

The arrival of the Otter Juan and Carnilya Hill operations into its portfolio will push Mincor Resources NL closer to its long-held 20,000 tpa production target, with the company forecasting production of 16-17,000 tpa nickel in concentrate for the 2007/08 financial year.

Achieving this target would result in a 28% increase in production for Mincor, which confirmed its 2006/07 production had reached 12,911t of nickel in concentrate.

The targeted production range for 2007/08 equates to nearly 19,000t of contained nickel metal – just marginally below Mincor’s goal of 20,000 tpa of nickel metal production.

“We are very pleased with our production performance for the financial year just ended,” Mincor managing director David Moore said. “Despite a marginal reduction in contained nickel metal, we have now increased ore production every year for four years in a row, and we are again targeting record production for the 2007/08 financial year.”

The upbeat forecast came at the end of a momentous six week period for Mincor, as it formally approved development of the Carnilya Hill project and took control of Otter Juan after it completed the acquisition of Gold Mines Management Ltd (GMM).

Development of the \$28 million Carnilya Hill project – held in a 70/30 JV with View Resources Ltd – was approved in early June, just a year after the discovery hole was drilled, and will be the company’s fifth operating mine in and around the Kambalda and Widgiemooltha Domes.

Initial ore reserves at Carnilya Hill are

483,500t @ 2.9% nickel and the project is forecast to produce 5,000 tpa over an initial three-year mine life via “short long-hole” stoping. First production is scheduled for January 2008.

Moore said the company was delighted with the outcome.

“This has been a remarkably successful enterprise to date and we are looking forward to the development of what we believe will be a robust and profitable mining operation.

“We are also very happy with the support we have received from our JV partner, View Resource, and we look forward to continuing our strong relationship with them as we move the project into production.”

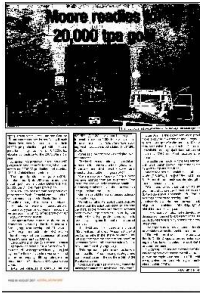
Moore also said there was considerable upside to the project.

“As with our other Kambalda operations, we believe that the initial ore reserves are only the start, as the mineralised channel remains open down-plunge and our recent drilling has confirmed that high-grade mineralisation is present well beyond the end of the current reserves.”

The GMM acquisition came at a price of \$68.5 million, but gives Mincor not only a producing mine in the shape of Otter Juan, but also control of the northern portion of the Kambalda Dome – still host to a suite of exploration and feasibility stage projects.

“This important acquisition secures for Mincor a position of outstanding strategic and commercial value in the northern part of the Kambalda Dome.

“We have ambitious plans to fully realise the nickel potential of the newly acquired areas.”



Paydirt August, 2007

Page: 66

General News

Region: National Circulation: 3152

Type: Magazines Trade

Size: 491.97 sq.cms

Monthly

Otter Juan is the oldest and most prolific nickel producer in Kambalda and is expected to add 3,600 tpa of nickel metal to Mincor's total production, however actual figures are unavailable as the project does not currently have any JORC-compliant reserves or resources.

To tackle this issue, Mincor has started a drilling campaign down-plunge of the existing mine workings at Otter Juan.

Moore said results – which included hits of 4.65m @ 6.46%, 4.4m @ 6.06% and 3.9m @ 5.14% nickel – demonstrated the strength of the mineralised system.

“We intend to continue this drilling programme and pursue the mineralisation as far down-plunge as it is possible to drill from the existing underground development.”

Mincor believed the operation was capable

of generating a minimum 100,000 tpa @ 3.6% nickel for the next 3-4 years.

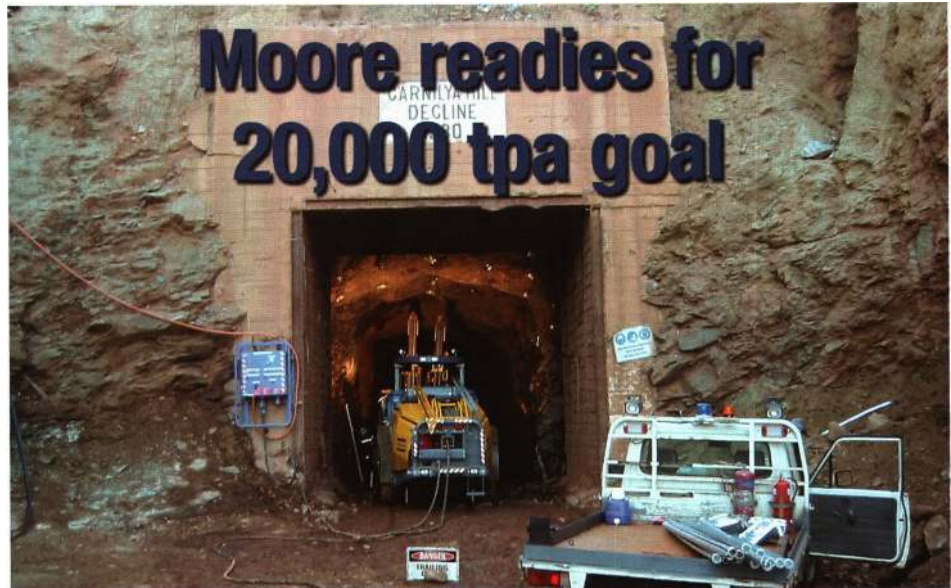
The company will also make development decisions on the nearby McMahon and Durkin projects, where feasibility studies are already under way.

“We hope to make a development decision at McMahon within the next four months.

“That will then allow us to turn our attention to Durkin Deeps, where our initial scoping studies have indicated the potential for another new mine.

“In parallel with the advancement of these key near-production assets, we will vigorously pursue the exploration potential of the wider area, which has been virtually untouched since the late 1990's.”

– Dominic Piper



The newly opened portal at Mincor's Carnitya Hill nickel project