



# Critical mass the driving force

By Tania Winter

SETTING ITSELF UP to become a 20,000 tonne per annum sustainable nickel producer from its Kambalda acreage in Western Australia can be done, according to Mincor Resources NL managing director David Moore, if you have enough critical mass.

The last speaker on the final day of the recent Sydney Resources Round-Up Conference, the usually bullish Moore outlined to delegates the company's track record and future growth plans.

Since beginning operations in 2001, Mincor has produced nearly 2.4 million tonnes of ore and more than 78,000t of nickel metal.

"This has translated into a very strong profit history and a strong balance sheet, with \$107 million in net cash receivables to the end of March," he said.

The group's net profit after tax for the half year to December 31, 2006 was \$50 million and it has a track record of paying dividends.

For the full 12 months last year, Mincor paid out a dividend of 5 cents. Already for the half year of this year, it has paid out a 6 cent/share return to shareholders.

"The engine of all of that has been the strong production result we have achieved since we

started mining," Moore said.

Its existing four operations include Miitel, Wannaway, Mariners and Redross.

At the same time, the company has grown its resource base to 106,000t of contained nickel metal, and that is not taking into account a number of recent new discoveries.

"Our target for nickel is to achieve that critical mass of mines and ground in Kambalda to sustain 20,000 tpa of nickel," Moore said.

"Although these ore bodies around Kambalda are comparatively small on a world scale, we have the ability to extend what we have got, and our track record has demonstrated this."

The company currently produces at the rate of 15,000 tpa.

The Kambalda nickel miner is also targeting four new mines in the next two years, and has already secured three.

"We have a pipeline of advanced projects and have three mines coming into production over the next 18 months – Carnilya Hill, McMahon and Durkin," Moore said.

With its existing Miitel, Redross and Wannaway operations located to the south of the Widgiemooltha Dome area, its new area of

operations is Carnilya Hill.

This project has also demonstrated, in the early scoping study stage, that it has the potential for another 7,500-10,000t of nickel metal.

"We would be looking at getting Carnilya Hill into production by the March quarter of next year," Moore said.

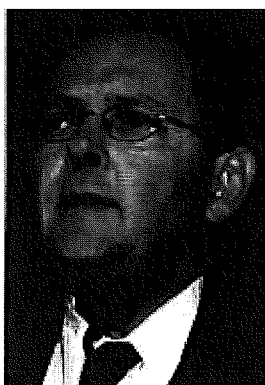
Approaching the owner View Resources Ltd about 18 months ago to form a joint venture on the project, Mincor quickly set about testing the deposit.

It has now drilled out the resource and is in the final stages of a feasibility study.

"The ore body is completely open down plunge," Moore said.

"We are doing an owner mine study and have also had several contractors bidding for work, and hope to start development work in the September quarter."

The McMahon-Durkin project was recently acquired by Mincor and covers a large area of ground in the northern Kambalda Dome.



▲ David Moore