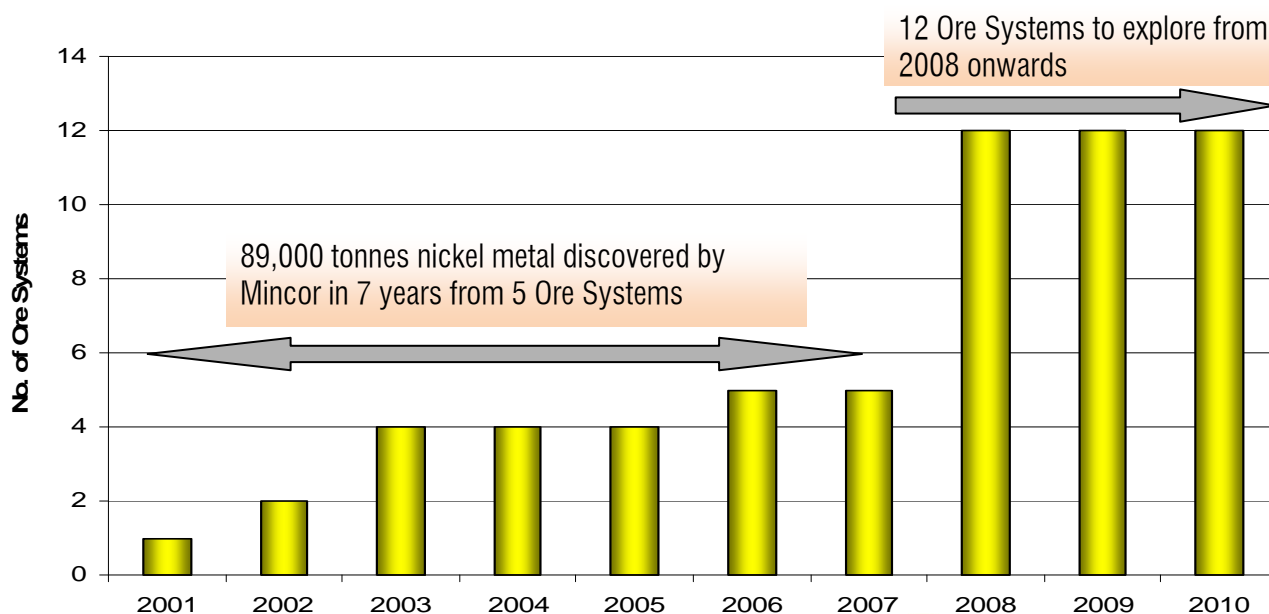


## HIGHLIGHTS OF THE QUARTER

- Mincor announces new long-term production target – 20 years at 20,000 tonnes pa nickel in ore – based on newly expanded asset base
- Major resource upgrade at Durkin Deeps – 42% increase in contained nickel metal following resource confirmation drilling
- First resource announced for new Stockwell Project on Bluebush Tenements – 20,800 tonnes contained nickel metal
- Significant new nickel exploration upside revealed at Wannaway Mine
- Potential new ore body – the Burnett Shoot – identified near North Miitel
- Exploration drilling active throughout the Kambalda Nickel District – two major “Ultra-sized Nickel Ore body” target areas identified
- Excellent quarterly production of 4,170 tonnes nickel-in-concentrate or 4,807 tonnes nickel in ore – Mincor on track for full-year production target
- Excellent cost performance with cash costs down 12% over preceding quarter
- Very strong quarterly operating surplus of \$41.5 million – not counting positive provisional pricing adjustment of \$3.2 million from previous quarter
- Good progress on new mine developments at Carnilya Hill and McMahon
- First copper resource announced for Tottenham Copper Project – 42,000 tonnes contained copper metal in near-surface oxide resource
- Quarter-end cash and receivables total \$164 million; net working capital after creditors and accruals totals \$97 million (after payment of \$12 million interim dividend)

## MINCOR ANNOUNCES NEW LONG-TERM PRODUCTION TARGET



- Mincor has discovered 89,000 tonnes of nickel metal in 7 years from the exploration of 5 ore systems;
- Over the past 9 months the number of ore systems owned by Mincor has more than doubled, to a total of 12;
- The new additions include some of the biggest and highest grade ore systems ever discovered at Kambalda;
- Based on Mincor’s historic rate of discovery, applied across this expanded asset base, the Company could discover enough nickel over the next 8 years to maintain production at a rate of 20,000 tonnes pa of nickel in ore for 20 years.

## MINING OPERATIONS, KAMBALDA (Mincor 100%)

TABLE 1: Production, Grade, Revenue and Costs – Quarter ending 31 March 2008

|   | MIITEL       | OTTER JUAN <sup>(1)</sup> | MARINERS      | REDROSS <sup>(2)</sup> | TOTAL            |
|---|--------------|---------------------------|---------------|------------------------|------------------|
| Ore Tonnes Mined (DMT)                      | 60,611       | 30,428                    | 51,461        | 27,068                 | <b>169,568</b>   |
| Ore Tonnes Treated (DMT)                    | 64,848       | 30,269                    | 50,227        | 28,383                 | <b>175,263</b>   |
| Average Nickel Grade (%)                    | 2.28         | 3.71                      | 2.81          | 2.72                   | <b>2.74</b>      |
| Nickel-in-Concentrate Sold (tonnes)         | 1,258.1      | 1,041.4                   | 1,203.1       | 654.6                  | <b>4,170.2</b>   |
| Copper-in-Concentrate Sold (tonnes)         | 127.3        | 73.4                      | 118.7         | 47.3                   | <b>367.7</b>     |
| Cobalt-in-Concentrate Sold (tonnes)         | 26.1         | 19.2                      | 21.9          | 12.8                   | <b>80.0</b>      |
| Sales Revenue* (A\$)                        | 22.55m       | 25.40m                    | 21.73m        | 11.86m                 | <b>81.54m</b>    |
| Direct Operating Costs** (A\$)              | 11.84m       | 7.48m                     | 10.14m        | 6.05m                  | <b>35.51m</b>    |
| Royalty Costs (A\$)                         | 1.69m        | 0.93m                     | 1.04m         | 0.86m                  | <b>4.52m</b>     |
| <b>Operating Surplus*** (A\$)</b>           | <b>9.02m</b> | <b>16.99m</b>             | <b>10.55m</b> | <b>4.95m</b>           | <b>41.51m</b>    |
| Capital Development/Exploration Costs (A\$) | 4.69m        | 1.34m                     | 1.90m         | 1.00m                  | <b>8.93m</b>     |
| <b>Costs Per Pound Payable Nickel</b>       |              |                           |               |                        |                  |
| Payable Nickel Produced (lbs)               | 1,802,797    | 1,492,339                 | 1,724,055     | 938,061                | <b>5,975,880</b> |
| Mining Costs (A\$/lb)                       | 4.17         | 3.46                      | 3.67          | 3.70                   | <b>3.76</b>      |
| Milling Costs (A\$/lb)                      | 1.29         | 0.72                      | 1.07          | 1.09                   | <b>1.05</b>      |
| Ore Haulage Costs (A\$/lb)                  | 0.29         | 0.05                      | 0.28          | 0.30                   | <b>0.23</b>      |
| Other Mining/Administration (A\$/lb)        | 0.79         | 0.79                      | 0.90          | 1.50                   | <b>0.93</b>      |
| Royalty Cost (A\$/lb)                       | 0.94         | 0.62                      | 0.60          | 0.93                   | <b>0.76</b>      |
| By-product Credits (A\$/lb)                 | (0.65)       | (0.64)                    | (0.58)        | (0.54)                 | <b>(0.61)</b>    |
| Cash Costs (A\$/lb Ni) – Quarter            | 6.83         | 5.00                      | 5.94          | 6.98                   | <b>6.12</b>      |

<sup>(1)</sup> Includes production from Coronet.

<sup>(2)</sup> Includes production from Wannaway.

\* Sales Revenue – estimate, awaits the fixing of the three-month nickel reference price – see “Note on Provisional Pricing and Sales Revenue Adjustments” below.

\*\* Direct Operating Costs – mining, milling, ore haulage, administration.

\*\*\* Operating Surplus – provisional and unaudited, excludes corporate overheads and other corporate costs, excludes regional exploration costs, excludes depreciation, amortisation and tax.

### Operating Surplus – Note on Provisional Pricing and Sales Revenue Adjustments

The nickel price received by Mincor for any month of production is the average LME spot price during the third month following the month of delivery. The Company’s policy for accounting purposes is to estimate this figure using a 10% discount to the average LME spot price during the month of delivery. This figure is then subject to an adjustment (up or down) when the final nickel price is known. During the March Quarter, Mincor established the final nickel prices for the production months of October, November and December. As a result Mincor recognised a positive sales revenue adjustment of \$3.2 million attributable to those production months. This adjustment **has not** been included in the sale revenue figures disclosed in Table 1 above.

## MINING PROGRESS – KAMBALDA NICKEL OPERATIONS

### Overview and Outlook

Production during the quarter continued to demonstrate the strength of Mincor’s multi-mine operational model, with strong production from all mines generating over 4,800 tonnes of nickel in ore and cash costs down 12% over the preceding quarter.

Production from Mariners was well in excess of plan and of the previous quarter due to high-grade ore from the new N09 ore body and strong production from the high-tonnage 1650/25 stope in the N08 ore body. The extraction of this stope will bolster production over the coming quarter as the main operational centre of the mine transitions to the N09 ore body.

Production from Miitel was also substantially higher than the previous quarter. The development of the South Miitel decline is proceeding rapidly, and South Miitel is expected to

enter production early in the new financial year. South Miitel will be an independent production centre within the Miitel Mine, and this extra flexibility is expected to allow Miitel’s historically high rate of production to continue well into the future.

Underground drilling at Miitel during the quarter achieved a very significant intersection of ore grade mineralisation nearly 300 metres beyond current reserves, in what appears to be a faulted offset of the main Miitel ore system. The new target, named the Burnett shoot, will be the subject of follow-up drilling during the current quarter.

Otter Juan and Coronet delivered strong production performances, and this is expected to continue.

Development of the McMahon ore body, which will be run as an adjunct to the Otter Juan operation, proceeded rapidly during the quarter, with underground development ahead of schedule. First production is expected early in the new financial year.

Production from Carnilya Hill commenced during the quarter, but the development priority remained on the main decline, in order to allow for a rapid ramp-up to full production across multiple headings in due course. The mine is expected to reach full production in the new financial year.

Operations at Redross were in line with expectations. Production for the rest of the financial year is expected to run at approximately 8,000 tonnes of ore per month, after which the mine will transition down to a rate of approximately 5,000 tonnes ore per month.

### **Miitel Mine – Mining Progress**

Production from Miitel was considerably improved over the previous quarter with contained nickel produced up 35%.

Ore was sourced from North Miitel with the bulk of production coming from the 545, 570, 520, 497, 470, 571, and 572 mechanised flat back cut and fill stopes, the 421, 403, 445, 430 and 545 long hole stopes and from 433, 570, 443, 571, 572, 497H and 453 ore drive development.

Total jumbo advance for the quarter was 1,080 metres.

A total of 314 metres of ore development and 44 metres of operational waste development were completed during the quarter. The relative quantities of ore and waste development are the reverse of the previous quarter and reflect the work done in the previous quarter to access and develop new ore sources.

Capital development of the North Miitel decline and North Miitel vent decline continued with a total of 121 metres achieved.

The South Miitel capital development continued according to plan with 501 metres of development achieved in the South Main decline and South Vent decline.

Raise bore extensions totalling 95 metres for the South Miitel ventilation return and escapeways were completed during the quarter.

Exploration drilling to the north of the N26 ore body intersected a potential new ore position – the Burnett shoot – as detailed below.

### **Otter Juan and Coronet Mines – Mining Progress**

Nickel production for the quarter was on budget. Development of the 1610/4 and 45F/1 ore drives were completed and development of the 46F/2 ore drive commenced. Development of the 41U/2 ore drive commenced at the beginning of the quarter and was completed by the end of the quarter.

Development for the quarter contributed 9,294 tonnes of ore and airleg stoping on the 28 to 44 levels at Otter-Juan and on the Coronet Deeps and McCloy ore bodies, Coronet contributed 22,004 tonnes.

Capital development was 206 metres and at the end of the quarter the main decline was 50 metres past the 46 ventilation access position and development of the 46 ventilation access and substation had been completed. The

46 level access intersected the ore in the 46F/2 and had 30 metres to go to the 46F/1 ore position.

Directional underground diamond drilling to test the down plunge continuity of the main ore body below current ore reserve boundaries commenced during the quarter. Further details below.

### **Mariners Mine – Mining Progress**

Production of contained nickel in ore from Mariners was 79% higher than the previous quarter and 38% higher than the plan. This was largely due to high grade production from the new N09 ore body and high tonnages from the large long-hole stope on the 1625/1650 levels in the N08 ore body.

Operations consisted of level development on the 1725, 1580, 1560, and 1600 levels, mechanised flat back stoping on the 1600, 1625, 1725, 1665, 1764 and 1735 levels and long-hole Avoca stoping in 1770, 1780, 1665 and 1650 levels.

The year to date reconciliation of production against reserves at Mariners stands at 201% of the modelled tonnage and 101% of the modelled grade. The positive tonnage reconciliation is due to the unexpectedly wide ore encountered in the N08 D lode at up to 12 metres wide.

Access development to the new N09 ore body on the 1560 level was completed during the quarter, with high-grade ore being developed.

Capital development remained focused on the main decline, which is being developed to further access the N09 ore body. A total of 283 metres of capital development was achieved for the quarter.

Raise bore extensions to the ventilation and escapeway systems, totalling 74 metres, were completed during the quarter.

A long-term study into the future ventilation requirements of Mariners has commenced. It has become apparent that the increasing scale of the N09 ore body will require an increase in the fresh air drawn into the mine.

Underground exploration drilling continued to test the southern and northern extent of the N09 ore body, with a number of significant intersections returned.

### **Redross Mine – Mining Progress**

Redross continued to operate on an owner mining basis, with production, grade and costs for the quarter in line with expectations.

Airleg stoping from stoping blocks situated between 8 level and 17 level accounted for 11,500 tonnes of ore; long-hole and half upper stoping contributed 13,100 tonnes, with the remainder from ore development and stockpiled ore. The transition from predominantly airleg mining to long-hole mining reflects the change in mining method implemented to manage the increasing level of ground stress.

The year to date reconciliation of production against reserves at Redross stands at 114% of the modelled tonnage and 112% of the modelled grade. The positive reconciliation is

due to the localised concentrations of ore that occur at Redross.

Rehabilitation and redevelopment to access the old workings in the upper part of the mine was completed during the quarter. Remnant mining commenced in the N10 ore body on the 4 level.

Exploration drilling continued with mixed results, as detailed below.

**Wannaway Mine – Mining Progress**

Wannaway continued satisfactorily as a small-scale remnant operation working on an owner-operator basis. Production was sourced from airleg mining of remnant ore positions.

Development of the ore block between 392 and 494 levels progressed. Ore was accessed on the 441 level and development on ore on the 440 level commenced during the quarter. A total of 143 metres of capital development was achieved for the quarter.

Exploration drilling below the NO1 and NO2 ore bodies encountered significant success, as further detailed below.

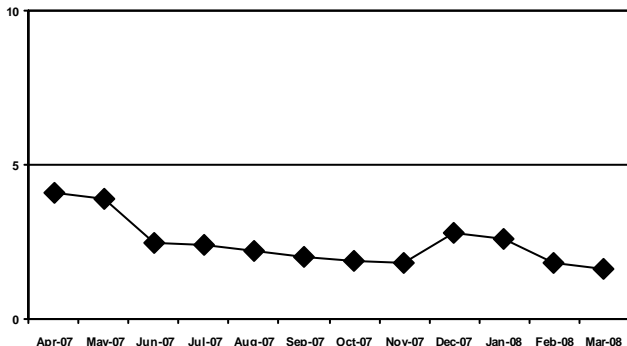
**HEALTH, SAFETY AND THE ENVIRONMENT**

There was one Lost Time Injury reported for the March quarter. An Airleg Miner at Otter Juan received a penetration impact injury from a scraper rope to his right hand.

The 12 month moving average Lost Time Injury Frequency Rate for all of Mincor’s operations is 1.6. This is well below the LTIFR 2.5 for the Nickel Sector Mining in Western Australia.

Mincor’s mining contractors continue to achieve very high scoring results on the monthly leading key performance indicators. In addition, results from Safety Culture Surveys at Otter Juan and Carnilya Hill showed strong attitudes toward safety.

12 Month Moving Average (LTI's) Lost Time Injury Frequency Rate  
Kambalda Operations



Mincor continued to focus closely on further improving and implementing the Safety Management System and safe systems of work. Initiatives included:

- Presentations of the Supervisor Training and Enhancement Program for Mincor and Mining Contractor supervisory positions.

- Training of employees in First Aid, Fire Extinguishers and Emergency Procedures and response strategies.
- One Day Personal Risk Assessment Courses for Mincor and Mining Contractor employees.
- Development of Mincor Emergency Response Training Modules commenced. These modules will be submitted for National accreditation when completed.
- Development of a one day Accident Reporting and Investigation Course.
- Development of an Accountability and Responsibility for Safety Awareness Program.
- Development of a Working from Height Safety Awareness Course.
- Review of results from SAFEmap Safety Culture Surveys for Otter Juan and Carnilya Hill and commencement of development of action plan.
- Ongoing development of the Ground Control Management Plan.

**MINES UNDER DEVELOPMENT – KAMBALDA**

**Carnilya Hill Project (Mincor 70%)**

Development of the decline continued during the quarter, allowing access to the A01C ore body, and by the quarter end 227 metres had been achieved. The decline position is now approaching the 13 level access.

Other capital development included the 11 level vent drive to extend ventilation from the 9 level and the 11 level access development, including waste stockpile and ore stockpile.

Access development in the 10A and 10B continued. By the end of the quarter the 10A was underneath the 822 level (the lowest level mined by previous owners). The 11 level development also accessed the contact in the quarter.

The first ore parcel was delivered to the KNC concentrator during the quarter.

During the quarter the excavation of the primary ventilation shaft and installation of the primary ventilation fans was completed. Construction of the 66kv power line from the mine to grid power at Kambalda commenced.

**McMahon Nickel Project (Mincor 100%)**

Following work to re-establish access, ventilation and mine services at McMahon the decline development commenced early in February. Mine development and installation of services has progressed well and is ahead of plan. 314 metres of capital development was completed during the quarter. At the end of the quarter the McMahon decline was at the 601/1 access position which is the first access to the MN1 ore body. First ore production is expected early in the September quarter.

## FEASIBILITY STUDY PROJECTS – KAMBALDA

### Durkin Deeps Nickel Project (Mincor 100%)

A substantial mineral resource increase was achieved and reported during the quarter after a successful round of confirmation drilling. The mineral resource for the Durkin Deeps Nickel Project now stands at 18,800 tonnes of contained nickel metal and remains open to the east and west.

**TABLE 2: Durkin Deeps – Drilling Results**

| Inferred Mineral Resource |          | Indicated Mineral Resource |          | Total Indicated plus Inferred |          | Contained Nickel |
|---------------------------|----------|----------------------------|----------|-------------------------------|----------|------------------|
| Tonnes                    | Nickel % | Tonnes                     | Nickel % | Tonnes                        | Nickel % | Tonnes           |
| 126,600                   | 5.0      | 247,900                    | 5.0      | 374,500                       | 5.0      | 18,800           |

The updated Durkin Deeps Mineral Resource comprises the main trough structure-hosted ore body, the D1 Lode (formerly named the A and B1 Lodes), an upper D2 Lode, a lower D3 Lode and a small hanging-wall D4 Lode. The bulk of the resource additions have come in the D1 Lode. Structural complexity in the D1 Lode increases to the west, adding to the overall resource potential there. The D1 Lode is interrupted by a number of porphyry intrusions, typical of the Kambalda Dome in this area.

Two wedges (KDD010W1 and KDD010W2) were completed with both wedges intersecting significant mineralisation.

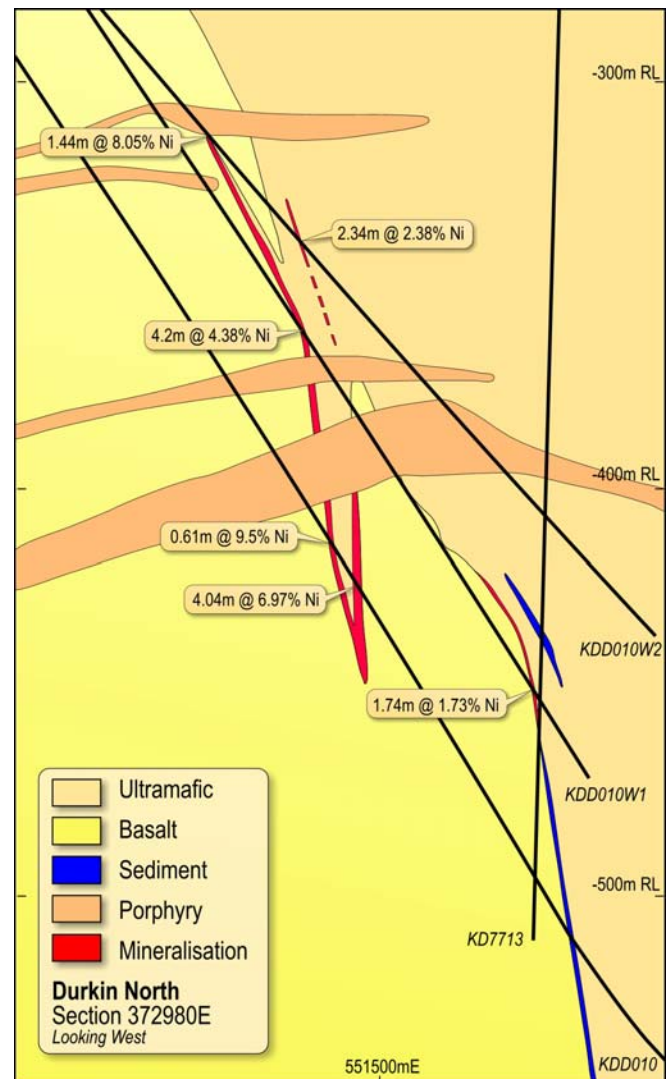
The first wedge, KDD010W1, achieved a 55 metre separation up dip from KDD010. The wedge intersected 4.2 metres @ 4.38% nickel from 708.71 metres (true thickness of 1.91 metres) in an open contact position. The mineralisation is comprised of massive and matrix sulphides. The hole went through an interpreted lower leading edge returning 1.74 metres @ 1.73% nickel from 810.16 metres (true width 0.79 metres) at the flanking contact.

The second wedge, KDD010W2, achieved a separation of 110 metres up dip of KDD010 and intersected 1.44 metres @ 8.05% nickel from 656.93 metres (true thickness of 0.61 metres). The intersection is within an interpreted upper pinch out position and is partially obscured by porphyry. A second intersection of 2.34 metres @ 2.38% nickel from 688.32 metres (estimated true width 0.99 metres) was intersected in the ultramafic hangingwall. A Down Hole Electro Magnetic survey (DHEM) highlighted a number of conductors, believed to be related to nickel mineralisation and extending beyond the current resource boundary to the east.

The eastern extent of the D1 mineral resource is open and is considered an outstanding exploration opportunity. A step-out hole has commenced and will test the continuation of mineralisation 100 metres down-plunge (east) of KDD010.

Studies into the feasibility of mining the Durkin Deeps mineral resource have commenced. A first draft of the feasibility study is expected to be complete by the end of June 2008.

**FIGURE 1: Cross Section – Durkin Deeps**



## NEAR MINE EXPLORATION – NICKEL

### Wannaway (Mincor 100%)

Significant exploration success was achieved at Wannaway during the quarter, with high-grade nickel sulphides intersected beneath the NO1 ore body, and a major new exploration target defined beneath the NO2 ore body.

Better results include:

- UWA-07-020:** 5.06 metres @ 4.07% nickel (true width 3.1 metres)
- UWA-07-017:** 18.34 metres @ 2.63% nickel (true width 4.8 metres)
- UWA-08-002:** 8.12 metres @ 4.24% nickel (true width 4.63 metres)
- UWA-08-003:** 7.38 metres @ 4.97% nickel (true width 5.4 metres)
- UWA-08-004:** 4.00 metres @ 3.47% nickel (true width 2.86 metres)

These intersections define a zone of strong massive to matrix nickel sulphide mineralisation, remobilised into a structurally dilated lens beneath the NO1 ore body. Mineralisation is coincident with thinning of the footwall nickeliferous sediment with sub-grade mineralisation continuing into the

hanging wall serpentinite. Detailed work demonstrates that a structural offset separates this zone from the sediment free, high tenor mineralisation situated beneath the N02 ore body (UWA-07-005, 1.4 metres @ 7.9% nickel).

The latter sediment-free window is identified as a major new target in its own right, as such sediment-free areas of the basal contact typically host the major ore channels in Kambalda. The target position is largely untested and will be drilled during the coming quarter.

### Ultra-Sized Nickel Ore Body Program (Mincor 100%)

Work on the development of Mincor's "Ultra-Sized Nickel Ore Body" exploration program continued through the quarter. The program is directed at the discovery of a high-grade nickel ore body with greater than 200,000 tonnes contained nickel metal. The prime target area is Mincor's North Kambalda tenement holdings, on which occur the Otter Juan ore body (300,000 tonnes of past nickel metal production and still producing) and the Durkin ore body (100,000 tonnes of past nickel metal production).

Two high-quality targets have been defined within this broad target area. The first of these is the interpreted continuation of the Long ore system onto Mincor's tenements. The Long mine has past production of 200,000 tonnes of nickel metal, and the interpreted extension of this major ore system onto Mincor's tenements creates an outstanding exploration opportunity. Detailed studies of existing deep drill holes, and investigations into cost effective mechanisms to drill the deep diamond holes required, are underway. In addition, the possible use of a seismic survey to assist in the location of the basal contact is under examination.

The second major target is a parallel channel to the massive high-grade Otter Juan ore system. Detailed studies have demonstrated the existence of untested "channel-like" structures parallel to Otter Juan. Existing underground workings can provide relatively easy access for underground drilling of this outstanding target, but some underground rehabilitation and preparation will be required before drilling can start.

### Otter Juan Extensional Drilling

Mincor is currently experimenting with innovative drilling techniques in an attempt to find a cost-effective mechanism to drill the down-plunge continuation of the rich Otter Juan ore channel. The channel is too deep to be drilled effectively from surface, and traditionally its ore reserves have been extended on a year-by-year basis through the use of hanging-wall drill drives.

Mincor is currently drilling an underground diamond hole orientated parallel to the interpreted continuation of the ore channel. The intention is to use directional drilling techniques to wedge the hole upwards so as to intersect the interpreted position of the ore body. The first upward wedge will intersect the target position at a location approximately 100 metres beyond the end of the current ore reserves.

### North Miitel – the Burnett Shoot

Recent underground drilling at North Miitel has elucidated the structure in this area and achieved a very significant intersection nearly 300 metres beyond the current ore reserve boundary.

Initial interpretations of the drill results suggest that the basal contact that hosts the Miitel ore channel in this area has been displaced some 140 metres to the east by a fault structure. Drilling into this offset position intersected **significant mineralisation** in a potential new ore body, which has been named the Burnett shoot.

The single intersection to date in the Burnett shoot is in underground drill-hole UMI-08-009: **4.19 metres @ 2.34% nickel** (true width 2.4 metres), and lies some 287 metres beyond the current ore reserve boundary. This mineralisation is interpreted as the flanking mineralisation to a potentially high-grade system.

Interpretation of geological and geophysical data suggests the speculative possibility that the offset contact zone, which is untested by drilling, could extend more than a kilometre to the north, creating a very substantial and high-quality exploration target. Underground drilling will continue, and the possibility of further exploring the extensive strike length using surface drilling is under examination.

### Coronet Mine

The two known ore bodies at Coronet have produced approximately 18,000 tonnes of nickel metal to date. The upper S01 ore body is located within the ultramafic hanging-wall and the lower Coronet ore body is located at the basal contact. Two previous surface holes intersected 2.40 metres @ 2.24% nickel in the S01 position and 2.10 metres @ 1.13% nickel at the Coronet position (KD9537); and 0.6 metres @ 3.6% at the S01 position (KD9538). These intersections are approximately 240 and 320 metres respectively down plunge of current ore development and highlight the continuing fertility of the ore system down-plunge of the mine.

The Loreto Thrust is located to the west and down dip of the Coronet and S01 ore bodies. The Loreto Thrust postdates mineralisation and has a significant offset.

A drilling campaign was undertaken to explore the down-plunge potential of the Coronet and S01 mineralisation. Three wedges (KD9537W1 –KD9537W3) and a stand-alone hole (KCD001) were completed.

All holes intersected sub-grade nickel sulphide mineralisation, demonstrating that the ore system does continue at depth but that no major extension to the ore body exists in the area drilled. However, a number of down-hole electromagnetic (DHEM) anomalies indicate that small ore positions may be present, best followed up by underground drilling.

In addition however, the drilling showed that the Loreto Thrust encroaches upon the ore system, ultimately closing it off down-plunge. If this interpretation is correct, then it may suggest that the ore system has been moved closer to the surface by the Loreto Thrust, creating a high-quality new

exploration opportunity. A compilation and review of all data is now underway in preparation for further follow-up drilling.

### Redross Nickel Mine (Mincor 100%)

Near-mine extensional drilling at Redross is currently focused on the NO2 ore body and the NO3 target. The NO2 contains a well-defined and previously published mineral resource that is being evaluated as a potential new ore development. It lies directly beneath the main NO1 ore body.

The NO3 target is an interpreted structurally remobilised massive sulphide ore position up-dip and west of the NO2 ore body. This interpretation is based on a number of historic intersections including 1.83 metres @ 4.96% nickel from 663.84 metres in RRD0120.

A wedge hole, RRD0120W1, was drilled and intersected two zones of thin massive sulphides; 0.47 metres @ 5.38% nickel from 679.70 metres and 0.47 metres @ 3.39% nickel from 693.16 metres. The upper zone is situated in an ultramafic hanging-wall position and approximately 13 metres above the second zone located above a metre of preserved mafic footwall.

Diamond drill hole RRD136 tested the NO3 surface approximately 200 metres up-plunge of RRD0120 and RRD0120W1. This hole returned an intersection of 0.36 metres @ 5.14% nickel from 646.41 metres in an ultramafic hanging-wall lithology.

These results suggest that a sizeable target area, not far from existing mine development, remains to be tested. Further drilling is planned.

## KAMBALDA REGIONAL NICKEL EXPLORATION

### Bluebush Line Tenements

Mincor's acquisition of the Bluebush Line tenements from BHP Billiton was announced during November 2007. However, no access to the tenements was possible during the quarter under review, pending ministerial approval to the sub-lease. This approval was granted during April 2008.

The Bluebush tenements represent a significant expansion of Mincor's nickel exploration potential in the Kambalda Nickel District. The tenements cover approximately 40 kilometres of the strike of the basal contact, the stratigraphic position along which all known Kambalda ore bodies occur. Numerous high-grade nickel sulphide intersections are known from previous drilling along the length of the tenements.

While denied ground access during the quarter, Mincor focused on data compilation and reviews. This highlighted the regional exploration potential of the tenements, and also enabled the Company to compile and estimate an initial resource for the Stockwell Project.

The Stockwell Project was drilled by WMC Resources Ltd in the late 1990s. Based on the results of 51 drill-holes, Mincor estimated and published an initial resource containing 20,800 tonnes of nickel metal.

**TABLE 3: Stockwell Mineral Resource Tabulation**

| Location     | Inferred (tonnes) | Grade (Cu%) | Indicated (tonnes) | Grade (Cu%) | Total Tonnes   | Grade (Cu%) | Contained Metal (tonnes) |
|--------------|-------------------|-------------|--------------------|-------------|----------------|-------------|--------------------------|
| Stockwell    |                   |             | 194,800            | 2.4         | 194,800        | 2.4         | 4,675                    |
| Grimsby      | 435,500           | 3.7         |                    |             | 435,500        | 3.7         | 16,110                   |
| <b>Total</b> | <b>435,500</b>    | <b>3.7</b>  | <b>194,800</b>     | <b>2.4</b>  | <b>630,300</b> | <b>3.3</b>  | <b>20,800</b>            |

*1% nickel cut-off grade used throughout.*

The mineral resources at Stockwell/Grimsby lie less than 300 metres below surface, making them among the shallowest unexploited nickel deposits currently known in the Kambalda District. The ore trend has a shallow plunge and a variable dip and appears to be influenced at depth by a fault structure. The mineralisation is of typical Kambalda style, consisting of matrix and disseminated nickel sulphides lying directly on the basal contact. The average true width of the mineralisation is 1.2 metres.

With the sub-lease over the tenements now granted, Mincor has applied for the necessary environmental permits, and expects to start drilling at Stockwell during the current quarter. Detailed planning for the regional exploration of the full tenement package is underway.

### Kambalda West Joint Venture (Mincor earning 70%)

Mincor's West Kambalda project comprises a large suite of tenements west of its operational centre in Kambalda. Most though not all of these tenements are the subject of an earn-in joint venture with EmuNickel, under which Mincor may earn a 70% interest through the expenditure of \$1.5 million by 2012. Mincor's target in the area is high-grade nickel sulphides of the Kambalda type.

As previously reported, Mincor carried out an extensive airborne electromagnetic (VTEM) survey covering a number of these tenements during December 2007. Ten significant anomalies have emerged from this survey.

Field verification and reconnaissance has now been carried out on 8 of the 10 anomalies. All 8 are under cover, have never been drilled, and are not related to surface cultural/man-made features, and thus are considered strong and high-priority exploration targets. The remaining two anomalies will be examined during the current quarter.

Planning for reconnaissance drilling of all the anomalies, including the completion of cultural and heritage surveys, is underway.

### Location 1

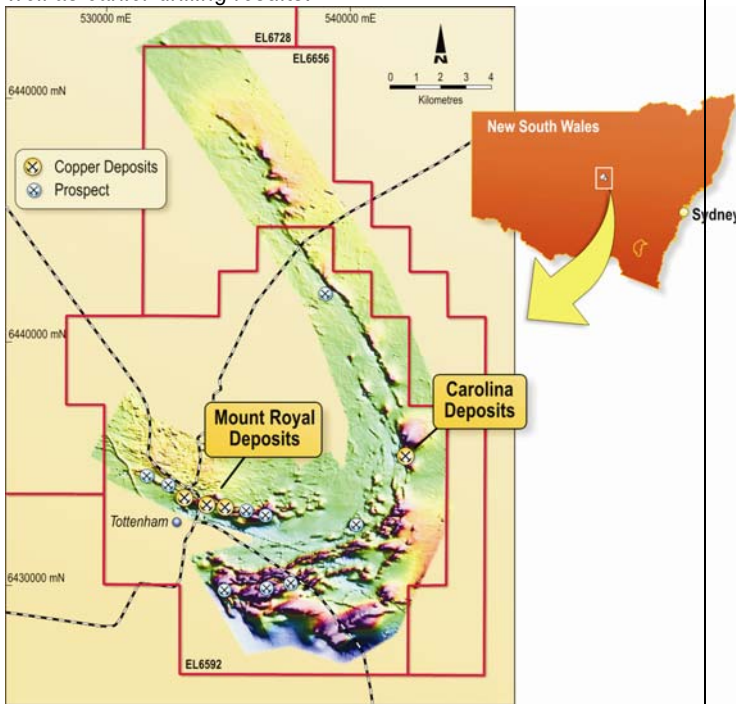
Location 1 is a nickel sulphide exploration target located on the west side of the Widgiemooltha Dome, north of Mincor's Wannaway Nickel Mine. Previous work has demonstrated the presence of nickel sulphides in a narrow channel structure. During the quarter one diamond drill hole was completed, testing the channel structure 160 metres south of historic drill hole MND1498 (4.0 metres @ 1.33% nickel). The new hole (MDD163) intersected 0.08 metres @ 2.16% nickel from 329.12 metres in a remobilised sulphide stringer. Further drilling is planned.

## REGIONAL BASE METAL EXPLORATION

### Tottenham Copper Project (Mincor 100%)

During the quarter, Mincor announced a maiden resource estimate for its 100%-owned Tottenham Copper Project in New South Wales.

The initial Indicated and Inferred Mineral Resource covers the Mount Royal and Carolina areas, the first two of a number of prospects to be tested along a prospective belt containing numerous known copper occurrences over a 30 kilometre strike length. The resource estimate is based on the results of a successful drilling program completed during 2007 as well as earlier drilling results.



**FIGURE 2: Magnetic (TMI) image showing the Mount Royal and Carolina areas together with other known copper occurrences at Tottenham. Recently completed airborne electromagnetic surveys (VTEM) covered the same area as the magnetics.**

The resources outlined to date are near-surface oxide deposits and are likely to be amenable to open pit mining and processing via heap leaching and solvent extraction/electrowinning.

Below is a tabulation (**Table 4**) of Mineral Resources (at a 0.25% copper cut off):

*Note: Ore tonnage figures have been rounded to the nearest 100 tonnes. Grades have been rounded to the first decimal point. Estimation of contained copper may not equal ore tonnes X grade due to rounding.*

| Location     | Inferred (tonnes) | Grade (Cu%) | Indicated (tonnes) | Grade (Cu%) | Total Tonnes     | Grade (Cu%) | Contained Metal (tonnes) |
|--------------|-------------------|-------------|--------------------|-------------|------------------|-------------|--------------------------|
| Mt Royal     | 1,500,900         | 1.0         | 869,800            | 1.2         | 2,370,700        | 1.1         | 26,078                   |
| Carolina     |                   |             | 1,336,200          | 1.2         | 1,336,200        | 1.2         | 16,034                   |
| <b>Total</b> | <b>1,500,900</b>  | <b>1.0</b>  | <b>2,206,000</b>   | <b>1.2</b>  | <b>3,707,000</b> | <b>1.1</b>  | <b>41,850</b>            |

This initial resource estimate establishes an inventory of copper metal in a well-established copper district with significant potential for additional growth. Mincor is aiming

to lift the current resource to something over 100,000 tonnes of copper metal with drilling planned to recommence early in May. Several soil sampling programs are currently underway to better define drill targets along the prospective zones.

The copper mineralisation in the Mount Royal and Carolina deposits is associated with quartz-magnetite units that occur at several positions in the local stratigraphy, generally forming an interface between underlying mafic rocks and overlying felsic rocks, with the whole package folded into an anticline. The association with magnetite produces a strong magnetic signature, and prospective areas are visible as linear zones of high magnetism.

In addition to the copper oxide resources, there is considerable potential for copper sulphides at depth. During January 2008 Mincor carried out a helicopter-borne Versatile Time Domain Electromagnetic (VTEM) survey, targeting deposits of copper sulphides. The survey covered 1,090 line kilometres, flown mostly at a 200 metre line spacing and covering the same area as the detailed aeromagnetic survey flown early in 2007 (shown in Figure 2).

A number of discrete late-time (suggesting deeper, bedrock-hosted sources) conductive responses were identified, the locations of which are shown in Figure 3. These anomalies, which may represent sulphide accumulations, lie directly down-plunge or adjacent to the known oxide deposits at Carolina and Mount Royal, as well as further afield.

Geophysical modeling ahead of drill testing is nearing completion. A small program of ground based fixed loop electromagnetic surveying may be carried out to better define certain anomalies.

The Tottenham Project is located in the prolific Lachlan Fold Belt of New South Wales, with the mineralisation hosted in a similar geological setting to the Girilambone group of mines, including the operating Murrawombie (formerly Girilambone) and Tritton copper mines. Tottenham is located 160 kilometres south-east of the CSA copper-silver mine and Peak gold mine near Cobar.

### Technical Note on Tottenham Mineral Resource Estimates

The resources were estimated via ordinary kriging for copper and inverse distance for density. Sample composites were one metre down-hole, and based on diamond drill core and reverse circulation chip samples. Total copper assays were available for all composites however density data was only available for the more recent Mincor samples. Geological modeling was aided by historical underground mine plans, however not all areas of historical stoping are well recorded, so depletion estimates, while reconcilable to recorded production, are not located accurately.



**Gascoyne Tungsten/Uranium Prospect (Mincor 100%)**

Highly encouraging uranium results from initial reconnaissance sampling were discussed in the previous quarterly report (October to December 2007). Field work will recommence during the current field season as soon as weather permits and Heritage Surveys have been carried out. A program of trenching and 500 metres (70 holes) of shallow reverse circulation drilling is planned for the Cattle Pool area in order to better define the results obtained last quarter.

A high resolution 6,000 line kilometre airborne magnetic and radiometric survey (100 metre line spacing), which will greatly enhance uranium targeting and structural interpretation, is planned for the current quarter.

A carefully focused diamond drilling program (4-8 holes to 25 metres depth) is also planned in order to obtain detailed structural data to aid in interpretation and evaluation of tungsten mineralisation at Nardoo Well.

**Georgina and Bonaparte Zinc-Lead Projects (Mincor 100%)**

Mincor has, together with the CSIRO, commenced scoping out a program of numerical fluid flow modeling, that will build on the regional geological framework developed by the Northern Territory Geological Survey.

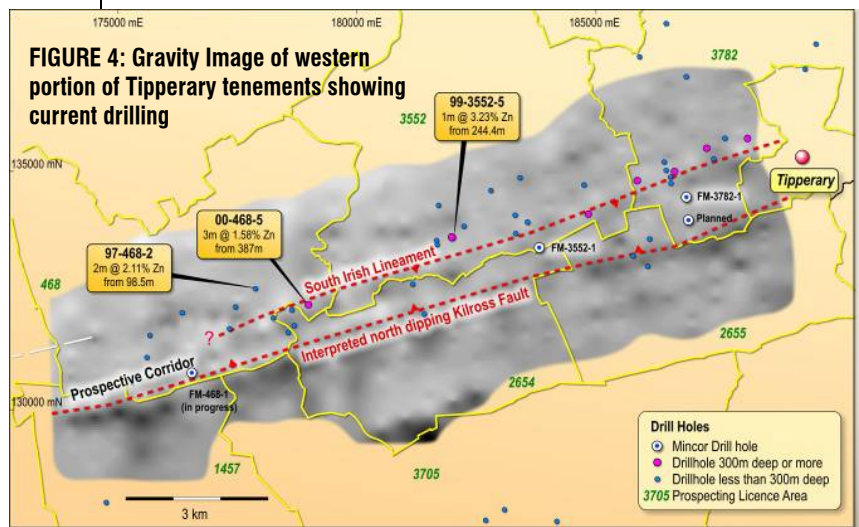
Field work is in the final stages of planning. Mincor has, through the Northern Territory Central Land Council (CLC), completed the negotiation of a Native Title Agreement which gives the company access to the Georgina area to carry out low impact exploration activities. Similar negotiations with the Kimberly Land Council (KLC) with respect to the Bonaparte tenements have also been completed and tenements E803645 and E803770 have been granted. Heritage surveys will be carried out as soon as possible in both areas, ahead of fieldwork scheduled for the current field season.

The Bonaparte project contains a number of known zinc, lead and copper targets whilst the 9,000 square kilometre Georgina area is, based on the NTGS studies, highly prospective for zinc and lead mineralisation.

**Tipperary Zinc Project (Mincor earning 85%)**

Drilling continued on an initial series of diamond drill holes to test the basal Walsortian limestone contact along the strike extent of Mincor’s tenements. Progress has been slow due to adverse weather conditions.

The first hole of the current program (FM-3552-1) intersected basal Walsortian at 593 metres depth, slightly deeper than in FM-3782-1, the first hole drilled by Mincor (see Figure 4). No significant mineralisation or alteration was observed in the hole. Current hole FM-468-1 is being drilled at the western end of Mincor’s tenement block.



**FIGURE 4: Gravity Image of western portion of Tipperary tenements showing current drilling**

**Heazlewood and Round Hill, Tasmania (Mincor 100%)**

Airborne electromagnetic (VTEM) surveys were completed over both of Mincor’s tenements (EL42/2006 and EL9/2007) during the quarter. Results are awaited.

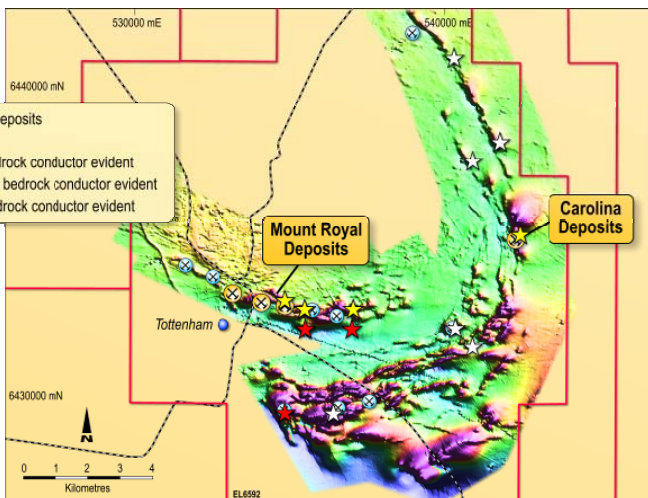
**CORPORATE MATTERS**

**Bluebush Line Acquisition**

During April 2008 ministerial consent to the grant of a sub-lease in favour of Mincor over the Bluebush Tenements was granted. The sub-lease grants Mincor extensive rights, including the right to explore and mine the tenements. The sub-lease will remain in place until the termination of the Nickel Refinery Act (which requires an act of parliament), after which, subject to a number of conditions precedent, Mincor will own the tenements outright.

**Carnilya Hill Joint Venture Acquisition**

In early January 2008 Mincor announced that it had secured a conditional agreement with View Resources Ltd for the acquisition by Mincor of the 30% of the Carnilya Hill Project and surrounding tenements that it did not already own.



**FIGURE 3: Total magnetic intensity image with superimposed locations of anomalous VTEM responses. The VTEM coverage comprised the same area as the magnetic coverage shown in Figure 2.**

On 11 February 2008 Mincor announced that the conditions associated with the acquisition had not been fulfilled by the due date, and that the agreement had accordingly lapsed.

### Hedging Arrangements

In line with its strategy of maintaining maximum exposure to the nickel price while securing a minimum level of protection against adverse price movements, Mincor has sold forward a total of 3,107 tonnes of payable nickel metal to May 2010, at an average price of A\$36,070 per tonne.

This represents less than 12% of Mincor's expected production over that period.

This hedging is distributed as follows:

|                             |   |
|-----------------------------|---|
| <b>Apr 2008 to Jun 2008</b> | 219 tonnes of payable nickel per month at a price of \$36,875/tonne |
| <b>Jul 2008 to Dec 2008</b> | 125 tonnes of payable nickel per month at a price of \$32,671/tonne |
| <b>Jan 2009 to Jun 2009</b> | 115 tonnes of payable nickel per month at a price of \$38,342/tonne |
| <b>Jul 2009 to Dec 2009</b> | 115 tonnes of nickel per month at a price of A\$36,982/tonne        |
| <b>Jan 2010 to May 2010</b> | 64 tonnes of nickel per month at a price of \$35,522/tonne          |

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### Cash and Debt

As at 31 March 2008, Mincor had cash and receivables of \$163.82 million and creditors and accruals of \$66.73 million, giving a net working capital position of **\$97.09 million**.

On 31 March 2008 the Company paid a fully franked interim dividend of 6 cents per share for the 2007/08 year to shareholders, totaling \$11.87 million.

Apart from minor leasing and bond commitments, Mincor has no debt.

The information in this Public Report that relates to Exploration Results is based on information compiled by Messrs Peter Muccilli and Richard Hatfield both of whom are Members of The Australasian Institute of Mining and Metallurgy. The information in this Public Report that relates to Mineral Resources is based on information compiled by Mr Robert Hartley who is a Member of the Australasian Institute of Mining and Metallurgy. Messrs Muccilli, Hatfield and Hartley are full-time employees of Mincor Resources NL. Messrs Muccilli, Hatfield and Hartley have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Muccilli, Hatfield and Hartley consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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### APPENDIX 1 – Surface Drill Holes at Kambalda completed for Nickel Exploration during the Quarter

Following is a list of collar details for all surface drill holes at Kambalda during the quarter.

| HOLE ID    | PROSPECT    | TENEMENT      | GRID     | MGA N   | MGA E   | RL     | AZIMUTH | DIP   | EOH DEPTH (METRES) |
|------------|-------------|---------------|----------|---------|---------|--------|---------|-------|--------------------|
| RRD120W1   | Redross     | M1590         | MGA      | 372125  | 6492579 | 326    | 295     | -78   | 789.9              |
| KMD010     | Durkin      | Loc 48 lot 12 | KNO      | 551258  | 372969  | 306.5  | 360     | -77   | 1042               |
| KDD010W1   | Durkin      | Loc 48 lot 12 | KNO      | 551258  | 372969  | 306.5  | 360     | -77   | 838                |
| KD9537W1   | Coronet     | Loc 48 lot 11 | KNO      | 550230  | 370530  | 320    | 0       | -90   | 408.4              |
| KD9537W2   | Coronet     | Loc 48 lot 11 | KNO      | 550230  | 370530  | 320    | 0       | -90   | 804.5              |
| KD9537W3   | Coronet     | Loc 48 lot 11 | KNO      | 550230  | 370530  | 320    | 0       | -90   | 768.5              |
| RRD136     | Redross     | M1590         | MGA      | 6492727 | 372284  | 323    | 287     | -60   | 750                |
| MDD163     | Location 1  | M1588         | MGA      | 6508100 | 357940  | 320    | 90      | -65   | 381                |
| UWA-08-001 | Wannaway UG | M1589         | Wannaway | 2471    | 9355    | -134.1 | 243     | -40   | 185.8              |
| UWA-08-002 | Wannaway UG | M1589         | Wannaway | 2471    | 9355    | -134.1 | 245     | -36   | 158                |
| UWA-08-003 | Wannaway UG | M1589         | Wannaway | 2471    | 9355    | -134.1 | 258     | -37   | 197.7              |
| UWA-08-004 | Wannaway UG | M1589         | Wannaway | 2471    | 9355    | -134.1 | 224     | -40   | 212.5              |
| UWA-08-005 | Wannaway UG | M1589         | Wannaway | 2330    | 9446    | -120.0 | 236     | -24   | 173.5              |
| KMD010W2   | Durkin      | Loc 48 lot 12 | KNO      | 551258  | 372969  | 306.5  | 360     | -77   | 801                |
| KDD009     | Durkin      | Loc 48 lot 12 | KNO      | 551098  | 372986  | 307    | 11      | -67   | 326                |
| KCD001     | Coronet     | Loc 48 lot 11 | KNO      | 550342  | 370373  | 342    | 89.7    | -85.4 | 869.2              |
| KMD012     | McMahon     | Loc 48 lot 11 | KNO      | 550526  | 370208  | 342    |         | -90   | 258.3              |
| KGD001     | Gellatly    | Loc 48 lot 11 | KNO      | 551725  | 369997  | 351    | 90      | -80   | 120                |