



Nickel miners dig deep for Kambalda dream

THE biggest nickel miner in the Kambalda region, Mincor Resources, has made a healthy living from four mines on the Widgeemooltha Dome purchased from WMC Resources.

It is now setting its sights on increasing its mining profile from mothballed and operating mines on the adjacent Kambalda Dome.

Mincor owns the Miitel, Mariners, Redross and Wanaway mines that deliver ore to the BHP Billiton-owned Kambalda concentrator that provide it with about 13,500 tonnes a year of contained nickel.

In the past year, Mincor has been a big acquirer, picking up other mines

in the Kambalda region. It has a joint venture at Carnilya Hill to the east with View Resources, which is occupied with re-opening the Bronzewing gold mine in the north-eastern Goldfields.

It was a wise move by View Resources as, by late May, aggressive exploration by Mincor had placed the joint venture in a positive mode to restart the mine, originally a joint venture between BHP Billiton and WMC Resources when WMC virtually owned the field.

The new Carnilya Hill results show the mineralised system extends down a further 280m on the discovery area, prompting Mincor managing director David Moore to say the company had

a full owner-mining study under way to compare with results of contract mining tenders already received.

A decision to mine could be made by early July for what is expected to be a "robust" operation.

To reflect that confidence level, the joint venture has agreed to placing orders for long lead-time items to fast-track the mine re-opening. Latest drill hits included 3.11m grading 3.66 per cent nickel, including 0.36m at 17.55 per cent, followed by 1.28m at 1.64 per cent.

In mid-March, Mincor bought Kambalda's old warhorse, the Otter-Juan nickel mine, from private operators Goldfields Mine

Management, from which it earlier purchased the McMahon and Durkin mines.

Mincor is paying \$68.5 million for the package plus a 3 per cent nickel royalty.

Mr Moore said Otter-Juan had been Kambalda's oldest surviving and largest single producer and from 1970 had produced 8.3 million tonnes of ore at 3.56 per cent for 297,000 tonnes of nickel metal.

He said there were no published JORC standard reserves for Otter-Juan as GMM, as a private operator, had no such need.

"However, Mincor believes, based upon its knowledge of the ore

environment, that mining at Otter-Juan is likely to continue at a rate of about 100,000 tonnes per annum of ore for possibly 3,600 tonnes per annum of contained nickel," Mr Moore said.

McMahon-Ken and Durkin still have total resources of 676,670 tonnes at 4.3 per cent nickel.

This includes the Durkin Deeps which

has 284,810 tonnes at 4.6 per cent nickel for which there is a blueprint to explore and develop by cutting a spur drive off the deep Otter mine – an access length of less than 1km.

Before the Otter acquisition Mincor hoped that, if all projects lived up to expectations, then total annual production of contained nickel

Billiton nickel concentrator in Kambalda – where all other ore is delivered.

The historic grade at Rav was 3.46 per cent nickel, so Mincor would be looking for discovering ore at about that grade. Mr Reeve said the company estimated it would cost about \$50 a tonne.

Mr Moore said Rav8 had a geological system that could generate a high-grade ore body "and it's the downplunge of that system that we're interested in".

He said the mine only went down to 300m, which is "pretty shallow by modern standards".

"We are targeting a million tonnes of new ore at 3.5 per cent nickel," he said.

– ROSS LOUTHEAN

...total annual production of contained nickel could reach 20,000 tonnes a year by 2008-09 or soon after



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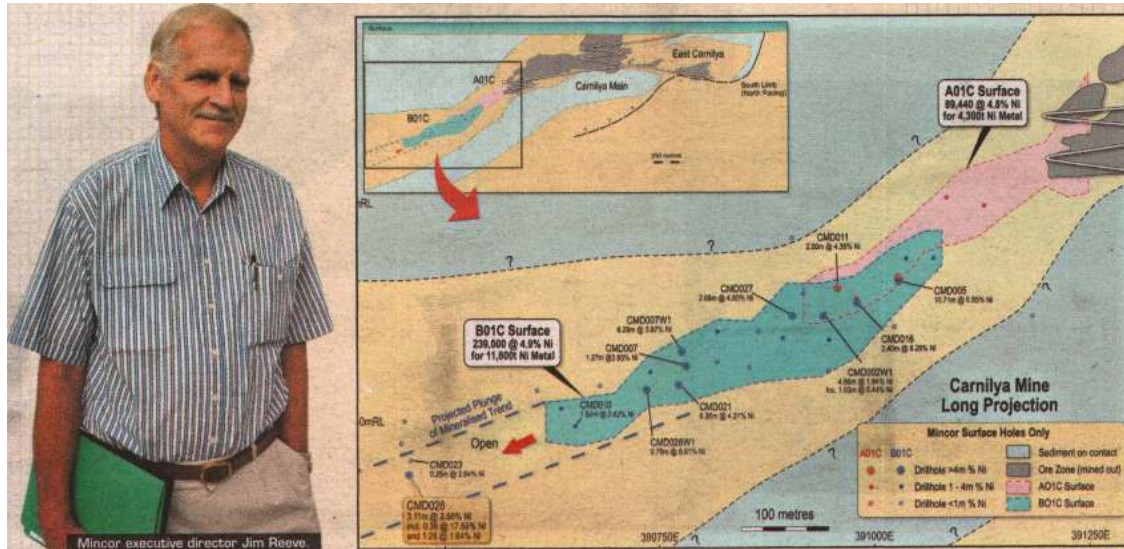
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A driller at a Mincor site.



Mincor executive director Jim Reeve



Mincor managing director David Moore