

20 August 2003



Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **DEMERGER PROPOSAL TO RELEASE VALUE FOR SHAREHOLDERS**

Mincor is pleased to announce its intention to restructure its interests in the Tethyan Copper Company Limited ("**TCC**"). This will take place via an *in specie* distribution of the securities Mincor holds in TCC to Mincor's shareholders, followed by an application for listing of TCC's shares on the Australian Stock Exchange. The proposed demerger is expected to release significant value and will result in a distribution of that value directly to Mincor's shareholders – who post-demerger will hold securities in two listed entities. If successful, the process will culminate in the establishment of TCC as a listed, copper-focused company with control of perhaps the world's most exciting undeveloped copper-gold resource.

Coming at a time of rising base metal prices and a recovering world economy, the proposed distribution will deliver to Mincor's shareholders a direct ownership interest in a dedicated copper company, complimenting the unrivalled exposure to nickel already provided by Mincor.

Tethyan Copper Company Limited controls the giant copper-gold resources at the project known as Reko Diq in the Balochistan Province of Pakistan. The company controls the project in an Alliance with BHP Billiton, and has been successfully working in Pakistan since late 2000. TCC is currently carrying out a reconnaissance drilling programme at the Project. TCC has received strong support from the Provincial Government of Balochistan, the Federal Government of Pakistan, and the people of the Reko Diq district.

Mincor will distribute at least 80% of the securities that it owns in TCC in order to effect the demerger. As part of the subsequent listing of TCC, TCC will also conduct a capital raising. The demerger is subject to the approval of Mincor's shareholders, to be sought at a General Meeting of the Company to be held at City West Function Centre, 45 Plaistowe Mews, West Perth on 19 September 2003 at 2.00pm. It is Mincor's intention to proceed with the *in specie* distribution only if TCC obtains approval to the proposed listing of TCC on the Australian Stock Exchange. The attached Notice of Meeting and Explanatory Memorandum offers additional details.

TCC's Reko Diq Project comprises four Exploration Licences that cover nearly 4,000 square kilometres of the Tethyan Magmatic Arc. The Tethyan Magmatic Arc is one of the largest and least explored of the world's major copper belts, and hosts significant porphyry style copper-gold mines and deposits.

The Reko Diq Project contains a remarkable endowment of copper and gold mineralisation. Work to date by TCC and others has already identified over 4.8 million tonnes of contained copper metal and 9 million ounces of contained gold in JORC-standard Inferred and Indicated Mineral Resources, with an *in situ* value of over US\$11 billion.

The established resource inventory at Reko Diq places the Project among the larger of the world's known copper resources. As previously announced, the Inferred Mineral Resource at the Western Porphyries Project is 730 million tonnes at 0.6% copper and 0.4 g/t gold, using a 0.5% copper cut-off; and the Indicated Mineral Resource at the H4 Starter Project is 108 million tonnes at 0.7% copper, using a 0.3% copper cut-off.

In addition there are a further fourteen known mineralised porphyry systems with as yet insufficient drill density to allow for resource estimations.

Finally there is the remainder of the 4,000 square kilometres of the Tethyan Magmatic Arc controlled by TCC, with outstanding potential to host further copper-gold systems as well as large deposits of supergene enriched secondary copper mineralisation.

TCC has a successful and long-standing relationship with BHP Billiton at Reko Diq. BHP Billiton discovered the Reko Diq system during extensive field work in the area during the 1990's, and retains a strong interest in the project. TCC's General Manager is a BHP Billiton employee and has been on secondment from BHP Billiton since 2000. BHP Billiton has, subject to certain conditions, undertaken to subscribe US\$600,000 to TCC's initial public offering.

Mincor's proposed share distribution is a step towards the realisation of a long-term strategy that will place TCC at the forefront of a new breed of highly-leveraged offshore project developers, and give Mincor's shareholders direct exposure to that leverage.

A further announcement will be made in due course.

Yours sincerely

**MINCOR RESOURCES NL**



**DAVID MOORE**  
Managing Director

The information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by a person who is a Member of the Australasian Institute of Mining and Metallurgy and who has more than five years experience in the field of the activity being reported on. This report accurately reflects the information compiled by that member.

**MINCOR RESOURCES NL**  
**ACN 072 745 692**

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**NOTICE OF GENERAL MEETING**

**PROXY FORM**

**EXPLANATORY MEMORANDUM**

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**Date of Meeting**

19 September 2003

**Time of Meeting**

2.00pm

**Place of Meeting**

City West Function Centre  
45 Plaistowe Mews  
West Perth  
Western Australia

**MINCOR RESOURCES NL**  
**ACN 072 745 692**

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of the shareholders of Mincor Resources NL ACN 072 745 692 ("**Company**") will be held at City West Function Centre, 45 Plaistowe Mews, West Perth, Western Australia on 19 September 2003 at 2.00pm Western Standard Time, for the purpose of transacting the following business referred to in this Notice of General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolution accompanies this Notice of Meeting.

**AGENDA**

**Resolution 1 – Adopt New Constitution**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That the constitution contained in the document submitted to this meeting and signed by the Chairman for identification purposes be approved and adopted as the constitution of the Company in substitution for the existing constitution of the Company".*

**Resolution 2 –Reduction of Capital - In Specie Distribution of TCC Securities**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"Subject to the passing of Resolution 1, that, pursuant to sections 256B and 256C of the Corporations Act 2001 (Cth), the Company's constitution, the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Directors be authorised, at their discretion, to effect the reduction in capital of the paid share capital of the Company by up to the Maximum Amount and that such reduction be effected and satisfied by distributing up to the Maximum Number of TCC Securities in specie and on a pro rata basis to the Mincor Shareholders who are registered as members on the Entitlement Date (ignoring fractions and rounding up entitlements) and otherwise in the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting."*

For the purposes of Resolution 2:

**"Business Day"** has the meaning given to that term in the Listing Rules of the Australian Stock Exchange Limited;

**"Entitlement Date"** means a date to be announced by the Company, by at least 5 Business Days notice;

"**Maximum Amount**" means the amount equal to the value of the Maximum Number of TCC Securities on the Entitlement Date as determined by the Directors (currently estimated to be \$7,025,000);

"**Maximum Number**" means the maximum number of TCC Securities that may be distributed by Mincor in specie, being 80,216,667;

"**Mincor Shareholder**" means a holder of Mincor Shares; and

"**Mincor Shares**" means ordinary fully paid shares in the capital of the Company; and

"**TCC**" means Tethyan Copper Company Limited ACN 093 519 692;

"**TCC Options**" means options to acquire TCC Shares at an exercise price of 15 cents on or before 5 years from the date of their issue (as varied or amended from time to time);

"**TCC Securities**" means TCC Shares and TCC Options; and

"**TCC Shares**" means ordinary fully paid shares in the capital of TCC.

#### **Other business**

To deal with any other business which may be brought forward in accordance with the Company's constitution and the Corporations Act 2001 (Cth).

#### **BY ORDER OF THE BOARD**

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**Brian Lynn**  
**Company Secretary**  
**20 August 2003**

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Directors determine that members holding Mincor Shares at close of business on 17 September 2003 will be entitled to attend and vote at the General Meeting.

## **PROXIES**

- Votes at the general meeting may be given personally or by proxy, attorney or representative.
- A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholders voting rights.
- A proxy may but need not be a shareholder of the Company.
- The instrument appointing a proxy must be in writing, executed by the appointor or his/her attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer or his/her attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.

## **Corporations**

A corporation may elect to appoint a representative in accordance with the Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

**MINCOR RESOURCES NL**  
**ACN 072 745 692**  
**PROXY FORM**

The Company Secretary  
Mincor Resources NL  
Registered Office Address: Level 1  
1 Havelock Street  
WEST PERTH WA 6005  
Facsimile: (08) 9321 7125

I/We (name of shareholder) .....  
of (address) .....  
being a member/members of Mincor Resources NL HEREBY APPOINT  
(name) .....  
of (address) .....  
and/or failing him (name) .....  
of (address) .....

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at City West Function Centre, 45 Plaistowe Mews, West Perth, Western Australia on 19 September 2003 at 2.00pm Western Standard Time and at any adjournment of the meeting.

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box below:*

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
<b>Resolution 1</b> – Adopt New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> – Reduction of Capital - In Specie Distribution of TCC Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*If you do not wish to direct your proxy how to vote, please place a mark in this box.  
By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the above Resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest.*

The Chairman intends to vote **in favour** of Resolutions 1 and 2 in relation to undirected proxies.

***This Proxy is appointed to represent \_\_\_ % of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_ % and Proxy 2 represents \_\_\_ % of my total votes.  
My total voting right is \_\_\_ shares.  
If such appointment is not made then each proxy may exercise half of the shareholder's voting rights.***

*If the shareholder(s) is an individual:*

Name: \_\_\_\_\_

*If the shareholder is a company:*

Affix common seal (if required by constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

Dated: 2003.

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, by person, post or facsimile to the address stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

**MINCOR RESOURCES NL**  
**ACN 072 745 692**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders with information to assess the merits of the resolutions contained in the accompanying Notice of General Meeting of Mincor Resources NL ("**Company**").

The directors of the Company ("**Directors**") recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Certain terms and abbreviations used in this Explanatory Memorandum have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Memorandum.

**BACKGROUND**

*Establishment of TCC*

On 28 April 2000 Mincor entered into an option agreement with BHP Minerals International Exploration Inc ("**BHP**") under which Mincor was granted the option to enter into an exploration alliance with BHP in respect of the Chagai Hills copper project in Pakistan. In June 2000 Mincor established TCC for the purposes of holding Mincor's rights under that arrangement and on 15 October 2002 TCC entered into an Alliance Agreement with BHP.

*Capital Structure of TCC*

Since its incorporation TCC has raised funds by the issue of shares and options to various seed investors. The capital structure of TCC and Mincor's holdings in TCC as at the date of this Notice are set out in the following table:

<b>TCC Shareholder</b>	<b>TCC Shares</b>	<b>TCC Options<sup>(1)</sup></b>	<b>Total (TCC Securities)</b>
Mincor	46,666,667	4,000,000	50,666,667
Initial Seed Investors <sup>(2)</sup>	9,850,000	19,700,000	29,550,000
Further Seed Investors	287,000	250,000 <sup>(3)</sup>	537,000
<b>Total</b>	<b>56,803,667</b>	<b>23,950,000</b>	<b>80,753,667</b>

Notes:

- (1) Except as set out in note (3), TCC Options are exercisable at 15 cents on or before 5 years from the date of their issue (subject to any variation or amendment from time to time). TCC is currently negotiating with the holders of the TCC Options to vary the TCC Options to ensure that they comply with the requirements of the Listing Rules. As a consequence of these negotiations there may be changes to the capital structure of TCC and/or the TCC Option terms. The impact of these changes will not extend beyond the parameters of the approvals sought under this Notice.
- (2) These TCC Securities are the subject of the Put and Call Option Agreements discussed below.

- (3) These 250,000 options were issued to a director of TCC's subsidiary and are exercisable at 10 cents each and expire on 31 August 2005 (subject to any variation or amendment from time to time).

At the time of the issue of TCC Securities to the initial seed investors ("**Initial Seed Investors**"), Mincor sought to encourage that investment by entering into Put and Call Option Agreements with the Initial Seed Investors in relation to the TCC Securities they acquired in TCC. Under the Put and Call Option Agreements, Mincor granted to the Initial Seed Investors the right to require Mincor to purchase the Initial Seed Investor's TCC Securities ("**Seed Investor Securities**") ("**Put Option**") and the Initial Seed Investors granted to Mincor the right to require the Initial Seed Investors to sell the Seed Investor Securities to Mincor ("**Call Option**"). The Put Option may be exercised during the Put Option Period, being the period commencing on 1 January 2002 and expiring on the earlier of TCC being admitted to the official list of a stock exchange, and 31 December 2003. The Call Option may only be exercised if Initial Seed Investors who hold 90% or more of the Seed Investor Securities have exercised their Put Options. The consideration payable by Mincor if either of the Put Option or the Call Option is exercised is the issue of 1 Mincor Share for each 1 TCC Share and 2 TCC Options held by the Initial Seed Investor.

#### *Distribution In Specie*

On 20 August 2003 Mincor announced that it had determined to distribute the majority of its interest in TCC to Mincor Shareholders in specie. It is the Company's intention to distribute its TCC Securities and for TCC to seek to raise capital and apply for admission to the Official List of ASX.

By this Notice of Meeting shareholder authorisation is sought for the Distribution. It is the Directors intention to only proceed with the Distribution if TCC obtains approval to the proposed listing of TCC on ASX. If TCC fails to gain ASX listing approval, the capital reduction and Distribution pursuant to Resolution 2 will not proceed.

#### **RESOLUTION 1 – ADOPT NEW CONSTITUTION**

The current constitution of the Company consists of its Memorandum and Articles of Association that were adopted by the Company in 1996 and 1997 respectively. There have been a number of significant changes to the Corporations Act and Listing Rules since that time. In addition, the current constitution does not expressly refer to the Company's right to distribute securities held by the Company in specie to its shareholders. The Directors therefore consider that it is appropriate to adopt a new constitution that is consistent with the Corporations Act and the Listing Rules which govern and regulate companies today and allows the contemplated distribution in specie. The proposed Constitution complies with the requirements of the Corporations Act and the Listing Rules. Copies of the current Memorandum and Articles of Association and proposed Constitution are available for perusal by shareholders at the Company's registered office.

As a general note the proposed Constitution modernises the drafting and updates the provisions of the current constitution to ensure that it is consistent with the Corporations Act and the Listing Rules of the ASX. The main changes effected by the proposed Constitution are summarised in Annexure A to this Notice.

The Directors unanimously recommend that shareholders vote to approve Resolution 1 and adopt the proposed new Constitution for the Company. This Resolution will take effect upon being approved by shareholders.

## **RESOLUTION 2 – REDUCTION OF CAPITAL - IN SPECIE DISTRIBUTION OF TCC SECURITIES**

### **In Specie Distribution of TCC Securities**

As noted above, it is proposed that the Company will make an in specie distribution of up to the Maximum Number of TCC Securities to Mincor Shareholders recorded on the member register on the Entitlement Date, on a pro rata basis pursuant to an equal capital reduction under section 256B of the Corporations Act.

The exact number of TCC Securities to be distributed and the exact composition of those TCC Securities (ie whether they will be only TCC Shares or a mixture of TCC Shares and TCC Options) is not yet known but will be determined by the Directors in accordance with the principles set out below under the heading "Amount of Reduction and Distribution".

This proposal to reduce the capital in Mincor and undertake the Distribution is subject to the approval of the Mincor Shareholders (which is being sought by Resolution 2 in this Notice).

The Distribution is dependent on a number of factors, including TCC obtaining ASX listing approval. In the event that TCC does not obtain ASX listing approval in a reasonable time (as determined by the Directors), the Directors will not proceed with the Distribution. Accordingly, should shareholders pass Resolution 2, the final decision to proceed with the reduction of capital and Distribution will be made by the Directors. Shareholders should be aware that there is no guarantee that TCC will be admitted to the Official List of ASX and accordingly the reduction of capital and Distribution may not proceed.

Mincor does not make any prediction as to what the value of the TCC Securities will be at the time of distribution to Mincor Shareholders or subsequently. The amount of the proposed return of capital could be considered to be an amount equal to the value on the Entitlement Date of the TCC Securities to be distributed to Mincor Shareholders.

### **Legal Requirements for Reduction of Capital**

Section 256B(1) of the Corporations Act provides that a company may reduce its share capital if the reduction:

- is fair and reasonable to the company's shareholders as a whole;
- does not materially prejudice the company's ability to pay its creditors; and
- is approved by shareholders under section 256C of the Corporations Act.

The proposed capital reduction is an equal reduction as it relates only to ordinary Mincor Shares, it applies to each holder of ordinary Mincor Shares in proportion to the number of ordinary Mincor Shares they hold and the terms of the reduction are the same for each holder of ordinary Mincor Shares (subject to rounding).

Accordingly, as the reduction is an equal reduction, section 256C of the Corporations Act requires approval of the proposed reduction by way of an **ordinary resolution**.

The Directors consider the proposed reduction of capital does not materially prejudice Mincor's ability to pay its creditors. Further, the Directors advise that the reduction of capital will not result in Mincor being insolvent at the time of the capital reduction or becoming insolvent as a result of the capital reduction. Net assets of Mincor will remain positive.

The Directors also consider that the proposed Distribution is fair and reasonable to Mincor Shareholders as a whole because they are all treated in the same manner, as the distribution of TCC Shares is on a pro rata basis. The terms of the reduction of capital are the same for each Mincor Shareholder (subject to rounding) and the proportionate ownership interest of each shareholder in Mincor remains the same before and after the reduction of capital.

A pro forma statement of financial position for Mincor as at 31 March 2003 is attached to this Explanatory Memorandum as Annexure B which shows the financial impact of Resolution 2, if passed, on Mincor on the basis of the Maximum Amount and assuming that no further ordinary shares are issued.

#### **Amount of Reduction and Distribution**

As stated above, the exact number of TCC Securities to be distributed and the exact composition of those TCC Securities is not yet known but will be determined by the Directors in accordance with the principles set out in this section of the Notice.

The number and composition of the TCC Securities to be distributed is not yet known as it will depend upon the final number and composition of TCC Securities that are held by Mincor at the time the Distribution takes effect. The number and composition of the TCC Securities held by Mincor at that time may vary from the current number and composition of TCC Securities held by Mincor due to the exercise of some or all of the Put and Call Option Agreements and/or the impact of any negotiation to vary the TCC Option terms. The composition may also vary in the event that Mincor or the Initial Seed Investors exercise any of their TCC Options.

For example, Mincor currently holds 50,666,667 TCC Securities. If all of the Put and Call Option Agreements are exercised prior to the Distribution occurring Mincor receives an additional 29,550,000 TCC Securities (being 9,850,000 TCC Shares and 19,700,000 TCC Options) and the total TCC Securities held by Mincor increases to 80,216,667. As another example, if Mincor exercises all of its TCC Options prior to the Distribution, it will still hold 50,666,667 TCC Securities, but all as TCC Shares.

In order for Mincor to qualify for the demerger tax relief from capital gains tax under Division 125 of the Income Tax Assessment Act 1997 discussed below ("**Demerger Relief**") Mincor must distribute at least 80% of the total ownership interests that it holds in TCC (ie TCC Securities). As a condition of the Demerger Relief, Mincor must also ensure that all persons holding ownership interests in Mincor prior to the Distribution hold the same proportion (by number and value) of ownership interests in TCC after the Distribution.

To ensure the Distribution is undertaken in a way which allows Mincor to qualify for the Demerger Relief, Mincor must be able to distribute at least 80% of its TCC Securities and must ensure that the requirements as to the proportion (by number and value) of ownership

interests in TCC that must be held by Mincor Shareholders after the Distribution are satisfied. In order to achieve this latter requirement, Mincor may need to distribute more than the minimum 80% otherwise required.

To provide the Company the flexibility to comply with the conditions of the Demerger Relief, Resolution 2 seeks approval for the Distribution of up to the Maximum Number of TCC Securities, being the number it will hold if all Put and Call Option Agreements are exercised namely, 80,216,667.

Further, the amount of the reduction of capital can not be accurately estimated as the composition of the TCC Securities to be distributed may vary as the composition of the TCC Securities held by Mincor varies. Accordingly, Resolution 2 seeks approval for the reduction of up to the Maximum Amount, being the value of the Maximum Number of TCC Securities namely, 80,216,667 TCC Securities. This Maximum Amount is currently estimated at \$7,025,000 but will not be known until the date the Distribution occurs and the final number and composition of the TCC Securities distributed is known.

The Directors only intend to distribute the minimum number of TCC Securities required to allow the Demerger Relief to apply, which should be less than the Maximum Number of TCC Securities (and thus reduce the capital by less than the Maximum Amount). However, as this minimum number of TCC Securities cannot be quantified at this time the Directors are seeking the approval to be able to distribute up to the Maximum Number and reduce the capital by up to the Maximum Amount.

By way of example only, under the reduction of capital on the basis of the Maximum Amount and Maximum Number (which assumes all Put and Call Option Agreements are exercised and further Mincor Shares issued as a result), Mincor Shareholders will be entitled to approximately one TCC Security for every 2.2930 Mincor Shares held on the Entitlement Date. If less than the Maximum Amount is distributed this ratio will decrease. Again, for example only, as at the date of this Notice, and based on Mincor distributing 80% of the TCC Securities it holds as at the date of this Notice, Mincor Shareholders will be entitled to approximately one TCC Security for every 4.2949 Mincor Shares held as at the date of this Notice.

**Mincor Shareholders will not be required to pay any additional consideration for the TCC Securities as Mincor will record an appropriate capital reduction to reflect this distribution.** To the extent that the TCC Securities distributed are TCC Options, Mincor Shareholders will need to pay the required exercise price (which is currently 15 cents, but subject to any variation or amendment from time to time) if they wish to exercise those TCC Options.

### **Effect of Capital Reduction and *In Specie* Distribution**

#### *Effect on Mincor Shares*

Mincor currently has on issue 174,088,005 Mincor Shares. The number of Mincor Shares on issue will remain unchanged as a result of the proposed capital reduction and Distribution. However, this number will increase if any of the Put and Call Option Agreements are exercised. Based on the Maximum Number scenario referred to in the Notice under which all the Put and Call Option Agreements are exercised, the number of Mincor Shares on issue will increase to 183,938,005.

### *Affect on Mincor Options*

Mincor currently has on issue the following 5,681,000 options to acquire Mincor Shares. In accordance with Rule 7.22.3 of the Listing Rules, the number of Mincor Options on issue as at the Entitlement Date will remain the same, however, the exercise price of each Mincor Option will be reduced by the same amount as the amount returned in respect to each Mincor Share. Based upon the estimated maximum capital reduction of 3.82 cents per Mincor share, the exercise price of the Mincor Options will be reduced to the price set out in the table below.

<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Exercise Price after Distribution (based on Maximum Amount)</b>
4,850,000	20 cents	various	16.18 cents
331,000	25 cents	5 July 2007	21.18 cents
500,000	29 cents	13 February 2008	25.18 cents

The exact amount of the reduction to the exercise price of the Mincor Options will be calculated upon a final determination of the amount of the capital reduction.

### *Taxation Implications For Mincor*

Mincor will be eligible for demerger tax relief under Division 125 of the Income Tax Assessment Act 1997 ("ITAA 1997") ("**Demerger Relief**").

Accordingly, there will be no capital gains tax arising to Mincor on the distribution of TCC Securities to the Mincor Shareholders.

### *Impact of Put and Call Option Agreements*

As at the date of this Notice of Meeting, Put and Call Option Agreements are in place which enable TCC Seed Investors to exchange 9,850,000 TCC Shares and 19,700,000 options to acquire TCC Shares for 9,850,000 Mincor Shares.

As a condition of the Demerger Relief, Mincor must ensure that all persons holding ownership interests in Mincor prior to the Distribution hold the same proportion (by number and value) of ownership interests in TCC after the Distribution.

The Put Options held by the Seed Investors under the Put and Call Option Agreements constitute ownership interest in Mincor. Therefore, in order for Mincor to qualify for Demerger Relief, the Seed Investors must hold the same proportion (by number and value) of ownership interests in TCC after the Distribution as they own in Mincor before the Distribution.

Mincor will achieve this by entering into agreements to grant to each Seed Investor an option over a portion of the TCC Shares that remain held by Mincor after the Distribution. These new options will only be exercisable if the Distribution goes ahead and, like the Put Options, will expire on the earlier of TCC being admitted to the official list of a stock exchange, and 31 December 2003.

- ***Introduction***

The following is a summary of the Australian taxation consequences for Mincor Shareholders who are issued TCC Securities as a result of the Distribution. This summary has been prepared based on the opinions set out in Class Ruling CR 2003/66 issued by the Australian Taxation Office in respect of both Capital Gains Tax ("CGT") demerger relief under Division 125 of the *Income Tax Assessment Act 1997* and the application of sections 45B and 45BA of the *Income Tax Assessment Act 1936*.

This summary only applies to those Mincor Shareholders holding their Mincor Shares on capital account. The views expressed in this summary are not intended as specific advice to Mincor Shareholders. The application of tax legislation may vary according to the individual circumstances of Mincor Shareholders. It is therefore recommended that Mincor Shareholders obtain advice from their own taxation advisers on the consequences of the implementation of the Distribution.

- ***Australian taxation consequences for Mincor Shareholders who choose demerger relief***

- (a) Application of the Australian demerger rules

Mincor Shareholders who are considered to be residents of Australia for tax purposes, and who hold their Mincor Shares as capital assets, will be eligible for demerger relief.

In broad terms, under this demerger relief, Mincor Shareholders can choose to defer the CGT consequences of the CGT event that happens to their Mincor Shares as a result of the Distribution.

The tax implications for a Mincor Shareholder who does not choose for demerger relief to apply are discussed below in the section entitled "Australian taxation consequences for Mincor Shareholders who do not choose demerger relief".

- (b) Treatment of the Distribution of TCC Securities to Mincor Shareholders

The distribution of TCC Securities will not be assessable income or exempt income for Mincor Shareholders.

The receipt of TCC Securities will constitute a CGT event for Mincor Shareholders. The demerger relief enables Mincor Shareholders to choose to defer the CGT consequences of this CGT event, therefore no capital gain or loss will arise on distribution of the TCC Securities.

- (c) Capital Gains Tax cost base

The cost base and reduced cost base of Mincor Shares and TCC Securities will be determined individually by each Mincor Shareholder by reasonably

apportioning the cost base and reduced cost base of the Mincor Shares held by that Mincor Shareholder just before the Distribution between the Mincor Shares and TCC Securities held by that Mincor Shareholder just after the Distribution.

Mincor Shareholders must base their apportionment on the anticipated or actual market values of Mincor Shares and TCC Securities just after the Distribution (to be advised by Mincor once the Distribution transaction is complete).

(d) Subsequent disposal of TCC Securities

Each TCC Security will be deemed to have been acquired at the time the underlying Mincor Share was acquired. On subsequent disposal of the TCC Securities, certain Mincor Shareholders (such as individuals and superannuation funds who are deemed to have held their Mincor Shares for at least 12 months) may be entitled to discounted CGT treatment.

- ***Australian taxation consequences for Mincor Shareholders who do not choose demerger relief***

Mincor Shareholders who do not choose demerger relief will have similar tax consequences as those outlined above, with two exceptions:

- (a) if the capital component of the distribution (to be advised by Mincor once the Distribution transaction is complete) received by a Mincor Shareholder exceeds the Mincor Shareholder's cost base in their Mincor Shares, a capital gain may arise to the Mincor Shareholder; and
- (b) the TCC Securities will have been acquired at the date of the Distribution, rather than being deemed to have been acquired at the time the Mincor Shareholder acquired the corresponding Mincor Shares. This will preclude eligibility for discounted CGT treatment until after such time as the Mincor Shareholder has held the TCC Securities for at least 12 months.

The distribution will not be assessable income or exempt income for Mincor Shareholders who do not choose demerger relief.

- ***Non resident Mincor Shareholders***

Mincor Shareholders who are not residents of Australia will not be subject to the Australian CGT rules unless they hold (together with their associates) at least 10% (by value) of Mincor Shares.

Mincor Shareholders holding at least 10% of Mincor Shares who are not residents of Australia will not be entitled to demerger relief.

Dividend withholding tax will not be payable in respect of the Distribution.

## Stamp Duty

Stamp duty of 0.6% will be payable on all transfers of TCC Securities to Mincor Shareholders. Mincor Shareholders will not be liable for any stamp duty levied as this will be met by Mincor.

## Overseas Mincor Shareholders

Distribution of the TCC Securities to overseas Mincor Shareholders under the reduction of capital will be subject to legal and regulatory requirements in their relevant jurisdictions. If the requirements of any jurisdiction where a Mincor Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on Mincor an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on Mincor an undue burden, the TCC Securities to which the relevant Mincor Shareholder is entitled will be sold by Mincor on their behalf as soon as practicable after the Entitlement Date and Mincor will then account to those Mincor Shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Mincor Shareholders may be more or less than the notional dollar value of the reduction of capital as set out in this Explanatory Memorandum.

## Impact of Proposed Capital Reduction

The impact of Resolution 2 on Mincor Shareholders can be shown using a hypothetical case example of a shareholder ("SH") who owns 100,000 Mincor Shares on the Entitlement Date and based on the distribution of the Maximum Number of TCC Securities and reduction of capital by the Maximum Amount. This example therefore assumes that all Put and Call Option Agreements are exercised and that the number of Mincor Shares on issue has increased accordingly. The example also assumes that no further Mincor Shares are issued prior to the Entitlement Date.

In this example, SH will receive a distribution of the following TCC Securities on the pro rata entitlement calculation of:

$$D = \frac{A}{B} \times C$$

$$\text{Eg } 43,611 = \frac{100,000}{183,938,005} \times 80,216,667$$

where:

D = the number of TCC Securities being distributed to SH in satisfaction of the capital reduction;

A = the number of Mincor Shares held by SH on the Entitlement Date;

B = the total maximum number of Mincor Shares on the Entitlement Date (as stated above, this assumes that all Put and Call Option Agreements have been exercised and no further Mincor Shares are issued prior to the Entitlement Date); and

C = the total Maximum Number of TCC Securities which are being distributed to Mincor Shareholders.

Due to the factors set out above, the composition of the TCC Securities distributed to SH can not be stated at this time and may comprise entirely TCC Shares or a mixture of TCC Shares and TCC Options.

The reduction of capital for each Mincor Share on issue and the value of the reduction of the exercise price of each Mincor Option is calculated as follows:

$$R = \frac{RV}{B}$$

$$\text{Eg } 3.82 \text{ cents} = \frac{\$7,025,000}{183,938,005}$$

where:

R = the reduction of capital per Mincor Share;

RV = the maximum book value of the capital reduction, being the Maximum Amount; and

B = the total maximum number of Mincor Shares on issue (assuming that all Put and Call Option Agreements have been exercised and no further Mincor Shares are issued prior to the Entitlement Date).

### **ASX Waiver**

ASX has indicated to Mincor that it is likely to grant Mincor waivers from the following Listing Rules:

- (a) Listing Rule 9.1 to the extent necessary to permit Mincor to do the following:
  - (i) not apply the restrictions in Appendix 9B of the Listing Rules to the TCC Securities issued to Mincor and distributed on a pro rata basis to Mincor Shareholders other than related parties and promoters (the "**Distributed Securities**"); and
  - (ii) not enter into restriction agreements in relation to the Distributed Securities.
- (b) Listing Rule 1.1 condition 7 to the extent necessary to permit the Distributed Securities to be included for the purposes of TCC satisfying the shareholder spread requirements of that rule.

### **GLOSSARY**

"**ASX**" means Australian Stock Exchange Limited;

"**Business Day**" has the meaning given to that term in the Listing Rules of the Australian Stock Exchange Limited;

"**Company**" or "**Mincor**" means Mincor Resources NL ACN 072 745 692;

"**Constitution**" means the proposed new constitution referred to in Resolution 1;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Directors**" means the Directors of the Company;

"**Distribution**" means the in specie distribution of TCC Securities held by Mincor to Mincor Shareholders proposed by Resolution 2;

"**Entitlement Date**" means a date to be announced by the Company, by at least 5 Business Days notice;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Maximum Amount**" means the amount equal to the value of the Maximum Number of TCC securities on the Entitlement Date as determined by the Directors (currently estimated to be \$7,025,000);

"**Maximum Number**" means the maximum number of TCC Securities that may be distributed by Mincor in specie, being 80,216,667;

"**Mincor Options**" means options, each to subscribe for one Mincor Share, by payment of the required exercise price on or prior to the relevant expiry date;

"**Mincor Shareholder**" means a holder of Mincor Shares;

"**Mincor Shares**" means ordinary fully paid shares in the capital of the Company;

"**Notice**" or "**Notice of Meeting**" means the notice of meeting which accompanies this Explanatory Memorandum;

"**Put and Call Option Agreements**" means the put and call option agreements made between Mincor and the Seed Investors described in this Explanatory Memorandum, as varied or amended from time to time;

"**TCC**" means Tethyan Copper Company Limited ACN 093 519 692;

"**TCC Options**" means options to acquire TCC Shares at an exercise price of 15 cents on or before 5 years from the date of their issue (as varied or amended from time to time);

"**TCC Securities**" means TCC Shares and TCC Options; and

"**TCC Shares**" means ordinary fully paid shares in the capital of TCC.

## ANNEXURE A

### SUMMARY OF MAIN CHANGES TO CONSTITUTION

Change and Reason for Change (if applicable)	Clause in new Constitution
1. The Memorandum is repealed and the definition of "Memorandum" in the Articles has been removed as there is no longer a requirement for companies to have a memorandum of association.	N/A
2. The insertion of a clause stating the Company's sole objects, being mining purposes. This clause is substantially the same as the objects clause existing in the previous Memorandum of Association.	Clause 2
3. The insertion of a clause which provides that the acceptance of shares in the Company shall not constitute a contract to pay calls in respect of shares or to make any contribution towards the debts and liabilities of the Company. This clause confirms the underlying nature of shares in an NL company.	Clause 3
4. All references to the issue price of shares being at par value have been removed because the concept of "par value", nominal share capital and related concepts has been abolished from the Corporations Act.	N/A
5. The constitution has been updated to take into account that generally holdings are uncertificated and trading in shares can occur electronically.	Clauses 4.7 - 4.10
6. The constitution gives the Company more general powers in relation to the payment of a commission or brokerage. Previously the percentage or amount of the commission paid or agreed to be paid had to be disclosed in a particular manner and could not exceed the rate of 10% of the price at which the shares in respect of which the commission is paid are issued.	Clause 4.12
7. Insertion of an additional clause regarding liens on shares. The effect of the additional clause is to protect the Company whenever any law imposes a liability on the Company to make a payment in respect of any share registered in the name of any shareholder or in respect of any dividends or other moneys paid or due or payable to that shareholder by the Company. In such circumstances, the Company is fully indemnified by the shareholder from that liability, has a lien on the shares and dividends for all money paid by the Company in respect of those shares or dividends and may recover as a debt due from such shareholder any moneys paid by the Company. Further, nothing under the Constitution affects any right or remedy available to and enforceable by the Company.	Clause 6.2

Change and Reason for Change (if applicable)	Clause in new Constitution
8. Whenever the Company has a lien on a share, the lien extends not only to dividends but also to rights and other distributions from time to time payable in respect of the share.	Clause 6.6
9. The clause in relation to the keeping of a branch register has been removed. The Corporations Act provides that a foreign company may cause a branch register of members to be kept in Australia and a company in Australia may keep a branch register of members at a place outside Australia.	N/A
10. The clause relating to the transmission of shares upon the death of a holder has been amended. It previously set out the executor's entitlement to dividends and other rights upon the death of a shareholder and provided that those rights cease upon the grant of probate to persons other than the executor. The clause now sets out who is recognised as having title to the shares upon the death of a shareholder.	Clause 10.1
11. The clause in relation to changes to the capital structure of the Company has been removed as they are no longer relevant due to the abolition of the concepts of par value, authorised share capital and related concepts from the Corporations Act.	N/A
12. The clause in relation to the reduction of share capital has been removed and a new one inserted which confirms the Company's ability to distribute shares, options and other securities held by the Company in specie to its shareholders.	Clause 11
13. The clauses in relation to the notifying ASX of general meetings prior to the meetings have been removed. The Listing Rules previously required notification of any general meeting to ASX prior to the meetings. The Listing Rules now provide that ASX must be notified of the outcome of each resolution to be put to a meeting of shareholders.	N/A
14. The quorum for a general meeting has been reduced from 3 shareholders to 2 shareholders.	Clause 14.1
15. The time in which to determine whether a general meeting should be dissolved or adjourned due to a lack of quorum has been amended from 15 minutes to 30 minutes.	Clause 14.1
16. The clause in relation to a casting vote at a general meeting has been removed with the effect that in the case of an equality of votes, the Chairman of the general meeting shall not have a second or casting vote.	N/A

Change and Reason for Change (if applicable)	Clause in new Constitution
17. The clause in relation to who may demand a poll has been amended to be consistent with section 250L of the Corporations Act.	Clause 14.10
18. A provision has been added to the Constitution to allow a demand for a poll to be withdrawn.	Clause 14.11
19. The clause in relation to proxies has been amended by setting out a shareholder's entitlement to appoint a proxy in accordance with the Corporations Act.	Clause 14.17
20. A copy of an instrument(s) appointing a proxy must now be certified where previously a copy of facsimile which appears on its face to be an authentic copy sufficed.	Clause 14.17(e)
21. The clause in relation to the number of directors now specifies that at least 2 of the 3 directors of the Company must ordinarily reside in Australia in accordance with the Corporations Act.	Clause 15.1
22. The notice period required to nominate a person for election as a director has been increased from 15 business days prior to the meeting to 30 business days prior to the meeting.	Clause 15.4
23. A director appointed by the directors previously only held office until the next following general meeting however, in accordance with the Corporations Act, this has been amended so that the director holds office until the next following annual general meeting.	Clause 15.5
24. The clause in relation to the remuneration of directors has been amended to include a provision that the remuneration shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase shall have been given to shareholders in the notice convening the meeting.	Clause 15.8
25. In relation to the qualification of directors, a provision has been added whereby a person of or over the age of 72 years may not be appointed or re-appointed as a director except pursuant to a resolution of the Company in accordance with the Corporations Act.	Clause 15.10
26. The provision in relation to directors' disclosure of interests and voting has been set out in more detail in a new clause. The previous provision stated that the nature of the director's interest must be disclosed at a directors' meeting as soon as practicable after the relevant facts have come to his knowledge and that director is prohibited from voting on any resolution relating to a contract or arrangement in which he has a direct or indirect interest. The new clause is in effect similar to the old clause however it permits directors with a material personal interest to vote on the matter if permitted to do so under the Corporations Act.	Clause 17.15

Change and Reason for Change (if applicable)	Clause in new Constitution
27. The clause requiring directors to advise the Company (which in turn has to advise ASX) of any material contract involving directors' interests has been removed. The requirement for directors to advise the Company is covered by the new clause in the Constitution relating to directors' disclosure of interests. The requirement to immediately advise ASX of any material contract was a previous requirement of the Listing Rules however it still remains effectively a requirement pursuant to the current Listing Rule requirement to lodge Appendices 3X, 3Y and 3Z.	N/A
28. A new clause has been inserted in relation to the execution of documents without a seal pursuant to section 127 of the Corporations Act.	Clause 21.2
29. The clause in relation to unclaimed dividends has been amended whereby the time limit of one year before unclaimed dividends were able to be invested or otherwise made use of by the directors has been removed.	Clause 24.8
30. The clause in relation to capitalisation has been removed and replaced with a general clause on capitalisation, which provides that subject to the Listing Rules, the directors may from time to time capitalise profits and the capitalisation need not be accompanied by the issue of shares.	Clause 25
31. In relation to capitalisation where there is an issue of shares, the directors are no longer able to issue fractional certificates.	Clause 25
32. The clause in relation to dividend reinvestment plans has been amended so that there is no longer a requirement for an ordinary resolution to be passed to authorise the directors to implement a dividend reinvestment plan. Rather, the directors may in their absolute discretion establish such plans on such terms and conditions as they think fit. They may also in their absolute discretion modify, suspend or terminate all or any plans established as long as they give at least one month's written notice to all shareholders.	Clause 27
33. The clause in relation to the winding-up of the Company has been amended by the addition of another clause which provides that a shareholder who is in arrears of payment of a call on a share but whose share has not been forfeited is not entitled to participate in the distribution upon winding-up on the basis of holding that share until the amount owing in respect of the call has been fully paid and satisfied.	Clause 29.3

<b>Change and Reason for Change (if applicable)</b>	<b>Clause in new Constitution</b>
<p>34. The insertion of a new clause in accordance with the Corporations Act in relation to the purchase and maintenance of insurance by the Company in respect of any liability incurred by a person in their role as officer of the Company or of a related body corporate including liability for negligence or for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.</p>	<p>Clause 30.5</p>
<p>35. The insertion of a new clause which sets out the obligations of the Company while it remains admitted to the Official List of ASX to ensure that the Listing Rules of ASX prevail over the Constitution.</p>	<p>Clause 32</p>

## ANNEXURE B

### PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2003

	Unaudited 31 March 2003 A\$'000	Unaudited Pro Forma 31 March 2003 A\$'000
<b>Current Assets</b>		
Cash assets	13,232	12,734
Receivables	10,093	10,085
Inventory	170	170
Prepayments	127	127
Other	3,742	3,596
<b>Total Current Assets</b>	27,364	26,712
<b>Non-Current Assets</b>		
Receivables	229	229
Investments	556	556
Property, plant and equipment	21,328	21,328
Development properties	2,459	2,459
Exploration and evaluation expenditure	8,762	5,952
Borrowing establishment costs	706	706
<b>Total Non-Current Assets</b>	34,040	31,230
<b>TOTAL ASSETS</b>	61,404	57,942
<b>Current Liabilities</b>		
Payables	15,117	14,519
Interest bearing liabilities	1,334	1,334
Tax Liabilities	5,651	5,651
Provisions	181	181
Other	3,596	3,596
<b>Total Current Liabilities</b>	25,879	25,281
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	240	240
Deferred tax liabilities	2,972	2,972
Provisions	559	559
<b>Total Non-Current Liabilities</b>	3,771	3,771
<b>TOTAL LIABILITIES</b>	29,650	29,052
<b>NET ASSETS</b>	31,754	28,890
<b>Equity</b>		
Contributed equity	19,353	17,253
Reserves	889	247
Retained profits	11,083	11,390
Total parent equity interest	31,325	28,890
Outside equity interest in controlled entities	429	-
<b>TOTAL EQUITY</b>	31,754	28,890

**NOTE 1      Basis of Preparation of Pro Forma Consolidated Statement of Financial Position as at 31 March 2003**

The Pro Forma Consolidated Statement of Financial Position as at 31 March 2003 has been prepared on the basis of the unaudited Statement of Financial Position as at 31 March 2003 adjusted as if:

- all the Initial Seed Investors holding 9,850,000 TCC Shares and 19,700,000 TCC Options exercised their rights under their Put and Call Option Agreements to exchange their Seed Investor Securities for 9,850,000 Mincor Shares; and
- the Company undertook a reduction of capital via an in specie distribution of the Maximum Number of its TCC Securities to Mincor Shareholders.