected to be effective, any previously deferred gains or losses are recognised in the statement of financial performance immediately.

If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur as designated, deferral of any gains and losses which arose prior to termination continues and those gains and losses are included in the measurement of the hedged transaction.

If a hedge transaction relating to a commitment for the purchase or sale of goods or services is redesignated, the gains and losses that arise on the hedge prior to its redesignation continue to be deferred and included in the measurement of the original purchase or sale when it takes place. If the hedge transaction is redesignated as a hedge of another commitment because the original purchase or sale transaction is no longer expected to occur as designated, the gains and losses that arise on the hedge prior to its redesignation are recognised in the statement of financial performance at the date of the redesignation.

NOTE 1

Summary of Significant Accounting Policies (continued)

e) Foreign Currency Translation (continued)

iv) General commitments

Exchange gains or losses on other hedge transactions are brought to account in the statement of financial performance in the financial year in which the exchange rates change. Gains or costs arising on entry into hedges of general commitments are recognised as assets or liabilities at the time of entry into the hedges and are amortised over the lives of the hedges.

f) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of weighted average costs.

g) Exploration and Evaluation Expenditure

Exploration and evaluation costs related to an area of interest are written off as incurred except that they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- i) such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- ii) exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB1015 *Accounting for the Acquisition of Assets*. Exploration assets acquired are assessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the consolidated entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon is made.

h) Development Properties

Development expenditure incurred by or on behalf of the consolidated entity is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure having a specific nexus with the development property.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated with the cost of development and classified under non-current assets as "Development Properties".

All expenditure incurred prior to the commencement of commercial levels of production from each development property, is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until they are reclassified as "Mine Properties" following a decision to commence mining.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 1

Summary of Significant Accounting Policies (continued)

i) Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the consolidated entity in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is either fully provided against or written off in the financial year in which this is determined.

j) Mine Buildings, Machinery and Equipment

The cost of each item of buildings, machinery and equipment is written off over its expected useful life using either the unit-of-production or straight-line method.

The unit-of-production basis results in an amortisation charge proportional to the depletion of the recoverable mineral reserves. Each item's economic life has due regard to both its own physical life limitations and to present assessments of recoverable mineral reserves of the mine property at which the item is located, and to possible future variations in those assessments.

Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments of major items.

The expected useful lives are as follows:

- mine buildings – the shorter of applicable mine life and 5 years
- machinery and equipment – the shorter of applicable mine life and 2 to 10 years, depending on the nature of the asset.

Total net carrying value of mine buildings, machinery and equipment at each mine property are reviewed regularly and, to the extent to which these values exceed their recoverable amounts, that excess is fully provided against/written down in the financial year in which this is determined.

k) Borrowing Costs

Borrowing establishment costs represent those costs incurred by or on behalf of the consolidated entity in establishing borrowing facilities. Borrowing establishment costs are amortised over the term of the borrowing facility.

Borrowing costs are recognised as expenses in the period in which they are incurred.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of costs incurred in connection with the arrangement of borrowings, and
- finance lease charges.

l) Investments

Controlled Entities

Investments in controlled entities are valued in the parent entity's accounts at cost less amounts written off to recognise any permanent diminution in value (where applicable).

Listed and Unlisted Investments

Interests in listed and unlisted securities, other than controlled entities in the consolidated financial statements, are brought to account at cost and dividend income is recognised in the statement of financial performance when receivable.

NOTE 1

Summary of Significant Accounting Policies (continued)

m) Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised in accordance with policy 1(c) above.

Operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

n) Joint Ventures

The proportionate interests in the assets, liabilities and expenses of a joint venture operation have been incorporated in the financial statements under the appropriate headings. Details of joint ventures are set out in Note 25.

o) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, annual leave and accumulating sick leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

A liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with the above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Equity-based Compensation Benefits

Equity-based compensation benefits are provided to employees via the Mincor Resources NL 2002 Employee Share Option Plan. Information relating to this Plan are set out in Note 33.

No accounting entries are made in relation to the Mincor Resources NL's 2002 Employee Share Option Plan until options are exercised, at which time the amounts receivable from employees are recognised in the statement of financial position as share capital. The amounts disclosed for remuneration of directors and executives include the assessed fair values of options at the date they were granted.

p) Cash

For the purpose of the statements of cash flow, cash includes deposits at call, short term bank bills, and cash at bank and in transit, all of which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

q) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 1

Summary of Significant Accounting Policies (continued)

r) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is their market value.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Where an entity or operation is acquired and the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated. Where, after reducing to zero the recorded amounts of the non-monetary assets acquired, a discount balance remains it is recognised as revenue in the statement of financial performance.

s) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is revalued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the statement of financial performance.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

t) Earnings Per Share

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

u) Restoration and Rehabilitation Expenditure

Restoration and rehabilitation costs necessitated by exploration, evaluation and mining activities are charged to costs of production on a gradual basis over the life of the economically recoverable resources.

Restoration and rehabilitation costs include the costs of reclamation, plant and waste site closure and subsequent monitoring of the environment.

Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

Estimates of future costs are reassessed at least annually. Changes in estimates relating to producing areas are dealt with prospectively over the remaining mine life.

v) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

NOTE 1

Summary of Significant Accounting Policies (continued)

w) Royalties

Royalties are accrued and charged against earnings when the liability from production or sale of the mineral crystallises.

x) Commodity Hedging

Hedging is undertaken in order to avoid or minimise possible adverse financial or cash flow effects of movements in commodity prices. Premiums received or costs arising upon entering into forward sale, option and other derivative contracts intended to hedge specific future production, together with subsequent realised and unrealised gains or losses, are deferred until the hedged production is delivered and included in the measurement of sale.

In those circumstances where a hedging transaction is terminated prior to maturity because the hedged production is no longer expected to be produced, any gains and losses are recognised in the statement of financial performance on the date of termination. If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains and losses which arose prior to termination are deferred and brought to account when the hedged transaction occurs.

If a hedge transaction relating to a commitment for the sale of a commodity is redesignated as a hedge of another specific commitment and the original transaction is still expected to occur, the gains and losses that arise on the hedge prior to this redesignation are deferred and included in the measurement of the original purchase or sale when it takes place. If the hedge transaction is no longer expected to occur, the gains and losses that arise on the hedge prior to its redesignation are recognised in the statement of financial performance at the date of the redesignation.

y) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

z) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application to IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The consolidated entity has established a project team to manage the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team has prepared a detailed timetable for managing the transition and is currently on schedule. To date the project team has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*.

Major changes identified to date that will be required to the consolidated entity's existing accounting policies include the following:

i) Financial Instruments

Under AASB 132 *Financial Instruments: Disclosure and Presentation* the current classification of financial instruments issued by entities in the consolidated entity will not change.

Under AASB 139 *Financial Instruments: Recognition and Measurement* there may be major impacts as a result of:

- foreign exchange contracts held for hedging purposes being accounted for as cash flow hedges. Changes in the fair value of those contracts will be recognised directly in equity until the hedged transaction occurs, in which case the amounts recognised in equity will be included in revenue. Currently, the costs or gains arising under contracts together with any realised or unrealised gains from remeasurement are included in assets or liabilities as deferred losses or deferred gains; and

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 1

Summary of Significant Accounting Policies (continued)

z) International Financial Reporting Standards (IFRS) (continued)

i) Financial Instruments (continued)

- commodity contracts held for hedging purposes being accounted for as cash flow hedges. Changes in the fair value of those contracts will be recognised directly in equity until the hedged transaction occurs, in which case the amounts recognised in equity will be included in revenue. Currently, any unrealised gains from remeasurement are not recorded in the statement of financial position as they are accounted for off balance sheet.

ii) Exploration and Evaluation Expenditure

The International Financial Reporting Standard on Exploration for and Evaluation of Mineral Resources is not expected to be issued until the fourth quarter of 2004. As such, the impact of changes to the Company's existing accounting policy, which is in accordance with AASB 1022 "Accounting for the extractive industries", is not yet determinable.

iii) Equity-based Compensation Benefits

Under AASB 2 *Share-based Payment*, equity-based compensation to employees will be recognised as an expense in respect of the services received.

This will result in a change to the current accounting policy, under which no expense is recognised for equity-based compensation.

iv) Impairment of Assets

Under AASB 136 *Impairment of Assets* entities are no longer able to assess whether assets are impaired by using an undiscounted recoverable amount test. Entities will be required to determine recoverable amount as the higher of fair value less costs to sell and value in use. Discounted cash flows must be used to determine recoverable amount.

v) Income Tax

Under AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

vi) Provisions and Contingencies

Under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* a provision for restoration or clean up obligations must be recognised based on the best estimate of the present value of the expenditure required to settle the rehabilitation obligation at the statement of financial position date. The present value of the costs should be measured using a current market-based discount rate.

As the value of the provision represents the discounted value of the present obligations to restore, dismantle and rehabilitate, the increase in the carrying amount of the provision due to the passage of time is recognised as a borrowing cost.

Under AASB 116 *Property, Plant and Equipment*, the cost of the asset should include the initial estimate of the costs of dismantling, restoring and rehabilitating the site on which the assets are located and hence reflects the obligation which the entity has. The capitalised cost shall then be depreciated over the life of the underlying asset.

This will result in a change in the current accounting policy where restoration costs are accrued incrementally on an undiscounted basis over the life of the related mine. The rehabilitation provision will increase and a related asset shall be created. The associated borrowing cost and depreciation of the closure asset shall be recorded in the statement of financial performance.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on the consolidated entity's financial position and reported results.

NOTE 2

Revenue

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Revenue from Operating Activities				
Sale of goods	85,683	77,668	85,683	77,668
Revenue from Outside the Operating Activities				
Administration fees	-	32	-	32
Interest income	486	553	486	536
Foreign exchange gains	-	453	-	453
Other income	101	286	101	260
Revenue from Ordinary Activities	86,270	78,992	86,270	78,949

NOTE 3

Operating Profit

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

Net Gains

Foreign exchange gains	-	453	-	453
Gain on disposal of investments	96	-	96	-

Expenses

Cost of sale of goods	60,366	58,082	60,366	58,082
Borrowing Costs				
Interest paid or due and payable to:				
- Other persons	41	634	41	634
- Associated entity	-	128	-	128
Amortisation of borrowing costs	256	603	256	603
	297	1,365	297	1,365
Foreign exchange losses	101	-	101	-
Exploration expenditure provided for or written off	1,898	2,140	1,898	1,928
Rental expenses relating to operating leases	69	65	69	65
Government royalty expense	3,816	3,183	3,816	3,183
Depreciation and amortisation:				
- Mine property	11,557	12,652	11,557	12,652
- Plant and equipment	988	1,616	988	1,616
	12,545	14,268	12,545	14,268
Net expense from movement in provisions:				
- Employee entitlements	284	222	284	222
- Rehabilitation	52	326	52	326

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 4 Income Tax

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
a) The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating profit. The difference is reconciled as follows:				
Operating profit before income tax	17,165	15,101	17,295	15,601
Income tax calculated at 30% (2003 – 30%)	5,150	4,530	5,189	4,680
Tax effect of permanent differences:				
Amortisation of property, plant & equipment	622	1,575	622	1,575
Other	116	164	77	14
Income tax adjusted for permanent differences	5,888	6,269	5,888	6,269
Over-provision in previous year	(32)	(189)	(32)	(189)
Income tax attributable to operating profit	5,856	6,080	5,856	6,080
Income tax attributable to the operating profit comprises:				
Provision for deferred income tax	908	(1,434)	908	(1,434)
Provision for income tax	5,100	7,628	5,100	7,628
Other	(152)	(114)	(152)	(114)
	5,856	6,080	5,856	6,080

The Company is not impacted by the new tax consolidation regime.

b) Franking Credits

	PARENT ENTITY	
	2004	2003
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	13,381	11,114

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- i) franking credits that will arise from the payment of the current tax liability;
- ii) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- iii) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- iv) franking credits that may be prevented from being distributed in subsequent financial years.

NOTE 5

Receivables

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Current				
Trade debtors	16,646	15,561	16,646	15,561
Other debtors	1,429	320	1,425	303
	18,075	15,881	18,071	15,864
Non-Current				
Amounts owing from controlled entities	-	-	579	866
Other debtors	-	229	-	229
	-	229	579	1,095

At 30 June 2004 the consolidated entity and Company had trade debtors totalling A\$2,182,254 (2003: A\$3,850,038) which are denominated in US Dollars and are unhedged.

Recoverability of the Company's interest in loans to and shares in controlled entities is subject to the successful exploitation and development of the controlled entities' interests in mineral tenements or alternatively, the sale of the Company's interest in the loans and shares at amounts at least equal to the book values.

The total revenue from operating activities and the related trade debtors balance are due from WMC Resources Ltd pursuant to Ore Toll and Concentrate Purchase Agreements.

NOTE 6

Inventory

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Work in progress – at cost	237	138	237	138

NOTE 7

Investments

Non-Current				
Shares in listed companies at cost	1,179	1,177	252	250
Options in listed company at cost	2,242	-	2,242	-
Shares in controlled entities - at cost (refer Note 24)	-	-	3,902	5,702
Less provision for diminution in value	(621)	(621)	(622)	(622)
	2,800	556	5,774	5,330

The aggregate market value of shares and options in listed companies at 30 June 2004 is \$4,269,000 (2003: \$1,043,000).

The Company holds 12,557,556 unlisted options in Tethyan Copper Company Limited, a company listed on the Australian Stock Exchange Limited. The options have an exercise price of 15 cents per share and expire on 30 April 2008. Trading in 3,400,000 of these options is restricted by the Australian Stock Exchange Limited until 31 October 2005.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 8

Property, Plant and Equipment

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Mine property costs	68,241	41,036	68,241	41,036
Less: Provision for amortisation	(45,066)	(24,975)	(45,066)	(24,975)
	23,175	16,061	23,175	16,061
Plant and equipment	12,780	5,030	12,780	5,023
Less: Provision for depreciation	(4,910)	(2,933)	(4,910)	(2,931)
	7,870	2,097	7,870	2,092
Total written down value	31,045	18,158	31,045	18,153

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Mine Property Costs	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Consolidated			
Carrying amount at 1 July 2003	16,061	2,097	18,158
Additions	6,418	6,128	12,546
Additions pursuant the acquisition of interest in joint venture	12,509	646	13,155
Disposals	-	(13)	(13)
Depreciation/amortisation expense	(11,813)	(988)	(12,801)
Carrying amount at 30 June 2004	23,175	7,870	31,045
Parent Entity			
Carrying amount at 1 July 2003	16,061	2,092	18,153
Additions	6,418	6,128	12,546
Additions pursuant to the acquisition of interest in joint venture	12,509	646	13,155
Disposals	-	(8)	(8)
Depreciation/amortisation expense	(11,813)	(988)	(12,801)
Carrying amount at 30 June 2004	23,175	7,870	31,045

Refer Note 11 for information on non-current assets pledged as security by the parent entity and its controlled entities.

NOTE 9**Exploration, Evaluation and Development Expenditure**

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Exploration and Evaluation Expenditure				
Opening balance	22,538	7,661	2,734	2,734
Current year's expenditure	2,264	2,606	1,898	1,928
Costs of acquisition	1,727	-	1,727	-
Additions pursuant to acquisition of interest in joint venture	784	-	784	-
Fair value of mineral exploration assets acquired from minority interest (Refer Note 16)	11,780	14,411	-	-
Disposal of mineral exploration assets on deconsolidation of former controlled entity (refer Note 24)	(28,731)	-	-	-
Expenditure provided for or written off in current year	(1,898)	(2,140)	(1,898)	(1,928)
Closing balance	8,464	22,538	5,245	2,734
Development Expenditure				
Opening balance	2,822	2,390	2,822	2,390
Current year's expenditure	6,416	432	6,416	432
Additions pursuant to acquisition of joint venture interest	5,536	-	5,536	-
Expenditure provided for or written off in current year	(202)	-	(202)	-
Closing balance	14,572	2,822	14,572	2,822
Total Exploration, Evaluation and Development Expenditure	23,036	25,360	19,817	5,556

Recoverability of the consolidated entity's carrying value of interests in mineral projects is subject to the successful development and exploitation of the exploration properties or alternatively, the sale of these interests at amounts at least equal to the book values.

NOTE 10**Payables**

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Current				
Trade creditors	7,466	5,772	7,466	5,729
Other creditors and accruals	17,344	12,590	17,344	12,291
	24,810	18,362	24,810	18,020
Non Current				
Other creditors and accruals	3,000	-	3,000	-
	3,000	-	3,000	-

At 30 June 2004 the consolidated entity had A\$Nil (2003: A\$187,110) owing to creditors in US Dollars which were unhedged and A\$Nil (2003: A\$37,561) owing to creditors denominated in Pakistan rupees which were unhedged.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 11

Interest Bearing Liabilities

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Current				
Secured				
Bank loans	-	229	-	229
Lease liabilities	119	176	119	176
Unsecured				
Loan – associated entity	-	712	-	712
	119	1,117	119	1,117
Non-Current				
Secured				
Lease liabilities	140	64	140	64
	140	64	140	64

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Financing Arrangements

Entities in the consolidated entity have access to the following financing arrangements at balance date:

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Corporate Revolver Facility - secured	10,000	-	10,000	-
Less: Draw down portion	-	-	-	-
Bonding Facility – secured	500	-	500	-
Less: Draw down portion	(500)	-	(500)	-
Cash Advance Facility – secured	-	229	-	229
Less: Draw down portion	-	(229)	-	(229)
Loan Facility – unsecured	-	712	-	712
Less: Draw down portion	-	(712)	-	(712)
	10,000	-	10,000	-

The Corporate Revolver Facility is denominated in Australian dollars and is repayable by March 2006. Interest is charged at the BBSW rate plus an applicable margin.

The Bonding Facility is denominated in Australian dollars and is repayable in December 2005. An annual performance bond fee is charged at market rates.

Both the Corporate Revolver Facility and Bonding Facility are secured by a first ranking charge over the assets and undertakings of the parent entity and consolidated entities.

NOTE 12
Tax Liabilities

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Current				
Income tax	663	7,628	663	7,628

NOTE 13
Provisions

Current				
Other	142	142	142	142
Employee benefits (Note 33)	261	188	261	188
	403	330	403	330
Non-Current				
Rehabilitation	816	578	816	578
	816	578	816	578

Movements in Provisions

Movements in each class of provisions during the financial year are set out below.

	Rehabilitation	Other	Total
	\$'000	\$'000	\$'000
Consolidated – 2004			
Carrying amount at start of year	578	142	720
Additional provisions recognised	52	-	52
Additional provisions recognised on acquisition of interest in joint venture	186	-	186
Carrying amount at end of year	816	142	958
Parent Entity - 2004			
Carrying amount at start of year	578	142	720
Additional provisions recognised	52	-	52
Additional provisions recognised on acquisition of interest in joint venture	186	-	186
Carrying amount at end of year	816	142	958

As at 30 June 2004 the consolidated entity employed 35 people (2003: 27 people)

NOTE 14
Deferred Tax Liabilities

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Provision for deferred income tax	3,825	2,917	3,825	2,917

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 15

Contributed Equity

a) Issued and Paid-up Capital

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Fully paid 194,163,005 ordinary shares (2003: 173,475,005)	27,227	19,426	27,227	19,426

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Movements in Ordinary Share Capital

2004	No. of Shares	Issue Price	\$'000
Opening balance	173,475,005		19,426
Share issue pursuant to the exercise of options over fully paid shares	4,850,000	\$0.20	970
Share issue pursuant to the exercise of options over fully paid shares	338,000	\$0.25	84
Share issue pursuant to the exercise of options over fully paid shares	500,000	\$0.29	145
Share issue following the exercise of Put and Call Option Agreements by the seed investors of Tethyan Copper Company Limited. (Refer Note 24)	6,000,000	\$0.87	5,190
Share issue pursuant to the acquisition of 24% interest in Miitel Joint Venture. (Refer Note 26)	9,000,000	\$0.76	6,840
Return of capital via in specie distribuion (Refer Note 24)			(5,428)
	194,163,005		27,227

2003	No. of Shares	Issue Price	\$'000
Opening balance	169,080,005		18,243
Share issue pursuant to the exercise of options over fully paid shares	1,350,000	\$0.20	270
Share issue pursuant to the exercise of options over fully paid shares	45,000	\$0.29	13
Share issue following the exercise of Put and Call Option Agreements by the seed investors of Tethyan Copper Company Limited.	3,000,000	\$0.30	900
	173,475,005		19,426

c) Options

At 30 June 2004 options to take up shares in the parent entity are as follows:

Number and Class	Issue Date	Expiry Date	Exercise Price
500,000 unlisted	8 January 2000	7 January 2005	17.1 cents per share
1,500,000 unlisted	7 November 2003	6 November 2008	84 cents per share

The above options have been granted under the Mincor Resources NL Incentive Option Scheme and the Mincor Resources NL 2002 Employee Share Option Plan. Each option entitles the holder to acquire one ordinary share by payment of the exercise price prior to the expiry date.

In accordance with the listing rules of the Australian Stock Exchange Limited, the exercise price of all share options held in the Company on the date the Company completed the in specie distribution of its shares in Tethyan Copper Company Limited to shareholders was reduced by 2.9 cents per option to reflect the return of capital resulting from the in specie distribution.

NOTE 16

Reserves

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve	-	10,845	-	-
Capital reserve	545	889	-	-
	545	11,734	-	-
Movements				
Asset Revaluation Reserve				
Opening balance	10,845	-	-	-
Increment on the acquisition of an additional ownership interest in an existing controlled entity	5,728	10,845	-	-
Decrement on the deconsolidation of a controlled entity following the in specie distribution of investment in controlled entity	(16,573)	-	-	-
Closing balance	-	10,845	-	-

As disclosed in Note 24 the Company acquired an additional 11.5% interest in Tethyan Copper Company Limited following the exercise of Put and Call Option Agreements over 6,000,000 fully paid ordinary shares in the Company by seed investors of Tethyan Copper Company Limited and the exercise of 4,300,000 options in Tethyan Copper Company Limited in exchange for 4,300,000 shares in Tethyan Copper Company Limited.

Pursuant to AASB1024: Consolidated Accounts the consolidated entity is required, on the incremental acquisition of an additional ownership interest in an existing controlled entity, to revalue on that date all of the net assets of the controlled entity to their fair value.

Accordingly, as a result of the Company acquiring an additional 11.5% interest in Tethyan Copper Company Limited, the consolidated entity recognised an increase of \$11,780,000 in the fair value of mineral exploration assets. Of this increment \$10,955,000 was attributed to the consolidated entity, of which \$5,728,000 is recorded in the Asset Revaluation Reserve, and \$825,000 was attributed to outside equity interests (Refer Note 19).

As discussed in Note 24, the Company completed an in specie distribution to its shareholders of the majority of its shares in Tethyan Copper Company Limited resulting in the deconsolidation of the Asset Revaluation Reserve balance.

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Capital Reserve				
Opening balance	889	889	-	-
Decrement on the deconsolidation of a controlled entity following the in specie distribution of investment in controlled entity	(344)	-	-	-
Closing balance	545	889	-	-

Nature and Purpose of Reserves

The Asset Revaluation Reserve is used to record increments on the revaluation of non-current assets which arise from increases in ownership interests in controlled entities.

The Capital Reserve arose following the sale by the Company of a minority interest in Tethyan Copper Company Limited, a former controlled entity. Given Tethyan Copper Company Limited's main assets are exploration properties in Pakistan, the Company considered it appropriate to recognise the dilutionary gain as a Capital Reserve and not as income in the consolidated statement of financial performance.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 17

Retained Profits

	CONSOLIDATED		PARENT ENTITY	
Accumulated profits at the beginning of the financial year	14,385	5,306	15,127	5,606
Net profit attributable to the members of Mincor Resources NL	11,309	9,079	11,439	9,521
Dividends paid	(2,680)	-	(2,680)	-
Retained profits at the end of the financial year	23,014	14,385	23,886	15,127

A final fully franked dividend in respect of the year ended 30 June 2003 of 1.5 cents per ordinary share was paid on 24 September 2003.

NOTE 18

Equity

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year	48,592	24,791	34,553	23,849
Total changes in equity recognised in the statement of financial performance	17,037	19,924	11,439	9,521
Issue of additional ordinary shares during the year	13,229	1,183	13,229	1,183
Changes in outside equity interest	996	2,694	-	-
Return of capital pursuant to in specie distribution of investment in controlled entity (Refer Note 24)				
- Reduction in share capital	(5,428)	-	(5,428)	-
- Reduction in asset revaluation reserve	(16,573)	-	-	-
- Reduction in capital reserve	(344)	-	-	-
- Reduction in outside equity interest	(4,043)	-	-	-
Dividends paid	(2,680)	-	(2,680)	-
Total equity at the end of the financial year	50,786	48,592	51,113	34,553

NOTE 19

Outside Equity Interest

Interest in (accumulated losses)	(100)	(100)	-	-
Interest in equity	652	481	-	-
Interest in asset revaluation reserve (refer Note 16)	3,491	2,666	-	-
Reduction following in specie distribution of investment in controlled entity (Refer Note 24)	(4,043)	-	-	-
Total	-	3,047	-	-

NOTE 20

Commitments and Contingencies

a) Exploration Commitments

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Discretionary exploration expenditure commitments relating to existing mineral tenements are as follows:				
Due within 1 year	2,095	1,375	2,095	703
Due within 2 to 5 years	-	1,334	-	-
	2,095	2,709	2,095	703

All of the above obligations are subject to re-negotiation upon expiry of the mineral tenements and are not provided for in the accounts.

b) Operating Lease Commitments

Operating lease commitments are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Office Rental				
Due within 1 year	42	127	42	127
Due within 2 to 5 years	-	21	-	21
	42	148	42	148

c) Finance Lease Commitments

Finance and hire purchase rentals for plant and equipment are payable as follows:

Not longer than 1 year	132	182	132	182
Longer than 1 year but not longer than 5 years	150	64	150	64
Minimum lease payments	282	246	282	246
Less: Future lease finance charges	(23)	(6)	(23)	(6)
Recognised as a liability	259	240	259	240

Finance and hire purchase liabilities provided for in the financial statements:

Current	119	176	119	176
Non-current	140	64	140	64
Total liability	259	240	259	240

d) Capital Commitments

There are no capital expenditure commitments as at 30 June 2004.

e) Contingent Liabilities

There are no known contingent liabilities as at 30 June 2004.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 21

Segment Information

The consolidated entity operates predominantly in the mining industry and principally within the geographical areas of Australia, Africa and South West Pacific. During the year the consolidated entity disposed of its operations in Pakistan following the in specie distribution by the Company of its shares in Tethyan Copper Company Limited. Geographic segment information is as follows:

	Australia \$'000	Africa \$'000	South West Pacific \$'000	Pakistan \$'000	Consolidation \$'000
i) 2004					
Revenue from operating activities	85,683	-	-	-	85,683
Interest revenue	486	-	-	-	486
Other revenue	101	-	-	-	101
Total revenue	86,270	-	-	-	86,270
Consolidated entity operating profit/(loss) after income tax	11,325	(12)	(4)	-	11,309
Segment assets	84,335	1,482	2,031	-	87,848
Total Assets	84,335	1,482	2,031	-	87,848
Segment liabilities	37,062	-	-	-	37,062
Unallocated liabilities					-
Total Liabilities					37,062
Acquisition of property, plant and equipment, and other non-current segment assets	42,408	-	-	-	42,408
Depreciation and amortisation expense	12,597	-	-	-	12,597
Other non-cash expenses	1,898	-	-	-	1,898
ii) 2003					
Revenue from operating activities	77,668	-	-	-	77,668
Interest revenue	536	-	-	17	553
Other revenue	745	26	-	-	771
Total revenue	78,949	26	-	17	78,992
Consolidated entity operating profit/(loss) after income tax	9,282	(222)	19	-	9,079
Segment assets	63,285	1,482	1,737	16,582	83,086
Total Assets	63,285	1,482	1,737	16,582	83,086
Segment liabilities	34,155	-	-	339	34,494
Unallocated liabilities					-
Total Liabilities					34,494
Acquisition of property, plant and equipment, and other non-current segment assets	5,525	-	-	1,582	7,107
Depreciation and amortisation expense	14,871	-	-	-	14,871
Other non-cash expenses	1,928	-	212	-	2,140

NOTE 22

Directors and Executives Disclosure

Directors

The following persons were directors of the Company during the financial year:

Chairman – Non-Executive

DJ Humann

Executive Director

DCA Moore

Non-Executive Directors

JW Gardner

IF Burston

RG Wadley

WJ du Plessis (Alternate for RG Wadley)

Mr RG Wadley and Mr WJ due Plessis resigned from the position of non-executive director on 27 August 2003.

Executives (other than Directors)

The following persons were the five executives with the greatest authority for the strategic direction and management ("specified executives") of the consolidated entity during the financial year:

Name	Position	Employer
JS Reeve	Chief Operating Officer	Mincor Resources NL
ST Cowle	General Manager – Kambalda Operations	Mincor Resources NL
B Lynn	Chief Financial Officer	Mincor Resources NL
DP Will	Chief Mining Engineer	Mincor Resources NL
RA Hatfield	Exploration Manager	Mincor Resources NL

All of the above persons were also specified executives during the year ended 30 June 2003, except for ST Cowle who commenced employment with the group on 24 November 2003.

Remuneration of Directors and Executives

a) Principles used to determine the nature and amount of remuneration

The Company's executive remuneration framework aligns executive remuneration with the achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive remuneration is competitive and reasonable, acceptable to shareholders, and aligns remuneration with performance.

i) Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board receives advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his remuneration.

ii) Directors' fees

The current base remuneration was last reviewed with effect from 8 November 2002. The Chairman's and non-executive directors' remuneration is inclusive of committee fees.

Fees for the Chairman and non-executive directors' are determined within an aggregate directors' fee pool limit of \$200,000 which was last approved by shareholders on 8 November 2002.

iii) Retirement allowances for directors

No retirement allowances exist for non-executive directors.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 22

Directors and Executives Disclosure (continued)

Remuneration of Directors and Executives (continued)

a) Principles used to determine the nature and amount of remuneration (continued)

iv) Executive pay

The executive pay and reward framework has four components:

- base pay and benefits
- short-term performance incentives
- long-term incentives through participation in the Mincor Employee Share Option Plan, and
- other remuneration such as superannuation

The combination of these comprises the executive's total remuneration.

v) Base pay and benefits

The base pay is inclusive of statutory superannuation and is structured as a total employment cost package which may be delivered as a mix of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases fixed in any senior executive's contracts.

Benefits include car allowances and provision of accommodation.

vi) Short term incentives

The Company has established an Incentive Bonus Scheme which is designed to encourage and reward superior performance. The Incentive Bonus Scheme has both a company performance component as well as an individual performance component. Whilst it is the Company's intention to apply the Incentive Bonus Scheme annually there is no guarantee that bonus payments will be made in any one year.

For the year ended 30 June 2004, the Incentive Bonus Scheme was linked to group, individual business and personal objectives.

vii) 2002 Employee Share Option Plan

Information on the 2002 Employee Share Option Plan is set out in Note 33.

b) Details of Remuneration

Details of the remuneration of each director of Mincor Resources NL and each of the five specified executives of the consolidated entity, including their personally-related entities, are set out in the following table.

Directors – 2004	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
DJ Humann (Non-executive Chairman)	56,697	-	-	3,303	-	-	60,000
DCA Moore (Managing Director)	-	313,410	48,750	11,002	-	588	373,750
RG Wadley* (Non-executive Director)	-	-	-	-	-	-	-
JW Gardner (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
IF Burston (Non-executive Director)	33,027	-	-	2,973	-	-	36,000
WJ du Plessis* (Non-executive and Alternate Director)	-	-	-	-	-	-	-
Total	122,751	313,410	48,750	20,251	-	588	505,750

* Mr RG Wadley and Mr WJ du Plessis resigned as a Director on 27 August 2003.

NOTE 22**Directors and Executives Disclosure** (continued)**Remuneration of Directors and Executives** (continued)**b) Details of Remuneration** (continued)

Total remuneration of directors of Mincor Resources NL for the year ended 30 June 2003 is set out below. Information for individual directors is not shown as this is the first financial report prepared since the issue of AASB 1046 *Director and Executive Disclosures by Disclosing Entities*.

Directors – 2003	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
Total	103,914	335,760	48,950	19,873	-	588	509,085

Details of the remuneration of each of the five specified executives of the consolidated entity, including their personally related entities, are set out in the following table:

Executives – 2004	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
J S Reeve	-	228,410	19,200	11,002	-	588	259,200
S T Cowle (from 24 November 2003 to 30 June 2004)	-	104,458	10,000	5,952	138,690	29,121	288,221
B Lynn	-	148,953	19,560	13,459	-	588	182,560
D Will	-	141,455	18,000	11,002	-	490	170,947
R A Hatfield	-	117,862	9,988	11,002	-	588	139,440
Total	-	741,138	76,748	52,417	138,690	31,375	1,040,368

During the year 1,000,000 share options were issued to executives pursuant to the 2002 Employee Share Option Plan. These share options are exercisable at \$0.84 on or before 6 November 2008. 500,000 of the options are exercisable after 6 November 2005 whilst the remaining 500,000 share options are capable of exercise after 6 November 2004.

Total remuneration of specified executives for the year ended 30 June 2003 is set out below. Information for individual specified executives is not shown as this is the first financial report prepared since the issue of AASB 1046 *Director and Executive Disclosures by Disclosing Entities*. In some cases, different individuals are included than those specified in the year ended 30 June 2004.

Executives – 2003	Directors Fee \$	Salary \$	Bonus \$	Super- annuation \$	Options \$	Other \$	Total \$
Total	-	646,305	70,753	51,593	-	2,352	771,003

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 22

Directors and Executives Disclosure (continued)

Remuneration of Directors and Executives (continued)

c) Service Agreements

Remuneration and other terms of employment for the Managing Director and the specified executives are formalised in employment contracts. Each of these agreements provide for the participation in the Company's Incentive Option Scheme and Incentive Bonus Scheme. Other major provisions of the agreements relating to remuneration are set out below.

D C A Moore, Managing Director

- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of \$325,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to three months of the base salary.

J S Reeve, Chief Operating Officer

- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of \$240,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

S T Cowle, General Manager – Operations

- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of \$200,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

B Lynn, Chief Financial Officer

- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of \$163,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

D P Will, Chief Mining Engineer

- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of \$150,000, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to one month of the base salary.

R A Hatfield, Exploration Manager

- Base salary, inclusive of superannuation, for the year ended 30 June 2004 of \$129,111, to be reviewed annually by the remuneration committee.
- Payment of termination benefit on early termination by the employer, other than for gross misconduct, equal to three months of the base salary.

NOTE 22

Directors and Executives Disclosure (continued)

Remuneration of Directors and Executives (continued)

d) Share-based Compensation - Options

The terms and conditions of each grant of options affecting remuneration in this or future reporting periods are as follows:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable
6 November 2003	6 November 2008	\$0.84	\$0.286	50% after 6 November 2004; 50% after 6 November 2005

Options are granted under the 2002 Employee Share Option Plan which was approved by shareholders at the 2003 annual general meeting. All staff are eligible to participate in the plan.

Options are granted under the plan for no consideration for a maximum period of five years.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Equity Instrument Disclosures Relating to Directors and Executives

a) Options Provided as Remuneration

Details of options over ordinary shares in the Company provided as remuneration to each director of Mincor Resources NL and each of the five specified executives of the consolidated entity are set out below. When exercisable, each option is convertible into one ordinary share of Mincor Resources NL. Further information on the options is set out in Note 33.

Name	Number of options granted during the year	Number of options vested during the year
Executives		
S T Cowle	1,000,000	-

b) Shares Provided on Exercise of Remuneration Options

Details of ordinary shares in the Company provided as a result of the exercise of options to each director of Mincor Resources NL and each of the five specified executives of the consolidated entity are set out below.

Name	Date of exercise of options	Number of ordinary shares issued on exercise of options during the year	Amount paid per share
Directors			
D J Humann	21 October 2003	500,000	\$0.20
D C A Moore	17 October 2003	500,000	\$0.20
J W Gardner	9 September 2003	800,000	\$0.20
Executives			
J S Reeve	2 September 2003	1,000,000	\$0.20
B Lynn	2 September 2003	500,000	\$0.20
D Will	2 September 2003	500,000	\$0.29

No amounts are unpaid on any shares issued on the exercise of options.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 22

Directors and Executives Disclosure (continued)

Equity Instrument Disclosures Relating to Directors and Executives (continued)

c) Option Holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Mincor Resources NL and each of the five specified executives of the consolidated entity, including their personally-related entities, are set out below.

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
D J Humann	500,000	-	(500,000)	-	-	-
D C A Moore	1,000,000	-	(500,000)	-	500,000	500,000
J W Gardner	800,000	-	(800,000)	-	-	-
Executives						
J S Reeve	1,000,000	-	(1,000,000)	-	-	-
S T Cowle	-	1,000,000	-	-	1,000,000	-
B Lynn	500,000	-	(500,000)	-	-	-
D P Will	500,000	-	(500,000)	-	-	-

No options are vested and unexercisable at the end of the year.

d) Share Holdings

The numbers of ordinary shares in the Company held during the financial year by each director of Mincor Resources NL and each of the five specified executives of the consolidated entity, including their personally-related entities, are set out below.

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors				
D J Humann	-	500,000	(300,000)	200,000
D C A Moore	4,464,374	500,000	-	4,964,374
J W Gardner	3,524,276	800,000	650,000	4,974,276
I F Burstn	-	-	50,000	50,000
Executives				
J S Reeve	86,000	1,000,000	-	1,086,000
S T Cowle	-	-	-	-
B Lynn	-	500,000	(125,000)	375,000
D P Will	-	500,000	(190,000)	310,000
R A Hatfield	1,900,000	-	(900,000)	1,000,000

NOTE 23**Remuneration of Auditors**

During the year the auditor of the parent entity and its related practices earned the following remuneration:

PricewaterhouseCoopers – Australian firm

Audit or review of financial reports of the entity or any entity in the consolidated entity

Other assurance services

Total audit and other assurance services

Taxation services

Total remuneration

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
Audit or review of financial reports of the entity or any entity in the consolidated entity	79,700	60,660	74,200	45,660
Other assurance services	23,365	-	11,000	-
Total audit and other assurance services	103,065	60,660	85,200	45,660
Taxation services	101,090	83,756	101,090	79,846
Total remuneration	204,155	144,416	186,290	125,506

Related practices of PricewaterhouseCoopers**Australian firm (including overseas****PricewaterhouseCoopers firms)**

Audit or review of financial reports of the entity or any entity in the consolidated entity

Other assurance activities

Total audit and other assurance services

Taxation

Total remuneration

Audit or review of financial reports of the entity or any entity in the consolidated entity	-	6,308	-	-
Other assurance activities	-	1,877	-	-
Total audit and other assurance services	-	8,185	-	-
Taxation	-	3,770	-	-
Total remuneration	-	11,955	-	-

Remuneration of other auditors of controlled entities for the audit or review of financial reports of any entity in the consolidated entity

Remuneration of other auditors of controlled entities for the audit or review of financial reports of any entity in the consolidated entity	-	1,000	-	-
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NOTE 24**Investments in Controlled Entities**

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding		Cost of Parent Entity's Investment	
			2004 (%)	2003 (%)	2004 (\$'000)	2003 (\$'000)
Oribi Resources Inc	British Virgin Islands	Ordinary	100	100	2,669	2,669
Mincor Tanzania Limited	Tanzania	Ordinary	100	100	1,233	1,233
Tethyan Copper Company Limited	Australia	Ordinary	-	81.5	-	1,800
Tethyan Copper Company (Private) Limited	Pakistan	Ordinary	-	100	-	-
Mincor Operations Pty Ltd	Australia	Ordinary	100	50	-	-
					3,902	5,702

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 24

Investments in Controlled Entities (continued)

Tethyan Copper Company Limited

At the start of the financial year the Company held 44,666,667 fully paid ordinary shares and 6,000,000 options in Tethyan Copper Company Limited ("TCC").

Between 1 July 2003 and 30 October 2003 the Company acquired a further 6,000,000 shares and 12,000,000 options in Tethyan Copper Company Limited in exchange for 6,000,000 fully paid ordinary shares in the Company pursuant to Put and Call Option Agreements with Tethyan Copper Company Limited seed investors.

Between 1 July 2003 and 30 October 2003 the Company exercised 4,300,000 options in Tethyan Copper Company Limited at an exercise price of 15 cents in exchange for 4,300,000 fully paid ordinary shares in Tethyan Copper Company Limited.

As outlined in Note 16, these acquisitions gave rise to a revaluation of the consolidated carrying values of Tethyan Copper Company Limited's assets and liabilities.

Effective 23 October 2003 the Company completed an in specie distribution to its shareholders of 54,944,390 of its shares in Tethyan Copper Company Limited on the basis of one TCC share for every 3.37 shares held in Mincor Resources NL, resulting in a \$5,428,000 return of capital. On 30 October 2003, Tethyan Copper Company Limited was listed on the Australian Stock Exchange following a successful \$15 million capital raising by way of prospectus.

As at 30 June 2004 the Company holds 22,277 fully paid ordinary shares in Tethyan Copper Company Limited and 12,557,566 options over fully paid ordinary shares with an exercise price of 15 cents per share.

The in specie distribution of the Company's shares in Tethyan Copper Company Limited resulted in the deconsolidation of the following balances relating to TCC.

	\$'000
Cash	362
Receivables	37
Other current assets	55
Property, plant and equipment	4
Exploration, evaluation and development expenditure	28,731
Other non current assets	116
Payables	(673)
Capital reserve	(344)
Asset revaluation reserve	(16,573)
Minority interest	(4,043)
	<hr/> 7,672
Less: Value of investment in former controlled entity not distributed	(2,244)
Return of Capital	<hr/> 5,428

NOTE 25

Interests in Joint Ventures

Name	Principal Activity	Percentage Interest	
		2004	2003
Miitel Joint Venture	Nickel mining and exploration	- *	76
Bankole Joint Venture	Gold exploration	20	20
Minerals International Limited Farm-in and Joint Venture	Gold exploration	(earning)	(earning)
Webe Creek Farm-in and Joint Venture	Gold exploration	75	75
Imweru Joint Venture	Gold exploration	60	60

* Effective 30 September 2003 the Company acquired the remaining 24% interest in the Miitel Joint Venture and the joint venture became a wholly owned operation of the Company. Refer Note 26.

The joint ventures are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue or profit.

The economic entity's share of assets employed in joint ventures, as included in the statement of financial position, are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Current Assets				
Cash	-	8,302	-	8,302
Inventory	-	138	-	138
Other	-	124	-	124
Total Current Assets	-	8,564	-	8,564
Non-Current Assets				
Property, plant and equipment (written down value)	-	17,670	-	17,670
Receivables	-	229	-	229
Exploration, evaluation and development expenditure	-	5,307	-	5,307
Total Non-Current Assets	-	23,206	-	23,206
Share of assets employed in joint venture	-	31,770	-	31,770

The economic entity's share of contingent liabilities and exploration expenditure commitments relating to joint ventures are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Contingent liabilities	-	-	-	-
Exploration Expenditure Commitments				
Due within 1 year	-	511	-	511
Due within 2 to 5 years	-	-	-	-
	-	511	-	511

All of the above exploration expenditure commitments are subject to re-negotiation upon expiry of the mineral tenements and are not provided for in the accounts.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 26

Acquisition of Assets

Effective 30 September 2003 the Company acquired the remaining 24% interest in the Miitel Joint Venture held by Clough Mining Pty Ltd and Donegal Resources Pty Ltd for consideration comprising \$11.4 million of cash and 9,000,000 fully paid ordinary shares. Settlement of the acquisition occurred on 16 January 2004. Details of the acquisition are shown below.

Fair value of identifiable net assets acquired:

	A\$'000
Cash	2,796
Receivables	2,512
Inventory	50
Other current assets	19
Property, plant and equipment	13,155
Exploration, evaluation and development expenditure	6,320
Payables	(4,371)
Interest bearing liabilities	(51)
Non-current provisions	(187)
Liabilities associated with financial instruments	(1,244)
Net assets acquired	18,999

The Consideration paid is represented by:

Cash paid at settlement	5,400
Cash payable in the future	6,000
Issue of 9,000,000 fully paid ordinary shares	6,840
Stamp duty and other acquisition costs	1,259
	19,499
Less: Costs attributable to the termination of mine contract	(500)
	18,999

During the year the Company also increased its ownership interest in Tethyan Copper Company Limited. Further details on this acquisition and subsequent disposal are disclosed in Note 24.

NOTE 27

Related Party Transactions

Directors and Director Related Entities

- a) Disclosures relating to directors are set out in Note 22.
- b) The following related party transactions occurred during the period and to the date of the directors' report:
 - i) Directors' remuneration as disclosed in Note 22;
 - ii) Kumba International BV, a holding company of subsidiary companies in which RG Wadley and WJ du Plessis hold directorship positions, provided a \$2.85 million loan facility to the Company during the 2000/2001 financial year which was fully drawn down. The loan was unsecured and was based upon normal commercial terms and conditions. Kumba International BV had the right to convert the loan facility to equity under certain terms and conditions, subject to shareholder approval. During the year the Company repaid the balance of the loan facility of \$712,500 and the loan was fully extinguished at the end of the financial year. In addition, interest costs of \$21,521 (2003: \$128,962) were recognised during the year.

NOTE 27

Related Party Transactions (continued)

Directors and Director Related Entities (continued)

- iii) Rent and administrative costs of \$17,771 (2003: \$105,877) were charged to a subsidiary of Kumba International BV, in which RG Wadley and WJ du Plessis hold directorship positions, pursuant to a service agreement from the start of the financial year until 27 August 2003, being the date Mr Wadley and Mr du Plessis resigned as directors of the Company.
- iv) Rent and administrative costs of \$6,539 (2003: \$16,023) were charged to Mr DJ Humann, a director of the Company, on commercial terms and conditions.
- v) Rent, personnel and administrative costs of \$230,912 were charged to Tethyan Copper Company Limited from the date of the in specie distribution of the Company's shares in Tethyan Copper Company Limited until the end of the financial year. Mr DJ Humann and Mr DCA Moore are directors of Tethyan Copper Company Limited.

All transactions with director related entities are on normal commercial terms and conditions and are conducted on an arms-length basis.

Wholly-Owned Group

The aggregate amounts receivable from controlled entities is disclosed in Note 5. These loans are on an interest free basis and are repayable on demand.

Other Related Parties

- i) From the start of the financial year until 30 September 2003 Mincor Resources NL owned 76% of the Miitel Joint Venture and incurred certain operating costs on behalf of the Miitel Joint Venture. The costs were incurred in accordance with various service agreements in place between the Company and the participants of the Miitel Joint Venture. These costs were recharged to the Miitel Joint Venture in accordance with the terms of these service agreements which were based on normal commercial terms. The Company acquired the remaining 24% interest in the Miitel Joint Venture effective 1 October 2003.
- ii) Between the start of the financial year and 23 October 2003 the Company incurred certain operating costs on behalf of Tethyan Copper Company Limited. These costs are recharged to the Tethyan Copper Company Limited on normal commercial terms. Tethyan Copper Company Limited ceased being a controlled entity on 23 October 2003 following the in specie distribution by the Company of its shares in Tethyan Copper Company Limited.

NOTE 28

Post Balance Date Events

On 25 August 2004 the Directors declared a fully franked dividend of 1.5 cents per share in respect of the year ended 30 June 2004.

The financial effect of these post balance date events has not been recorded in the 30 June 2004 financial statements.

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 29

Cash Flow Reconciliation

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
a) Reconciliation of net cash inflow from operating activities to operating profit after income tax				
Net profit after income tax	11,309	9,021	11,439	9,521
Add/(Less): Non-Cash Items				
Depreciation	988	1,617	988	1,616
Amortisation	11,865	13,581	11,865	13,581
Profit on sale of investments	(95)	-	(95)	-
Exploration expenditure written off	1,851	2,140	1,851	1,928
Receipt of shares as part consideration for interests in exploration tenements	-	(250)	-	(250)
Deconsolidation of former controlled entity	115	-	-	-
Change in operating assets and liabilities, net of effects from acquisition of interest in joint venture				
(Increase)/decrease in receivables	(941)	3,834	(939)	3,848
(Increase)/decrease in inventories	(51)	171	(51)	171
(Increase)/decrease in prepayments	(46)	42	(46)	42
Increase/(decrease) in creditors and accruals	(6,460)	(576)	(6,428)	(516)
Increase/(decrease) in income tax payable	(6,966)	4,014	(6,966)	4,014
Increase/(decrease) in deferred tax	908	(1,434)	908	(1,434)
Increase in employee entitlement provisions	73	56	73	56
Net cash inflow from operating activities	12,550	32,216	12,599	32,577
b) Cash assets				
Cash at bank	1,653	218	1,652	59
Cash on short term deposit	7,523	18,867	7,523	18,867
	9,176	19,085	9,175	18,926

NOTE 30**Non-Cash Financing and Investing Activities**

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Acquisition of property, plant and equipment by way of finance leases	183	-	183	-
Return of capital via in specie distribution of shares in controlled entity (Refer Note 24)	5,428	-	5,428	-
Acquisition of 6,000,000 shares and 12,000,000 options in Tethyan Copper Company Limited by the issue of 6,000,000 ordinary shares at a fair value (Refer Note 24)	5,190	900	5,190	900
Issue of 9,000,000 ordinary shares at fair value as part consideration for the acquisition of 24% interest in joint venture (Refer Note 26)	6,840	-	6,840	-
Receipt of share in a listed entity as part consideration for the sale of interests in exploration tenements	-	250	-	250

NOTE 31**Earnings Per Share**

	CONSOLIDATED	
	2004	2003
Basic earnings per share (in cents)	6.0 cents	5.3 cents
Diluted earnings per share (in cents)	5.9 cents	4.8 cents
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	189,186,287	170,729,306
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	193,199,991	189,142,147

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 32

Financial Instruments

a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Weighted Average Interest Rate	Floating Interest Maturing in:		Non-Interest Bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000		
2004					
Financial Assets					
Cash	4.60%	9,176	-	-	9,176
Receivables		-	-	18,075	18,075
Investments		-	-	2,800	2,800
		9,176	-	20,875	30,051
Financial Liabilities					
Payables		-	-	24,810	24,810
Lease liabilities	9.20%	119	140	-	259
Other liabilities		-	-	3,286	3,286
		119	140	28,096	28,335

2003					
Financial Assets					
Cash	4.60%	19,085	-	-	19,085
Receivables		229	-	15,881	16,110
Investments		-	-	556	556
Other assets		-	-	3,498	3,498
		19,314	-	19,935	39,249
Financial Liabilities					
Loan – related party	8.17%	712	-	-	712
Bank loans	0.00%	229	-	-	229
Payables		-	-	18,362	18,362
Lease liabilities	9.20%	176	64	-	240
		1,117	64	18,362	19,543

b) Foreign Exchange Risk

The consolidated entity enters into forward exchange contracts where it agrees to sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows from sales and purchases in foreign currencies, to protect the Company against the possibility of loss from future exchange rate fluctuations. Exchange gains or losses on forward exchange contracts are charged to the statement of financial performance except those relating to hedges of specific commitments which are deferred and included in the measurement of the sale or purchase.

The following table sets out the gross value of Australian dollars to be received under foreign currency contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the consolidated entity.

NOTE 32**Financial Instruments** (continued)

Year	Weighted Average Rate		Total Value (AUD\$)	
	2004	2003	2004 \$'000	2003 \$'000
Sell US Dollars				
30 June 2004	-	0.556	-	30,580
30 June 2005	0.7005	-	62,436	-
30 June 2006	0.6757	-	41,906	-
30 June 2007	0.6715	-	390	-
			104,732	30,580

The mark to market position of the above foreign exchange hedges is brought to account in the statement of financial position as other assets in accordance with the accounting policy disclosed in note 1(e)(iii). However, to the extent that the hedges are designated against delivered sales which remain unsettled at balance date, the mark to market position on these contracts is recorded in the hedge adjustment against trade debtors. At balance date the mark to market position of foreign exchange hedges owing to hedge counterparties and brought to account in the statement of financial position totalled \$3,286,000 (2003: foreign exchange hedges owing from hedge counterparties totalled \$3,498,000).

c) Commodity Price Risk

The Company has entered into forward sales contracts that oblige it to sell specified quantities of base metals in the future at predetermined prices. The contracts are matched against anticipated future base metal production to protect the Company against the possibility of a fall in base metal prices.

The following table sets out details of forward nickel sales contracts in place at 30 June 2004:

Year	Nickel Tonnes		Average Price (US\$/tonne)	
	2004	2003	2004	2003
30 June 2004	-	3,990	-	6,560
30 June 2005	3,698	-	11,827	-
30 June 2006	2,592	-	10,925	-
30 June 2007	24	-	10,925	-
Total	6,314	3,990		

The mark to market position of the above commodity hedges which are designated against sales are not brought to account in the statement of financial position. However, to the extent that the hedges are designated against delivered sales which remain unsettled at balance date, the mark to market position on these contracts is recorded in the hedge adjustment against trade debtors.

d) Credit Risk Exposures

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount, net of any provision for doubtful debts, of those assets as indicated in the balance sheet.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligation under the contract or arrangement. Credit risk on off-balance sheet derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

The consolidated entity's maximum credit risk exposure in relation to off balance sheet derivatives is as follows:

- Commodity contracts – the consolidated entity has an exposure to loss in the event counterparties fail to settle on contracts which are favourable to the consolidated entity. The full amount of this exposure is outlined in Note 32(c).

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 32

Financial Instruments (continued)

e) Net Fair Values of Financial Assets and Liabilities

Valuation Approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

On-Balance Sheet Financial Instruments

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximate their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the net fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

Off-Balance Sheet Financial Instruments

The valuation of off-balance sheet financial instruments detailed in this note reflects the estimated amounts which the consolidated entity expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

Net Fair Values

On-Balance Sheet Financial Instruments

The carrying amounts and net fair values of financial assets and liabilities at the reporting date approximate the book values at which they are carried in the Balance Sheet.

The listed shares in other corporations are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

Off-Balance Sheet Financial Instruments

The net fair value of off-balance sheet financial instruments held as at the reporting date were:

	2004 \$'000	2003 \$'000
Futures commodity contracts	(12,047)	(5,896)

NOTE 33

Employee Benefits

2002 Employee Share Option Plan

The 2002 Employee Share Option Plan ("Plan") was introduced on 21 August 2002. Persons eligible to participate in the Plan include directors and employees of the Company or companies or bodies corporate in which the Company holds at least 20% of all the voting shares.

Options are granted under the Plan for no consideration for a maximum period of five years and can be exercised at any time between the date the option is granted and the expiry date. The employees entitlements to the options are vested and the options carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of the options are recognised as share capital.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Set out below are summaries of options granted under the Plan.

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued during the year	Exercised during the year	Lapsed during the year	Closing Balance
			Number	Number	Number	Number	Number
2004							
21 August 2002	5 July 2007	25 cents	444,000	-	338,000	106,000	-
4 April 2003	13 February 2008	29 cents	500,000	-	500,000	-	-
17 December 2003	6 November 2008	84 cents	-	1,500,000	-	-	1,500,000
Total			944,000	1,500,000	838,000	106,000	1,500,000

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued during the year	Exercised during the year	Lapsed during the year	Closing Balance
			Number	Number	Number	Number	Number
2003							
21 August 2002	5 July 2007	25 cents	-	444,000	-	-	444,000
4 April 2003	13 February 2008	29 cents	-	545,000	45,000	-	500,000
Total			-	989,000	45,000	-	944,000

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 33

Employee Benefits (continued)

2002 Employee Share Option Plan (continued)

Options exercised under the Plan during the financial year and number of shares issued to employees on the exercise of these options are set out below.

Exercise date	Fair value of shares at issue date	CONSOLIDATED		PARENT ENTITY	
		2004 Number	2003 Number	2004 Number	2003 Number
30 June 2003	\$0.34	-	45,000	-	45,000
18 July 2003	\$0.39	33,000	-	33,000	-
1 August 2003	\$0.44	62,000	-	62,000	-
15 August 2003	\$0.49	18,000	-	18,000	-
2 September 2003	\$0.53	514,000	-	514,000	-
19 September 2003	\$0.61	120,000	-	120,000	-
24 September 2003	\$0.67	44,000	-	44,000	-
9 October 2003	\$0.85	24,000	-	24,000	-
16 October 2003	\$0.92	23,000	-	23,000	-
		838,000	45,000	838,000	45,000

The fair value of shares issued on the exercise of options is the weighted average price at which the Company's shares were traded on the Australian Stock Exchange on the day prior to the exercise of the options

Options vested at the reporting date	-	944,000	-	944,000
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	CONSOLIDATED		PARENT ENTITY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Aggregate proceeds received from employees on the exercise of options and recognised as issued capital	230	13	230	13
Fair value of shares issued to employees on the exercise of options as at their issue date	466	15	466	15

Mincor Resources Incentive Option Scheme

The Mincor Resources Incentive Option Scheme ("Scheme") was approved by shareholders on 25 November 1997. No further options will be granted under this scheme and the Scheme will be terminated upon the exercise or expiration of the options currently outstanding.

Options granted under the Scheme were for no consideration, carry no dividend or voting rights and the employees entitlements to the options are vested.

When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital.

Set out below are summaries of options granted under the Scheme.

NOTE 33**Employee Benefits** (continued)**Mincor Resources Incentive Option Scheme** (continued)

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued during the year	Exercised during the year	Lapsed during the year	Closing Balance
			Number	Number	Number	Number	Number
2004							
19 March 1999	18 March 2004	20 cents	600,000	-	600,000	-	-
8 January 2000	7 January 2005	17.1 cents*	1,500,000	-	1,000,000	-	500,000
9 February 2000	8 February 2005	20 cents	500,000	-	500,000	-	-
17 January 2001	16 January 2006	20 cents	750,000	-	750,000	-	-
6 April 2001	5 April 2006	20 cents	1,000,000	-	1,000,000	-	-
22 May 2001	21 May 2006	20 cents	500,000	-	500,000	-	-
8 August 2001	7 August 2006	20 cents	500,000	-	500,000	-	-
Total			5,350,000	-	4,850,000	-	500,000

* In accordance with the listing rules of the Australian Stock Exchange Limited, the exercise price of all share options held in the Company on the date the Company completed the in specie distribution of its shares in Tethyan Copper Company Limited to shareholders was reduced by 2.9 cents per option to reflect the return of capital resulting from the in specie distribution.

Issue Date	Expiry Date	Exercise Price	Opening Balance	Issued during the year	Exercised during the year	Lapsed during the year	Closing Balance
			Number	Number	Number	Number	Number
2003							
19 March 1999	18 March 2004	20 cents	1,200,000	-	600,000	-	600,000
8 January 2000	7 January 2005	20 cents	1,500,000	-	-	-	1,500,000
9 February 2000	8 February 2005	20 cents	500,000	-	-	-	500,000
17 January 2001	16 January 2006	20 cents	1,500,000	-	750,000	-	750,000
6 April 2001	5 April 2006	20 cents	1,000,000	-	-	-	1,000,000
22 May 2001	21 May 2006	20 cents	500,000	-	-	-	500,000
8 August 2001	7 August 2006	20 cents	500,000	-	-	-	500,000
Total			6,700,000	-	1,350,000	-	5,350,000

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

NOTE 33

Employee Benefits (continued)

Mincor Resources Incentive Option Scheme (continued)

Options exercised under the Scheme during the financial year and number of shares issued to employees on the exercise of these options are set out below:

Exercise date	Fair value of shares at issue date	CONSOLIDATED		PARENT ENTITY	
		2004 Number	2003 Number	2004 Number	2003 Number
21 October 2002	\$0.27	-	300,000	-	300,000
7 February 2003	\$0.26	-	200,000	-	200,000
14 February 2003	\$0.26	-	300,000	-	300,000
20 March 2003	\$0.27	-	250,000	-	250,000
9 May 2003	\$0.29	-	300,000	-	300,000
1 August 2003	\$0.44	500,000	-	500,000	-
2 September 2003	\$0.53	1,500,000	-	1,500,000	-
9 September 2003	\$0.59	1,550,000	-	1,550,000	-
24 September 2003	\$0.67	300,000	-	300,000	-
17 October 2003	\$1.00	500,000	-	500,000	-
21 October 2003	\$0.95	500,000	-	500,000	-
		4,850,000	1,350,000	4,850,000	1,350,000

The fair value of shares issued on the exercise of options is the weighted average price at which the Company's shares were traded on the Australian Stock Exchange on the day prior to the exercise of the options

Options vested at the reporting date	500,000	5,350,000	500,000	5,350,000
--------------------------------------	---------	-----------	---------	-----------

	CONSOLIDATED		PARENT ENTITY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Aggregate proceeds received from employees on the exercise of options and recognised as issued capital	970	270	970	270
Fair value of shares issued to employees on the exercise of options as at their issue date	3,102	366	3,102	366

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 34 to 76:

- a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dated at Perth this 25th day of August 2004.



DCA Moore
Managing Director

Independent audit report to the members of Mincor Resources NL

PricewaterhouseCoopers
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Matters relating to the electronic presentation of the audited financial report

This audit report relates to the financial report of Mincor Resources NL (the Company) for the financial year ended 30 June 2004 included on Mincor Resources NL's web site. The Company's directors are responsible for the integrity of the Mincor Resources NL web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the financial report identified below. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit opinion

In our opinion, the financial report of Mincor Resources NL:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Mincor Resources NL and the Mincor Resources NL Group (defined below) as at 30 June 2004, and of their performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Mincor Resources NL (the company) and the Mincor Resources NL Group (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Henry

Nick Henry
Partner

Perth, Western Australia
25 August 2004

Additional Shareholder Information

as at 31 August 2004

a) Substantial Shareholders (holding not less than 5%)

Name of Shareholder	Total Number of Voting Shares in Mincor in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares
AMP Limited	14,955,042	7.70

b) Distribution of Shareholders

Number of Shares Held	Number of Shareholders	Number of Fully Paid Shares
1 - 1,000	245	205,613
1,001 - 5,000	1,482	5,062,784
5,001 - 10,000	1,431	12,331,029
10,001 – 100,000	2,020	63,085,770
100,001 and over	212	113,477,809

c) Number of Shareholders Holding Less than a Marketable Parcel

69

d) Voting rights

i) Ordinary shares

On a show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

ii) Options

The Company's options have no voting rights.

e) Percentage Held by 20 Largest Shareholders

30.85%

f) Listing of 20 Largest Shareholders

Name of Ordinary Shareholder		Number of Shares Held	Percentage of Shares Held (%)
1.	AMP Life Limited	10,502,956	5.41
2.	ANZ Nominees Limited	6,425,209	3.31
3.	J P Morgan Nominees Australia	5,681,059	2.93
4.	Westpac Custodian Nominees Limited	4,206,457	2.17
5.	National Nominees Limited	4,124,709	2.12
6.	Mr David Moore	4,000,000	2.06
7.	Mr John W Gardner and Mrs Janet L Gardner	3,000,000	1.55
8.	Cogent Nominees Pty Limited (SMP Accounts)	2,564,815	1.32
9.	Mr Leigh S Junk	2,500,000	1.29
10.	Mr Ian Junk	2,200,000	1.13
11.	Cogent Nominees Pty Limited	2,001,873	1.03
12.	Dr Stuart A Fysh	1,903,410	0.98
13.	Mr Anthony H Shields	1,700,000	0.88
14.	Mr Robert J Hartley	1,471,000	0.76
15.	Citicorp Nominees Pty Ltd	1,408,231	0.73
16.	Mr Anthony H Shields and Ms Amanda C Nayton	1,400,000	0.72
17.	Ravex Pty Ltd	1,350,000	0.70
18.	Government Superannuation Office	1,169,424	0.60
19.	Mr John W Gardner (Superannuation Fund)	1,150,000	0.59
20.	Mr Robert E Macmillan and Mrs Ruth D Macmillan	1,111,000	0.57

g) Stock Exchange Listing

Mincor Resources NL shares are listed on the Australian Stock Exchange Limited. The Company's ASX code is MCR.

h) Unlisted Share Options

Number of Options	Exercise Price	Expiry Date	Number of Holders
500,000	17.1 cents	7 January 2005	1
1,500,000	84 cents	6 November 2008	12

Tenement Schedule

as at 31 August 2004

Project Name	Licence Type	Approval Date	Expiry Date	Area (km2)	Mincor Equity (%)
Miitel Tenements (Western Australia)					
L15/142 - Lake Zot	Miscellaneous	8 Aug 1990	7 Aug 2005	0.0074	100%
L15/143 - Lake Zot	Miscellaneous	8 Aug 1990	7 Aug 2005	0.0228	100%
L15/162 - Mariners	Miscellaneous	22 Oct 1991	21 Oct 2006	0.0309	100%
L15/163 - Mariners	Miscellaneous	22 Oct 1991	21 Oct 2006	0.007	100%
L15/235 - Redross	Miscellaneous	17 Dec 2002	16 Dec 2023	0.0705	100%
L15/243 - Miitel	Miscellaneous	16 Oct 2003	15 Oct 2024	0.2085	100%
L15/244 - Redross	Miscellaneous	14 Apr 2003	13 Apr 2024	0.0453	100%
L15/247 - Miitel	Miscellaneous	27 May 2004	26 May 2025	0.2632	100%
M15/1304 - Lake Zot South	Mining	<i>Application lodged 12 Nov 1999</i>		0.09	100%
M15/543 - Lake Zot	Mining	16 Jan 1991	16 Jan 2012	9.6621	100%
M15/609 - Wedding Guest Is	Mining	12 Nov 1991	11 Nov 2012	3.6419	100%
M15/634 - NW Wedding Guest Is	Mining	19 Feb 1993	18 Feb 2014	1.21	100%
M15/635 - NW Wedding Guest Is	Mining	19 Feb 1993	18 Feb 2014	1.21	100%
M15/81 - Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	3.231	100%
M15/82 - Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	0.888	100%
M15/83 - Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	1.4265	100%
M15/90 - Widgiemooltha	Mining	6 Aug 1984	5 Aug 2005	5.9080	100%
M15/91 - Widgiemooltha	Mining	31 May 1984	30 May 2005	1.2140	100%
M15/92 - Widgiemooltha	Mining	6 Aug 1984	5 Aug 2005	2.1155	100%
M15/93 - Widgiemooltha	Mining	6 Aug 1984	5 Aug 2005	6.0690	100%
Wannaway Tenements (Western Australia)					
L15/180 - Wannaway	Miscellaneous	8 Dec 1992	7 Dec 2007	0.1565	100%
L15/191 - North Lake	Miscellaneous	14 Feb 1995	13 Feb 2005	0.1770	100%
L15/231 - Wannaway	Miscellaneous	<i>Application lodged 28 Sep 2001</i>		0.1565	100%
L15/257 - Wannaway	Miscellaneous	<i>Application lodged 25 Feb 2004</i>		0.18	100%
M15/44 - Mount Eaton	Mining	15 Feb 1984	14 Feb 2005	9.3455	100%
M15/745 - Wannaway	Mining	2 Dec 1994	1 Dec 2015	0.1995	100%
M15/76 - Wannaway	Mining	22 Oct 1984	21 Oct 2005	1.1890	100%
M15/88 - Wannaway North	Mining	6 Aug 1984	5 Aug 2005	9.1670	100%
M15/89 - Wannaway	Mining	6 Aug 1984	5 Aug 2005	9.5311	100%
Western Australia					
E15/721 - Railway	Exploration	<i>Application lodged 10 May 2001</i>		8.76	100%
E15/729 - Lake Cowan	Exploration	<i>Application lodged 21 Jun 2001</i>		40.88	100%
E15/765 - Chalice North	Exploration	<i>Application lodged 24 Apr 2002</i>		23.36	100%
E15/781 - Madoonia	Exploration	<i>Application lodged 26 Aug 2002</i>		201.48	100%
E15/790 - Binneringie	Exploration	12 May 2004	11 May 2009	154.76	100%
E15/791 - Yallaburra	Exploration	<i>Application lodged 8 Nov 2002</i>		204.4	100%
E15/792 - Lake Lefroy	Exploration	<i>Application lodged 14 Nov 2002</i>		11.68	100%

Project Name	Licence Type	Approval Date	Expiry Date	Area (km2)	Mincor Equity (%)
Western Australia (continued)					
E15/800 – West Kambalda	Exploration	<i>Application lodged 27 Feb 2003</i>		5.84	100%
E15/801 – Widgiemooltha	Exploration	<i>Application lodged 13 Mar 2003</i>		2.92	100%
E15/809 – Widgie Dome	Exploration	<i>Application lodged 1 Jul 2003</i>		122.64	100%
E15/811 – Redross East	Exploration	<i>Application lodged 3 Jul 2003</i>		8.76	100%
E15/812 – Dordie West	Exploration	<i>Application lodged 30 Jul 2003</i>		11.68	100%
E15/858 – Sunday Soak	Exploration	<i>Application lodged 7 May 2004</i>		26.28	100%
E15/859 – Wannaway East	Exploration	<i>Application lodged 7 May 2004</i>		5.84	100%
E25/266 – Stoneville	Exploration	<i>Application lodged 6 Dec 2001</i>		11.76	100%
E63/754 – Tramways	Exploration	23 Oct 2001	22 Oct 2006	114.8	100%
E63/755 – Dundas (Heartbreak)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/756 – Dundas (Heartbreak)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/757 – Dundas (Clear Streak)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/758 – Dundas (Clear Streak)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/759 – Dundas (Clear Streak)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/760 – Dundas (Fitzgerald)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/761 – Dundas (Clear Streak)	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/762 – Dundas	Exploration	<i>Application lodged 27 Oct 2000</i>		196	100%
E63/763 – Dundas (Double Tank)	Exploration	12 Apr 2002	11 Apr 2007	196	100%
E63/764 – Dundas (Double Tank)	Exploration	12 Apr 2002	11 Apr 2007	114.8	100%
E63/788 – Killaloe	Exploration	23 Dec 2002	22 Dec 2007	28	100%
M15/1377 – Railway (South)	Mining	<i>Application lodged 29 Aug 2001</i>		1.084	100%
M63/242 – Jeffrey's Find	Mining	12 Nov 1991	11 Nov 2012	1.2396	100%
P63/1167 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.7559	100%
P63/1168 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.7407	100%
P63/1169 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.8011	100%
P63/1170 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.6706	100%
P63/1171 – Tramways (North)	Prospecting	29 May 2002	28 May 2006	1.8531	100%
East Widgiemooltha Tenements					
GML15/7003 – Widgiemooltha	General Mining	1 Jan 1984	31 Dec 2004	0.097	100%
M15/1481 – Widgiemooltha	Mining	<i>Application lodged 6 Aug 2004</i>		0.097	100%
M15/462 – Widgiemooltha South	Mining	20 Oct 1989	19 Oct 2010	1.1055	100%
M15/601 – Widgiemooltha	Mining	12 Nov 1991	11 Nov 2012	1.02	100%
M15/667 – Widgiemooltha South	Mining	20 Oct 1993	19 Oct 2014	6.472	100%
M15/668 – Miitel North	Mining	20 Oct 1993	19 Oct 2014	9.8615	100%
M15/716 – Mariners East	Mining	<i>Application lodged 16 Mar 1994</i>		6.4885	100%
M15/734 – Widgiemooltha	Mining	17 Oct 1994	16 Oct 2015	0.0078	100%
M15/85 – Miitel North	Mining	22 Oct 1984	21 Oct 2005	5.7465	100%
M15/86 – Widgiemooltha South	Mining	22 Oct 1984	21 Oct 2005	5.8415	100%

Tenement Schedule

as at 31 August 2004

Project Name	Licence Type	Approval Date	Expiry Date	Area (km2)	Mincor Equity (%)
Widgiemooltha Dome Tenements (Nickel Rights excluded)					
M15/103 – Widgiemooltha	Mining	12 Dec 1984	11 Dec 2005	9.024	100%
M15/105 – Widgiemooltha	Mining	22 Oct 1984	21 Oct 2005	0.0968	100%
M15/1254 – Widgiemooltha South	Mining	Application lodged 5 Aug 1998		3.24	100%
M15/45 – Wannaway South	Mining	15 Feb 1984	14 Feb 2005	1.198	100%
M15/46 – Wannaway South	Mining	15 Feb 1984	14 Feb 2005	9.558	100%
M15/478 – Widgiemooltha	Mining	3 Aug 1990	2 Aug 2011	0.0971	100%
M15/48 – Widgiemooltha	Mining	15 Feb 1984	13 Feb 2005	3.5965	100%
M15/611 – Widgiemooltha	Mining	29 May 1992	28 May 2013	0.01	100%
M15/693 – Wannaway North	Mining	7 Apr 1994	6 Apr 2015	2.3976	100%
M15/77 – Wannaway South	Mining	22 Oct 1984	21 Oct 2005	9.5115	100%
M15/78 – Wannaway South	Mining	22 Oct 1984	21 Oct 2005	9.5165	100%
M15/79 – Wannaway South	Mining	22 Oct 1984	21 Oct 2005	7.143	100%
M15/80 – Redross	Mining	7 Sep 1984	6 Sep 2005	8.5435	100%
M15/869 – Wannaway South	Mining	Application lodged 5 Aug 1995		6.774	100%
M15/907 – Widgiemooltha	Mining	1 May 1998	30 Apr 2019	2.142	100%
M15/94 – Widgiemooltha	Mining	31 May 1984	30 May 2005	8.6985	100%
M15/970 – Wannaway South	Mining	Application lodged 23 Jul 1996		6.88	100%
Victoria – Rutherglen					
E4813	Exploration	21 May 2004	20 May 2009	368	100%
Guinea					
Bankole JV (through Guinea Gold)	Prospecting	12 Oct 1999	11 Oct 2003	125	20%
Vanuatu					
Tafuse PL 1612	Prospecting	1 May 2004	30 Apr 2007	39.84	100%
Webe Creek PL 1587	Prospecting	1 May 2004	30 Apr 2006	50.12	75%
Fiji					
Sabeto SPL 1412	Prospecting	1 Mar 2000	31 Mar 2004	106.00	100%
Tanzania					
Imweru	Prospecting	6 Jul 2000	5 Jul 2003	3.9	60%



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