

## HIGHLIGHTS OF THE QUARTER

- Latest results from Durkin Deeps drilling (4.04 metres @ 6.97% nickel) highlights potential for significant resource upgrade
- First ore produced on schedule from Mincor's new Carnilya Hill Nickel Mine
- Mincor secures agreement to buy-out its JV partner in the Carnilya Hill Nickel Project
- First production from the new Mariners NO9 ore body achieved, with high-grade nickel ore mined late in the quarter
- Decision taken to develop the McMahon Project – to become Mincor's 8<sup>th</sup> operating Kambalda nickel mine
- North Miitel produces its 500,000<sup>th</sup> tonne of ore – the ore body has now exceeded its original Reserve expectations by 99%, and remains open to the north
- Acquisition of the highly prospective Bluebush Line tenements – resource estimation studies underway
- Significant uranium mineralisation discovered at Mincor's Gascoyne Project, Western Australia
- Resource estimation studies underway on Mincor's Tottenham Copper Project, New South Wales
- Strong quarterly production of 3,837 tonnes nickel-in-concentrate – Mincor on track for its full-year production target
- Quarter-end cash and receivables total \$150 million; net working capital after creditors and accruals totals \$86 million (after payment of \$29 million in income tax)

## MINCOR COMMENCES PRODUCTION FROM SEVENTH KAMBALDA NICKEL MINE



During January 2008 Mincor produced the first ore from its new Carnilya Hill Nickel Mine. The new ore body was discovered by Mincor during exploration drilling in 2006, and feasibility studies were carried out in early 2007. The decision to develop the mine was taken in June 2007, and work commenced in July 2007. With first production now achieved, on schedule, Carnilya Hill becomes Mincor's seventh operating Kambalda Nickel Mine. Production is expected to ramp-up over the next 6 months to an average of 15,000 tonnes of ore per month.

The Carnilya Hill Project has moved from discovery to production in only 19 months, an outstanding achievement by Mincor's geologists, engineers and development and mining staff, and a credit to Mincor's contractor, RUC Mining Ltd. The successful development of the Carnilya Hill nickel mine continues Mincor's strong record of mine discovery and development.

Early in January 2008 Mincor announced that it had reached a conditional agreement to buy-out its joint venture partner in the Carnilya Hill Nickel Project. The acquisition will see Mincor's interest move from 70% to 100%.

## MINING OPERATIONS, KAMBALDA (Mincor 100%)

TABLE 1: Production, Grade, Revenue and Costs – Quarter ending 31 December 2007

	MIITEL	OTTER JUAN <sup>(1)</sup>	REDROSS	MARINERS	WANNAWAY	NORTH DORDIE	TOTAL
Ore Tonnes Mined (DMT)	43,553	33,950	29,926	39,528	5,487	4,431	156,875
Ore Tonnes Treated (DMT)	43,253	34,053	29,371	36,816	5,365	14,050	162,908
Average Nickel Grade (%)	2.53	3.98	2.85	2.14	2.36	1.15	2.68
Nickel-in-Concentrate Sold (tonnes)	939.6	1261.4	723.4	678.2	107.6	126.8	3,836.9
Copper-in-Concentrate Sold (tonnes)	94.2	92.2	49.5	69.6	10.9	15.0	331.4
Cobalt-in-Concentrate Sold (tonnes)	19.2	23.2	14.2	13.5	2.4	3.2	75.7
Sales Revenue* (A\$)	16.67m	29.63m	12.99m	12.08m	2.17m	2.59m	76.13m
Direct Operating Costs** (A\$)	11.55m	7.93m	5.48m	8.43m	1.78m	0.74m	35.91m
Indirect Costs*** (A\$)	1.30m	1.29m	1.0m	0.61m	0.15m	0.19m	4.54m
Operating Surplus**** (A\$)	3.82m	20.41m	6.51m	3.04m	0.24m	1.66m	35.68m
Capital Development/Exploration Costs (A\$)	4.14m	0.75m	0.58m	2.57m	0.43m	0.00m	8.74m
<b>Costs Per Pound Payable Nickel</b>							
Payable Nickel Produced (lbs)	1,346,479	1,807,538	1,036,568	971,840	154,140	NA	5,316,565
Mining Costs (A\$/lb)	6.01	3.15	2.65	5.14	6.19	NA	4.23
Milling Costs (A\$/lb)	1.14	0.67	1.01	1.46	1.23	NA	1.02
Ore Haulage Costs (A\$/lb)	0.24	0.03	0.25	0.34	0.36	NA	0.19
Other Mining/Administration (A\$/lb)	1.38	0.53	1.25	1.47	3.79	NA	1.15
Royalty Cost (A\$/lb)	0.96	0.72	0.97	0.63	0.95	NA	0.82
By-product Credits (A\$/lb)	(0.52)	(0.40)	(0.44)	(0.54)	(0.58)	NA	(0.47)
Cash Costs (A\$/lb Ni) – Quarter	9.21	4.70	5.69	8.50	11.94	NA	6.94

<sup>(1)</sup> Includes production from Coronet of 6,604 tonnes ore.

\* 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.

\*\*\* Indirect Costs – royalties and net finance costs.

\*\*\*\* Operating Surplus – projects only – 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 December Quarter, Mincor established the final nickel prices for the production months of July, August and September. As a result Mincor recognised a positive sales revenue adjustment of \$4.2 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

With a strong production performance in the first two quarters of the financial year, Mincor is on track to achieve the upper end of its full year production target of between 16,000 and 17,000 tonnes of nickel-in-concentrate, or approximately 18,500 tonnes of nickel in ore.

Ore production during the December Quarter was strong but trucking constraints over the Christmas period left a substantial tonnage of mined ore undelivered.

The Miitel, Otter Juan, Mariners and Wannaway Mines performed to expectations, while production from Redross Mine was constrained by lower manning levels over the Christmas period.

Production from Miitel is expected to increase in the third and fourth quarters as new headings in North Miitel and later South Miitel progressively become available.

Production from Mariners is expected to increase substantially in the third and fourth quarters, as production from the new NO9 ore body comes on line.

Carnilya Hill commenced production during January 2008, and will ramp-up towards full production over the remainder of the financial year.

During the quarter the Company announced its decision to develop the McMahon nickel mine. By quarter-end re-establishment of services was well advanced and mining of the decline is expected to commence in January 2008. First ore deliveries are expected in the next financial year.

Cash costs at Miitel, Mariners, Redross and Wannaway were generally up over the previous quarter, due largely to a higher

proportion of operating waste development (non-production mining), the benefit of which will be derived in future months; higher royalty payments, and the increased ground support standards at Miitel.

Underground exploration drilling continued to deliver extensions to the resources at North Miitel and Mariners.

In a significant milestone, the 500,000<sup>th</sup> tonne of ore was mined from North Miitel during December. By the end of December North Miitel had produced 500,750 tonnes of ore at a grade of 2.59% nickel for 12,974 tonnes of nickel metal. This compares with the original 2003 ore reserve estimate of 463,000 tonnes at 2.65% nickel for 12,280 tonnes of metal.

When added to end-December Ore Reserves of 452,000 tonnes @ 2.54% nickel for 11,495 tonnes, North Miitel's total mined and un-mined Ore Reserves now stand at 952,750 tonnes @ 2.55% nickel for 24,469 tonnes of nickel metal – an increase of 99% over the original expectations, with the ore body still open to the north. This growth in Ore Reserves over time is typical of Mincor's Kambalda mining operations.

### **Miitel Mine – Mining Progress**

Production from Miitel was in line with the previous quarter, and is expected to increase progressively over the next 6 months as new production headings become available in the N26 (North Miitel) and later the N18 (South Miitel) ore bodies.

A continued focus on mining practices and grade control saw the production grade improvement from the previous quarter sustained in the December quarter.

Ore production was sourced from North Miitel with the bulk of production from mechanised flat back cut and fill stopes, long hole stopes and ore drive developments.

Total jumbo advance for the quarter was a record 1873 metres, which continued the trend of productivity improvements established since the September 2006 quarter.

A total of 257 metres of ore development was completed. A further 385 metres of operational waste development was completed, contributing significantly to the increase in cash costs for the quarter.

Capital development of the North Miitel decline and North Miitel vent decline continued with a total of 242 metres achieved. The South Miitel capital development continued according to plan with 480 metres of development achieved in the South Main decline and South Vent decline.

Raise bore extensions for the North Miitel vent return and escapeways were completed during the quarter.

Exploration drilling to the north of the North Miitel N26 ore surface continued to return encouraging results. Exploration drilling at South Miitel continued above the N18 ore surface and down-plunge of the N13 ore surface, with encouraging results.

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

Strong production was again achieved from the Otter Juan and Coronet operations.

Higher than expected grades were achieved in most mining areas at Otter Juan with particularly good grades from development of the 45 F Surface ore drives and the 40 U Surface stoping.

Development of the 45 F/3 and 45 F/2 ore drives was completed and development of the 45 F/1 ore drive was continuing at the end of the quarter. Development for the quarter contributed 9,070 tonnes. Airleg stoping at Otter Juan and Coronet contributed 24,661 tonnes.

Capital development was 162 metres and at the end of the quarter the main decline was 35 metres from the 46 ventilation access and the 46 level access had 60 metres to go to the ore position.

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

Production for the quarter was lower than the previous quarter due largely to lower manning levels over the Christmas period.

Airleg stoping from blocks situated between the 8 level and 17 level accounted for 17,000 tonnes of ore; long hole and half upper stoping contributed 7,200 tonnes, with the remainder from ore development and stockpiled ore.

Rehabilitation and redevelopment to access the old workings continued during the quarter with a view to starting remnant mining in those areas. 72 metres of capital development to access the remnant N10 ore on the 4 level was achieved.

During the quarter increasing ground stresses continued to develop along the stoping front, in line with expectations. The stoping sequence and methodology has been modified, with an increase in the proportion of long hole stoping.

Exploration drilling below Redross continued with significant intercepts returned down plunge of the existing workings in the N02 (previously N10) ore surface. Evaluation of the viability of mining this block has commenced.

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

Production from Mariners was broadly in line with the previous quarter. Production was centered on the N08 ore body.

A significant milestone was reached late in the quarter when first production (including production parcels running over 7% nickel) was achieved from the new N09 ore body. The N09 ore body was discovered through near-mine exploration drilling by Mincor during late 2006 and early 2007.

Operations in the N08 ore body consisted of level development on the 1764, 1560, and 1625 levels, mechanised flat back stoping on the 1770, 1725, 1625 and 1764 levels and long hole Avoca stoping in 1625 and 1675 levels.

The ongoing focus on controlling mining widths and ground conditions saw the improvement in head grade experienced in the previous quarter continue.

Capital development focused on the main decline, which is being developed to access the N09 ore surface. 362 metres of capital development was achieved for the quarter.

Underground exploration drilling continued to test the southern end of the new N09 ore body, with significant success.

### **Wannaway Mine – Mining Progress**

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

Capital development of the ore block between 392 and 494 levels progressed with ore being reached on the 440 level. A total of 290 metres of capital development was achieved for the quarter.

Exploration drilling below the N01 and N02 ore bodies recommenced with encouraging results.

Dewatering of the lower levels of Wannaway commenced in order to facilitate further exploration drilling.

### **North Dordie Open Pit – Mining Progress**

Mining of the North Dordie open pit was completed early in October. Approximately 14,000 tonnes of ore was delivered to the Kambalda concentrator. At the end of the quarter all of the North Dordie ore had been delivered, the waste dump partially rehabilitated and the pit placed on care and maintenance.

## **HEALTH, SAFETY AND THE ENVIRONMENT**

There was one Lost Time Injury reported for the December quarter. An Airleg Miner at Otter Juan was struck on the right hand by a rock while scaling resulting in a fracture and laceration to his middle finger.

The 12 month moving average Lost Time Injury Frequency Rate for all Mincor Operations is 2.8. This is well below the Rate of 10.2 for Underground Nickel Mining in Western Australia.

Mincor continues to develop and implement proactive safety initiatives to achieve its safety objectives, including:

- Completing a SAFEmap Safety Culture Surveys across all sites and support departments.
- Presentations of the Supervisor Training and Enhancement Program for all Mincor and Mining Contractor supervisory positions.
- Ongoing training of employees in First Aid, Fire Extinguishers and Emergency Procedures.

- DOCEP Audit completed on Ground Control Management by an external consultant in preparation for a review of the Ground Control Management Plan.
- Development of Mincor Emergency Response Training Modules commenced. These modules will be submitted for National accreditation when completed.

## **DEVELOPMENT PROJECTS – KAMBALDA**

### **Carnilya Hill Project (Mincor 70%, acquiring 100%)**

A total of 595 metres of development was completed during the quarter. Development of the decline continued to the top of the A01C ore surface and by quarter end 348 metres had been achieved. The decline position is now at the 11 level access.

Other capital development included the 9 level vent drive to access the surface raise bore pilot hole and development for a permanent explosives magazine underground and the 10 level access development. A refuge caddy was mined below the 10 level to allow development of the decline while bogging operations continued in the 10 level.

Access development in the 10A and 10B commenced. By the end of the quarter the 10B was 8 metres from the expected ore contact, and by 20 January first ore had been delivered to surface.

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

Mincor approved the \$23 million development of the McMahon Nickel Project during the quarter. The project is expected to add between 2,500 and 3,000 tonnes of nickel-in-concentrate per annum to Mincor's production profile once full production is achieved.

McMahon will be established as an owner mining operation and managed by Mincor's North Kambalda Operations management team. The mine will benefit from substantial existing surface and underground infrastructure.

Work to re-establish escapeway access, ventilation and mine services was well advanced by quarter end. Initial mining equipment was sourced and recruitment of the mine supervision and development teams has progressed.

Development of the decline is expected to commence in mid January 2008, with first production slated for the new financial year.

## **FEASIBILITY STUDY PROJECTS – KAMBALDA**

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

Both resource confirmation and resource extension drilling continued at the Durkin Deeps Project throughout the quarter. Seven diamond holes and one wedge were completed for 4,146 metres.



## Overview of Drilling Progress at Durkin Deeps

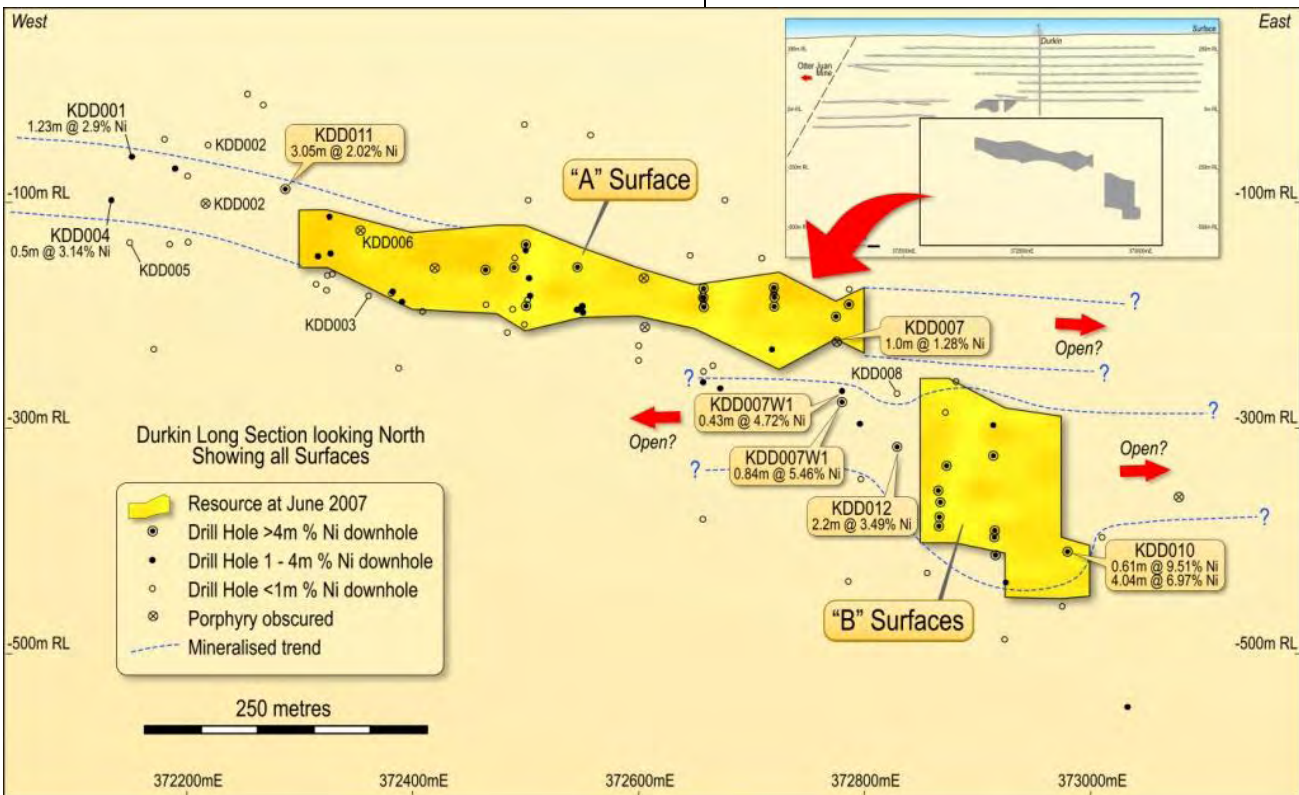
Drilling into and around the A surface (see Figure 1) has generally confirmed the results of historic drilling and, subject to new resource estimation work, is expected to broadly confirm the previously estimated mineral resource.

Drilling to the west of this ore body encountered extremely complex geology, with no significant extensions to the mineralisation at this stage. However it is felt that further extensions to the west are likely and further drilling is planned.

Although drilling in the “gap” area between the A and B Surfaces returned some encouraging intersections, these two surfaces are now considered to be separate. However the mineralisation remains open and resource extensions into the gap area are considered likely.

Drilling into and around the B surface has generated strong results, with high grade nickel intersections and repeatable cross sectional interpretations. An upgrade to the current B Surface mineral resource is considered likely, and the surface remains open to the east and west. Drilling continues.

**Figure 1: Long Section – Durkin Deeps**



### Durkin Deeps – A Surface

One infill hole was drilled into the A surface. KDD006 was drilled 45 metres up-dip of KDD003. The hole intersected a porphyry dyke that stopped out the basal contact. A number of strong down-hole electromagnetic anomalies were identified at the basal contact. Geophysical interpretation indicates that the porphyry is localised. Follow up drilling is planned.

Two drill holes (KDD005 and KDD011) were aimed at extending the western limits of the A Surface. The results

show that the basal contact morphology becomes progressively more structurally deformed, with the intersection of multiple footwall contact surfaces.

KDD011 is located 30 metres up-plunge and west of the A Surface and intersected 3.05 metres @ 2.02% nickel from 389.11 metres within stringer and semi-massive sulphides. The hole intersected multiple contacts and the mineralisation remains open.

KDD005 was a step-out hole 165 metres west of the A Surface. The hole intersected a barren contact and further drilling is required to close out the section.

The potential to extend the A Surface to the west is still considered high and follow up drilling is planned.

### Durkin Deeps – Gap between the A and B Surfaces

The gap between the A and B surfaces was tested during the quarter with 3 holes and 1 wedge.

KDD007 was drilled 23 metres down-dip of historic hole KD7575 (1.6 metre @ 3.62% nickel).

The hole intersected disseminated mineralisation and returned 1 metre @ 1.28% nickel from 546.09 metres but was terminated by a 2.6 metre thick porphyry that stopped out the basal contact.

KDD007W1 was drilled 50 metres down-dip of the parent hole KDD007. The hole intersected two zones of nickel sulphide mineralisation: 0.43 metres @ 4.72% nickel from 588.81 metres and a lower intersection of 0.84 metres @ 5.46% nickel from 594.44 metres. The upper intersection has been interpreted to be flanking mineralisation on an open contact, with the lower mineralisation being remobilised

Basalt-Basalt mineralisation. A down-hole electromagnetic survey (DHTEM) identified a number of anomalies that require follow up.

KDD008 was drilled 30 metres east of the A Surface and intersected a barren basal contact. This result suggests that the A and B Surfaces are not linked, but are separate ore bodies. DHTEM identified a significant lower conductor that appears to be related the mineralisation identified in holes KD7710 (5.76 metres @ 3.75% nickel) and KD7710W1 (1.72 metres @ 5.29% nickel) which form part of the B Surface.

KDD012 was drilled 55 metres below the barren KDD008 and 45 metres up-plunge and west of historic hole KD7710. The hole intersected a barren flanking position at 625.74 metres down-hole followed by 8.5 metres of footwall basalt before intersecting mineralisation in a pinch-out position at 634.25 metres down-hole. The intersection is 2.2 metres @ 3.49% nickel from 634.25 metres. Follow up drilling is planned.

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

Hole ID	From (m)	To (m)	Interval (m)	True Thickness (m)	Grade % Ni
KDD007	546.09	547.09	1	0.7	1.28
KDD007W1	588.81	589.24	0.43	0.22	4.72
KDD007W1	594.44	595.28	0.84	0.43	5.46
KDD008	-	-	-	-	No significant Intercept
KDD012	634.25	636.45	2.2	1.41	3.49
KDD010	761.37	761.98	0.61	0.21	9.51
KDD010	771.62	755.66	4.04	2.02	6.97

### Durkin Deeps – B Surface

In early January 2008 step-out hole KDD010, targeted to the east of the B Surface, was completed.

Two nickel intersections were achieved. At the open contact the hole intersected 0.61 metres of massive sulphides grading 9.51% nickel (true width 0.21 metres, from 761.37 metres).

A second strong intersection of 4.04 metres @ 6.97% nickel was achieved from a down-hole depth of 771.62 metres (true width 2.02 metres) directly beneath a basalt leading edge, and consisting of both massive and semi-massive sulphides.

The geology in this hole is as predicted by the model, and the intersection opens opportunities for the B Surface to develop both up-dip and to the east. There is strong DHTEM support in both directions.

The results of a wedge hole drilled directly beneath KDD012, with a separation of 64 metres, to the west of the B Surface are awaited, though visual estimates indicate that strong mineralisation is present. This intersection is expected to extend the B Surface to the west, and further confirms Mincor's understanding of the B Surface and the consistency of the mineralisation.

## KAMBALDA NICKEL EXPLORATION

### Bluebush Line Tenements (Mincor Acquiring 100%)

An agreement for the acquisition of the Bluebush Line Tenements from BHP Billiton was concluded during the quarter (see under Corporate Matters below).

The Bluebush Line is believed to be the only remaining surface exposure of the basal contact in the Kambalda Nickel District not yet controlled by long-term holders. The basal contact is the stratigraphic position that hosts all known Kambalda nickel deposits.

The Bluebush Line contains numerous known nickel occurrences, including those at **Cameron, Lawry, Grimsby** and **Stockwell**. WMC Resources Ltd completed 34,000 metres of drilling at Stockwell/Grimsby in the late 1990's, outlining a substantial zone of nickel sulphide mineralisation.

A selection of better drill intersections from these occurrences include:

Prospect	Depth to Top of Intersection (m)	Width of Intersection (m)	Nickel Grade
Stockwell	62.3	7.15	6.14%
Stockwell	86.7	5.10	6.76%
Grimsby	133	4.85	4.89%
Lawry	80.0	2.48	4.26%
Cameron	260.5	3.84	3.44%
Riddler	48.0	1.00	1.89%
Douglas	72.0	2.00	1.18%

(All reported as down-hole widths in vertical holes, in which the dip of the basal contact varies from 60 to 80 degrees.)

No exploration has been conducted anywhere on the Bluebush Line since 2001, leaving the area open to the recent advances in geological thinking, geophysical techniques and deep drilling capabilities that have proved so successful for Mincor.

Mincor has obtained all the historical exploration data for the tenement package and has commenced detailed verification and compilation work. The Company has also commenced the lengthy permitting process with a view to starting a major drilling program as soon as permitting is complete.

The Company is also currently evaluating the extensive drilling data from the Stockwell/Grimsby Project, and is expected to be able to announce a preliminary Mineral Resource for this project within the next few weeks.

### Redross Nickel Mine (Mincor 100%)

A diamond drill hole and a wedge (RRD134 and RRD134W1) targeted a potential strengthening of the NO2 Surface with the parent hole drilled 220 metres down-plunge of RRD120 (1.83 metres @ 4.96% nickel). Both holes intersected a weakly mineralised basal contact with no significant nickel results. However, follow-up drilling is required, and further drilling from underground positions is currently underway.



**Dordie Far West (Mincor 100%)**

Three holes (157-158 and 160) for a total of 378 metres were completed in the quarter testing a coincident geochemical and magnetic target.

Results were generally disappointing, with nickel mineralisation evidently the result of laterisation. Full interpretation of all the multi-element data is underway.

**TABLE 3: Dordie Far West – Drilling Results**

Hole ID	From (m)	To (m)	Interval (m)	Grade % Ni
MRC157	26	28	2	1.895
MRC157	46	50	4	1.21
MRC158	22	24	2	1.14
MRC160	28	30	2	1.42
MRC160	36	40	4	1.41

**Railway (Mincor 100%)**

A total of 5 Reverse Circulation holes (RWC002-RWC005, RWC007) for 905 metres were completed in the quarter. No significant nickel sulphides were encountered. A full geological and litho-geochemical compilation will be undertaken next quarter.

**North Mariners (Mincor 100%)**

Four diamond holes (MDD148, MDD149, MDD151 and MDD152) were completed targeting extensions to a high-grade intersection in historical drill hole DRD621 (9 metres @ 5.44% nickel). Results were generally negative, downgrading the potential of this target.

**Wedding Guest Island (Mincor 100%)**

MDD155 was drilled into a discrete magnetic anomaly over the inner ultramafic contact just south of the Mariners Mine. The hole pierced the footwall contact with disseminated sulphides at the base. Follow up drilling may be required.

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

A Versatile Time Domain Electromagnetic Survey (VTEM), totaling 1,266 line kilometers, was completed over a number of the joint venture tenements late in the quarter. Numerous anomalies were identified. Importantly some of these VTEM anomalies coincide with significant aeromagnetic anomalies. Field verification is required but has been delayed due to bushfires in the area.

**REGIONAL BASE METAL EXPLORATION**

**Tottenham Copper Project (Mincor 100%)**

Resource estimation work commenced during the Quarter, based on the drilling completed by Mincor during 2007, the assay results of which were released in the preceding quarter. These initial resource estimates are expected to be completed and released to the market in February 2008.

Planning for a second round of drilling, and for a major airborne VTEM survey continued. The airborne survey is expected to be flown during January 2008.

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

Mincor has re-commenced drilling at Tipperary, with drill hole FM-3552-1 currently underway. This is the first of a series of planned holes that will test the highly prospective Walsortian limestone unit in the area.

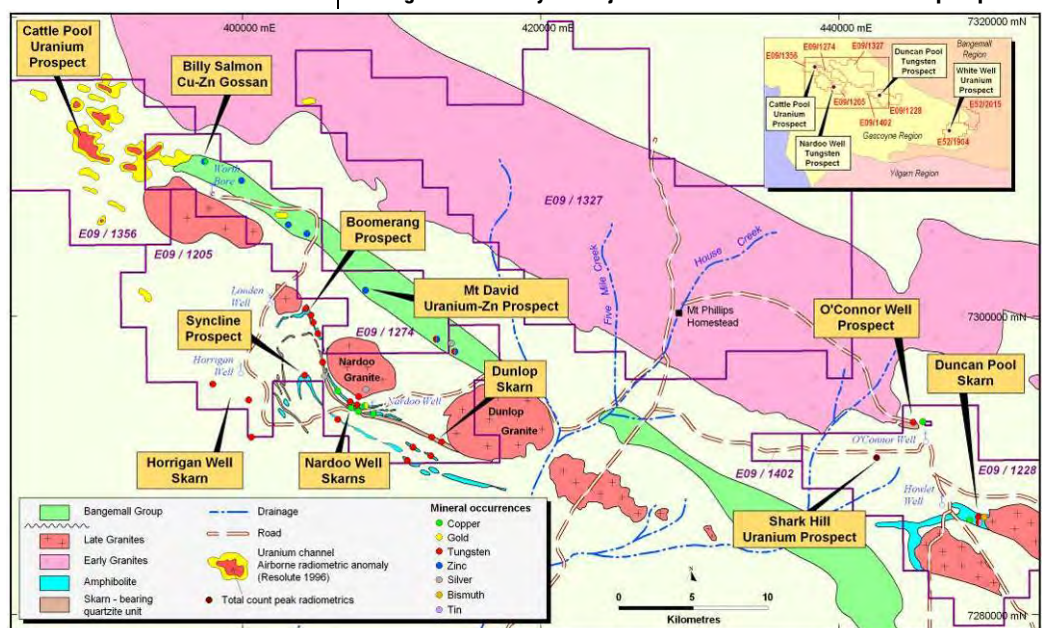
Mincor’s Tipperary Joint Venture now covers a substantial package of contiguous licence areas along approximately 30 kilometres of the strike of the Rathdowney Trend – a major structural lineament thought to control the location of the Walsortian-hosted zinc-lead mines of Lisheen and Galmoy some 40 kilometres to the northeast.

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

During the September and December quarters of 2007, Mincor commenced a program of desk and field studies to test the uranium prospectivity of its large Gascoyne Project Area.

This work demonstrated that the area is highly prospective for deposits of surficial uranium, and a number of high quality uranium prospects were identified.

**Figure 2: Gascoyne Project – tenement locations/uranium prospects**



At **Cattle Pool** (E09/1356) surface grab and channel sampling returned anomalous uranium assays within a saprolitic soil profile over an area of at least 2.5 square

kilometres. Visible secondary uranium mineralisation was noted at three localities, with a maximum assay at the Junction Prospect of **3,446 ppm U<sub>3</sub>O<sub>8</sub>**. Grab and channel sample assays results from each location are listed below and prospect locations are shown in Figures 2 and 3.

#### Junction

- 0.2 metres @ 1,888 ppm U<sub>3</sub>O<sub>8</sub> (Junction)
- 0.4 metres @ 1,440 ppm U<sub>3</sub>O<sub>8</sub> (Junction)
- 0.2 metres @ 3,446 ppm U<sub>3</sub>O<sub>8</sub> (Junction)
- 0.2 metres @ 1,097 ppm U<sub>3</sub>O<sub>8</sub> (Junction)
- 0.65 metres @ 652 ppm U<sub>3</sub>O<sub>8</sub> (Junction South)
- 0.7 metres @ 189 ppm U<sub>3</sub>O<sub>8</sub> (Junction West)

#### Maslin

- Grab sample 1,109 ppm U<sub>3</sub>O<sub>8</sub>
- 0.5 metres @ 684 ppm U<sub>3</sub>O<sub>8</sub>
- 0.5 metres @ 689 ppm U<sub>3</sub>O<sub>8</sub> (Maslin East)

#### Zinger

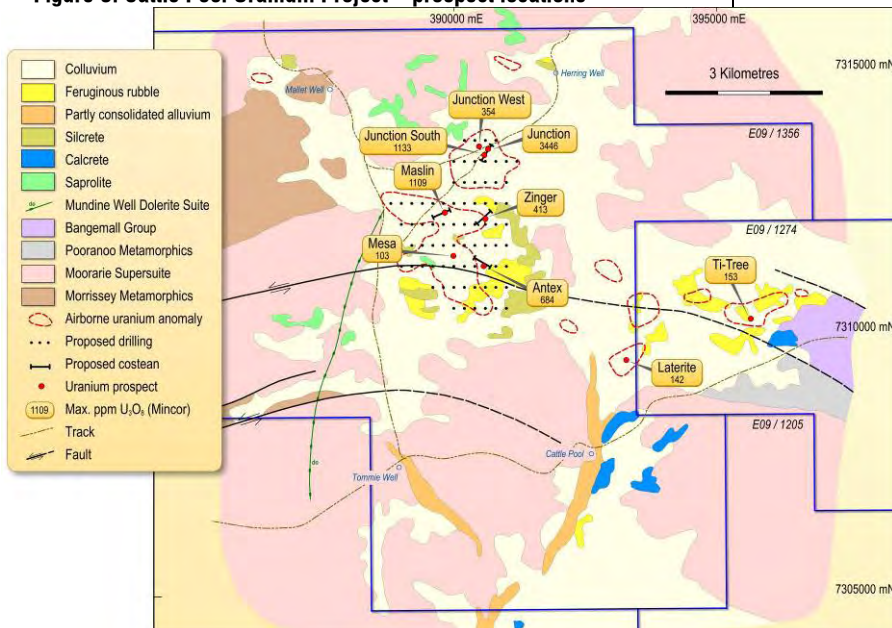
- 0.35 metres @ 413 ppm U<sub>3</sub>O<sub>8</sub>
- 0.35 metres @ 389 ppm U<sub>3</sub>O<sub>8</sub>

#### Antex

- 0.5 metres @ 684 ppm U<sub>3</sub>O<sub>8</sub>
- 0.3 metres @ 297 ppm U<sub>3</sub>O<sub>8</sub>

A Program of Works and Radiation Management Plan has been approved by the regulatory authorities for costeaning of the four main anomalies and a follow up 100 hole RAB-Auger drilling program. An Aboriginal Heritage Survey is currently being negotiated with the Gnulli Aboriginal Claimant Group.

**Figure 3: Cattle Pool Uranium Project – prospect locations**



At **Flint Hill** (E52/1904), a number of surficial uranium occurrences are known from 1979-81 exploration (Urangesellschaft). Re-sampling of costeans at the White Well Prospect has confirmed mineralisation with assay values up to **283 ppm U<sub>3</sub>O<sub>8</sub>**. This occurrence has no surface radiometric expression. However the linear trace of the soil

radon anomaly located by Urangesellschaft may represent a buried palaeochannel.

A Program of Works and Radiation Management Plan has been approved by regulatory authorities for two costeans to further test the radon anomaly. An Aboriginal Heritage Survey is currently being negotiated with the Wajarri Aboriginal Claimant Group.

At **Worth Bore** (E09/1274) sampling of radiometric anomalies in the Mt David area within chemical sediments of the Bangemall Group returned assays of up to **389 ppm U<sub>3</sub>O<sub>8</sub>**. The anomalous zone extends for at least 500 metres and includes anomalous base metal values up to 1,590 ppm copper and 1,660 ppm zinc.

At **Nardoo Well** (E09/1205) surficial uranium mineralisation was identified within saprolitic metapelitic schist and returned assays up to **413 ppm U<sub>3</sub>O<sub>8</sub>** at a location 500 metres along strike to the east of the Nardoo Tungsten Project.

At **Duncan Pool** (E09/1228) maximum assays from sampling of a saprolitic zone over felsic gneiss at the Shark Hill Prospect returned assays values up to **791 ppm U<sub>3</sub>O<sub>8</sub>**.

#### A note on analytical methods used for uranium assays

*New uranium assay results reported above were obtained using the ICP-AES (4 acid digest) method, which is considered adequate for this early stage of project assessment. Detailed follow up sampling will utilise the more accurate XRF method.*

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

Mincor has, through the Northern Territory Central Land Council (CLC), recently 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 are at an advanced stage. Heritage surveys are being planned for both areas, ahead of fieldwork scheduled to commence during April 2008.

The Bonaparte project contains a number of known drill targets whilst the 9,000 square kilometre Georgina area is, based on new studies by the Northern Territory Geological Survey, highly prospective for zinc and lead mineralisation. Conceptual fluid flow studies are planned for the current quarter to further refine drill targets ahead of the coming field season.

#### CORPORATE MATTERS

##### Bluebush Line Acquisition

During the quarter Mincor finalised an agreement to acquire the Bluebush Line tenement package from BHP Billiton. The tenements cover up to 40 kilometres of the strike of the basal contact – the stratigraphic position that hosts all known Kambalda nickel deposits (see above).



Under the agreement with BHP Billiton, Mincor will sub-lease the Bluebush tenements (with rights to explore for and mine nickel) until the formal termination of the Nickel Refinery Act, after which it will acquire the tenements outright.

The sub-lease and acquisition terms are confidential but are not considered material to Mincor. The deal includes an off-take agreement for the nickel produced from the tenements. The gold rights to the tenements are held by Gold Fields Limited.

The sub-lease is subject to Ministerial approval and the normal administrative procedures of the relevant Acts. The sale agreement is subject to the termination of the Nickel Refinery (Western Mining Corporation Limited) Agreement Act 1968, Ministerial approval, and normal third party consents under a variety of subsidiary agreements.

### 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 does not already own.

The deal remains subject to a number of conditions, and provides for a cash consideration of \$22.5 million to View Resources plus a conditional future royalty capped at \$2.5 million.

The deal is expected to provide Mincor with a strong financial return on the initial cash outlay as well as 100% of the future exploration upside.

### Bronzewing Nickel Rights Acquisition

In a related transaction with View Resources Ltd, Mincor has secured a conditional agreement to acquire a 70% fully vested interest in the nickel rights over all of View's Bronzewing tenements. The tenements contain substantial exposures of prospective ultramafic rock, and Mincor believes that they have never been systematically explored for nickel. Mincor has agreed to sole fund the first \$1 million of exploration expenditure on the tenements.

### 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 3,597 tonnes of payable nickel metal to March 2010, at an average price of A\$34,420 per tonne.

This represents less than 15% of Mincor's expected production over that period.

This hedging is distributed as follows:

<b>Jan 2008 to Jun 2008</b>	262 tonnes of payable nickel per month at a price of \$32,341/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>	90 tonnes of payable nickel per month at a price of \$39,269/tonne
<b>Jul 2009 to Dec 2009</b>	90 tonnes of nickel per month at a price of A\$37,532/tonne
<b>Jan 2010 to Mar 2010</b>	65 tonnes of nickel per month at a price of \$35,836/tonne

### Cash and Debt

As at 31 December 2007, Mincor had cash and receivables of \$150.46 million and creditors and accruals of \$64.27 million, giving a net working capital position of **\$86.19 million**.

During the quarter the Company paid income tax of \$28.94 million related to the year ended 30 June 2007.

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. Messrs Muccilli and Hatfield are full-time employees of Mincor Resources NL. Messrs Muccilli and Hatfield have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Muccilli and Hatfield 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	Drill Type	Grid	Collar KNO Northing	Collar KNO Easting	RL	Dip	Azimuth
KDD005	Durkin	Loc48 lot12	Diamond	KNO	551719.47	372149.57	310.8	-75	180
KDD006	Durkin	Loc48 lot12	Diamond	KNO	551607	372362.9	311	-75	180
KDD007	Durkin	Loc48 lot12	Diamond	KNO	551679.9	372773.6	303	-75	180
KDD007W1	Durkin	Loc48 lot12	Diamond	KNO	551679.9	372773.6	303	-75	180
KDD008	Durkin	Loc48 lot12	Diamond	KNO	551683.9	372814.7	304	-76	180
KDD010	Durkin	Loc48 lot12	Diamond	KNO	551258	372969	306.5	-77	360
KDD011	Durkin	Loc48 lot12	Diamond	KNO	551546.4	372284.7	311	-85	180
KDD012	Durkin	Loc48 lot12	Diamond	KNO	551685.9	372813.6	304.1	-79	175
KMD010W2	McMahon	Loc48 Lot11	Diamond	KNO	550986.5	369709.8	339	-80	60
KMD011W1	McMahon	Loc48 Lot11	Diamond	KNO	551222.76	369480.14	334	-78	80
KMD011W2	McMahon	Loc48 Lot11	Diamond	KNO	551222.76	369480.14	334	-83	80
MDD148	Nth Mariners	M15/92	Diamond	MGA	6500850	372750	300	-60	270
MDD149	Nth Mariners	M15/92	Diamond	MGA	6500400	372840	300	-60	270
MDD151	Nth Mariners	M15/92	Diamond	MGA	6500850	372850	300	-60	270
MDD152	Nth Mariners	M15/92	Diamond	MGA	6500000	373080	300	-62	270
MDD155	Nth Mariners	M15/92	Diamond	MGA	6499030	372950	300	-60	270
MRC157	Dordie Far West	E15/812	RC	MGA	6505060	367340	320	-60	45
MRC158	Dordie Far West	E15/812	RC	MGA	6505320	367210	320	-60	45
MRC160	Dordie Far West	E15/812	RC	MGA	6505300	367170	320	-60	45
RRD134	Redross	M15/90	Diamond	MGA	6492360	372370	315	-70	270
RRD134W1	Redross	M15/90	Diamond	MGA	6492360	372370	315	-70	270
RWC002	Railways	E15/809	RC	MGA	6501073	369615	330	-60	240
RWC003	Railways	E15/809	RC	MGA	6500955	369655	330	-60	240
RWC004	Railways	E15/809	RC	MGA	6500885	369690	330	-60	240
RWC005	Railways	E15/809	RC	MGA	6500777	369688	330	-60	240
RWC007	Railways	M15/635	RC	MGA	6500695	369750	330	-60	240