

More growth good for Moore

By Mark Fraser

DURING ITS REIGN as Kambalda's second generation nickel king, Mincor Resources NL has never once looked in danger of being dethroned from the position it inherited from the now gone WMC.

Since starting operations at its Miitel mine in 2001, Mincor has dug its way through some 2.4 million tonnes of ore to produce 78,000t of metal.

In that time, it has opened three more mines (Mariners, Wannaway and Redross), accumulated some \$87 million in the bank, recorded a total profit of \$118.4 million and rewarded investors by paying out \$32-33 million in dividends.

Profit jump

According to its latest financial results released during February, Mincor made a \$37 million profit for the half year – a figure that easily eclipsed the \$29.3 million the company recorded for all of 2005/06 and represented a massive 271% jump over the previous corresponding period.

Total earnings over the past six months were \$147 million, with earnings/share increasing to 19 cents. Furthermore, dividends rose by 6 cents/share.

In terms of the operations, Mincor also had a good half year, with the four mines producing 6,888t of nickel in concentrate as well as 8,000t of the base metal in ore.

During the recent RIU Explorers Conference in the Mincor's home state of Western Australia, Mincor's managing director David Moore said another important development during the past 12 months was the start of construction at the South Miitel ore body, which he described as a "major expansion" to its existing Miitel operation.

Discovered in 2005/06 by its exploration team, the decision to go ahead with the new project was made in around July/August last year.

Mincor's other recent exploits include making a discovery at Carnilya Hill in a joint venture with View Resources.

exploration licences covering around one third of the entire Kambalda Dome as well as striking a deal with WA-based junior minerals house Tectonic Resources NL regarding the Rav 8 brownfields nickel project near Ravensthorpe in the state's south.

Moore said about 80% of the miner's growth effort was based on growing its Kambalda business, with the other 20% being spent on "expanding our interests in the wider minerals industry".

As it stands, Mincor has about 45,000t of nickel reserves and 76,000t of resources. The company enjoys a conversion rate of nearly 100%.

"You can see that we have consistently managed to maintain or increase our production year upon year, we've managed to bring in new mines when old mines start to wane away and we've brought in new resources."

Track record

"On top of that, and in tandem with that, we have increased our reserve base and that's obviously a fairly critical thing for a mining company, (and it's) an important thing for an investor in a mining company to understand that this company is continually adding to

its resources and its reserves, and we have an outstanding track record of doing that year upon year upon year.

"Between what we mine and what we have in the ground, in terms of reserves, we've got three times what we had when we started mining.

"And when we bring out an update on our resources and reserves at the end of this financial year, I think we will see another significant jump – both in our reserves and our resources – and it's a track record to be proud of."

Moore said Mincor was spending around \$12 million a year on nickel exploration.

He praised his company's geological team, calling it "outstanding".

"It really is hard to describe how good this team is because it's driven by passion, by lots of experience and by a very strong commitment to understanding geology, the love of geology and a love for discovering these ore bodies," Moore added.



▲ David Moore

