

28 May 2004



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

Dear Sir/Madam

### IN SPECIE DISTRIBUTION OF TCC SECURITIES

The purpose of this letter is to provide you with **corrected** information relevant for determining the income tax consequences of the demerger of Tethyan Copper Company Limited ('TCC') from Mincor Resources NL ("MCR") and should be read in conjunction with a letter dated 21 November 2003 and the Explanatory Memorandum sent to you by the Company. Please retain this letter, as the information provided will assist you with preparing your income tax return in future years.

The information contained in this letter is only applicable to **"Relevant Shareholders"**. A Relevant Shareholder is:

- An Australian resident shareholder who holds or held their MCR shares on capital account; or
- A non-resident shareholder who holds or held (together with their associates) at least 10% of the issued shares in MCR on capital account.

Following the completion of the Company's half yearly audit review, this letter provides you with a final update to the two components of the distribution (being TCC shares) received by Mincor Shareholders.

As discussed in Class Ruling CR2003/66 issued by the Australian Taxation Office, the distribution of TCC shares you received contained two components – a return of capital and a demerger dividend. Pursuant to the Ruling, neither of these two components constitute assessable income for tax purposes. However, the "Return of Capital" component may be required by certain shareholders to determine the capital gains tax implications of the in specie distribution.

The **corrected** distribution for each Mincor share held by you is summarised in the table below.

Component of Distribution	Corrected and Final Advice re Distribution per Mincor Share	Preliminary Advice re Distribution per Mincor Share
Demerger Dividend	\$0.060	\$0.048
Return of Capital	\$0.029	\$0.041
TOTAL	\$0.089	\$0.089

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The "Return of Capital" component is required by certain Relevant Shareholders to determine the capital gains tax implications of the in specie distribution. A Relevant Shareholder cannot make a capital loss.

A capital gain would only arise for a Relevant Shareholder if:

- The Relevant Shareholder did not choose rollover relief and,
- The original cost base of the Mincor shares, for that Relevant Shareholder was less than \$0.029, being the "Return of Capital" component.

The Australian Taxation Office has an electronic Demergers Calculator on its website that assist shareholders to work out the tax consequences of eligible demergers. This calculator has recently been updated to incorporate the demerger of TCC. It can be used to work out:

- The new capital gains tax (CGT) cost base of Mincor and TCC shares
- The capital gain or capital loss if the shares have been sold after the demerger, and
- The estimated capital gain or capital loss on any future sales you may wish to forecast.

The calculator can be accessed from the Demergers homepage on the Australian Taxation Office website, at [www.ato.gov.au/demergers](http://www.ato.gov.au/demergers). Once in this page, click on the 'Demergers Calculator' link.

**Please note the views expressed in this letter and in the Explanatory Memorandum are not intended as specific advice. The application of tax legislation may vary according to your individual circumstances, therefore we recommend you obtain advice from your tax advisor on the consequences of the distribution.**

Yours sincerely

**MINCOR RESOURCES NL**



**BRIAN LYNN**  
Company Secretary