



Mincor keeps growing

KAMBALDA focused nickel miner Mincor Resources has recorded another year of growth, reporting a 30 per cent increase in resources and reserves, before taking into consideration record production for the year of 19,000 tonnes of nickel metal in ore.

Mincor managing director David Moore said this week the company's year-end mineral resources increased 14 per cent to 167,300 tonnes of nickel as at June 30, compared to 146,300 tonnes in 2007.

Ore reserves mined during the year were all but replaced, at 57,000 tonnes of nickel at year-end, compared to 62,700 tonnes in 2007.

"These figures are a powerful validation of our fundamental business model in Kambalda," Mr Moore said.

The updated 30 June 2008 mineral resource of 167,300 tonnes represents an almost sixfold increase on the company's original Kambalda resource base, counting mined production of more than 91,500 tonnes of nickel.

Mincor started mining in Kambalda in 2001 with 45,550 tonnes of nickel in attributable mineral resources.

"Our goal is to expand our mineral resources every year while at the same time replacing ore reserves mined during the year," Mr Moore said.

"This reflects two important characteristics of the Kambalda Nickel District: "Firstly, it is well mineralised and therefore exploration expenditure will be rewarded, and secondly the disposition of the ore bodies makes them prohibitively expensive to drill to the level of ore reserves too far in advance of mining."

Mr Moore said they had achieved "substantial increases" in resources and/or reserves during the year at the Otter Juan, Mariners, McMahon, Durkin North, Stockwell and Wannaway operations.

At Carnilya Hill development and drilling of the narrow A01C ore surface produced generally poor reconciliations and as a result this surface was removed from the record.

With the focus at the project on mine development, no extensional exploration



David Moore

drilling was done and so no additions were made to the resource/reserve inventory.

Consequently resources and reserves retreated at Carnilya Hill but are expected to be fully replaced during the 2008-09 financial year.

Mr Moore said generally poor mining conditions and reconciliations at North Miitel led to a reduction in reserves in that area, while the lack of appropriately located mine openings delayed the drilling of the new Burnett Shoot, which resulted in an overall reduction in ore reserves at Miitel.

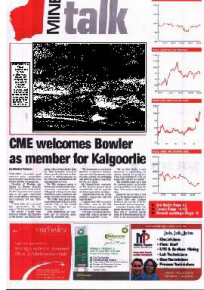
"This is expected to be rectified during the current financial year," he said.

Mincor is targeting production of between 19,500 and 20,500 tonnes of nickel metal in ore for the current financial year.

Mr Moore said in response to the lower nickel price, Mincor switched its production focus from volume to margin and is targeting a reduction in its cash costs.

At an average booked (provisional) nickel price of \$9.53 per ounce of nickel for July, Mincor generated an operating surplus of about \$8 million for the month. The current spot price for nickel is about \$10.25/lb.

At the end of July 2008 Mincor's hedge book had a mark to market value of \$33.8 million.



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Good production:
Mincor Resources has recorded another year of growth. The company has reported a 30 per cent increase in resources and reserves at its Kambalda nickel operations. See page 18 for the full story. Photo: FRANCES PRATT

