

Curious Safari treads the track once more



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Nickel production details



Mincor Resources (MCR) \$3.27 Target 3.97 Buy

MINCOR has interests in nickel production and precious and base metals exploration. MCR is focused in the Kambalda nickel district of WA. Nickel metal contained in MCR reserves at the end of June 2007 stood at 146,300t up from 75,800t the previous year, an increase of 93 per cent. In November 2007 MCR acquired a major Kambalda land package, Bluebush Line, from BHP which is being explored for new reserves. Bluebush has proven reserves of 20,800t and the prospects for another mine on the tenements look positive.

Mines:

MCR has seven existing mines in the Kambalda area. FY09 will see additional ore from its eighth mine (the recently approved McMahon project), and an additional mine to

commence production later in the year.

The Miitel mine is located south of Kambalda in WA. Annual production is running at around 3,970tpa of nickel in concentrate with reserves estimated at 970,000t at 2.6 per cent Ni.

The Redross mine has production running at around 3,317tpa of nickel in concentrate. Reserves are estimated to be 180,000t at three per cent Ni.

The Mariners nickel mine is located in close proximity to MCR's Miitel mine. Reserves are estimated at 390,000t at 2.7 per cent Ni.

The Wannaway nickel mine is located south of Kambalda in WA. The mine has entered a remnant mining phase with reserves estimated to be 30,000t at 2.3 per cent.

MCR has active exploration projects near existing mines and greenfields exploration projects in the Kambalda region. MCR also has exploration JV's in all Australian states covering all base and precious metals.

Patersons research comments:

MCR is debt free, cashed up and is the

cheapest ASX listed nickel sulphide miner. MCR is on track to produce 16,680t of nickel in concentrate in FY08 and over 20,000t in FY09. MCR is cheap on current earnings with a PE of 6.75 and a current yield of 3.65 per cent. Our long-term assumptions are based on a nickel price of US\$6 per lb while the current spot price is \$14 per lb. MCR has cash costs of US\$5 per lb giving it considerable leverage to higher nickel prices over the next few years. A 10 per cent rise in the nickel price produces a 15 per cent rise in MCR profitability. Our 12 month price target for MCR is \$3.97 per share. For further details on MCR contact stulloh@psl.com.au.

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