

THURSDAY, 4 DECEMBER 2003

WANNAWAY RESERVE UPGRADE BOOSTS MINCOR'S NICKEL EXPANSION PLANS

THIRD OF FIVE PROJECTS TO REACH FULFILMENT UNDER EXPANSION STRATEGY

Mincor Resources NL (**ASX: MCR**) has implemented another key leg of its Kambalda Nickel Expansion Strategy, today announcing a major Ore Reserve upgrade and mine life extension for its **Wannaway Nickel Mine** – further strengthening its long-term production profile.

Wannaway, located 30 kilometres from its flagship Miitel Mine, has been a strong performer for Mincor since coming on stream in October 2001, contributing on average around 4,000 tonnes per annum of nickel in concentrate to the Group's production. Wannaway was acquired from WMC Resources Ltd for \$10 million in mid-2001.

Mincor said today studies into ore reserve extensions at Wannaway carried out as part of Mincor's Nickel Expansion Strategy, including detailed mining engineering and scheduling studies and successful mining contract re-negotiations, had allowed the definition of additional Ore Reserves.

The new **Wannaway Extension Ore Reserve** (as from 31 December 2003) is **214,400 tonnes at 2.2% nickel**, containing **4,700 tonnes of nickel metal**. This has been scheduled at a production rate of around 10,000 tonnes of ore per month to June 2005, representing a mine life extension of 18 months.

The new Ore Reserve extension is additional to the original pre-mining Probable Ore Reserve of 290,000 tonnes at 3.58% nickel, which has underpinned profitable production from the mine since October 2001.

The mine was originally scheduled to close in April 2003, however incremental extensions to the original ore reserve enabled production to continue beyond that point and Mincor's June 2003 Ore Reserve statement nominated December 2003 as the final month of production. This has now been extended to June 2005.

Mining of the new Ore Reserve will benefit from existing underground development and infrastructure, with little new capital expenditure required and the mine expected to be fully amortised by early 2004. Cash costs for the Wannaway Extension Mine, including by-product credits, royalties and smelter costs, are expected to be A\$5.00/lb.

"This is a huge extra bonus," said Mincor's Managing Director, Mr David Moore. "Wannaway has already generated nearly two and half times more cash than its original acquisition cost and could generate a further \$10 million before tax over the next 18 months, depending on the nickel price – and we still see potential beyond that."

"Our Nickel Expansion Strategy has now added 32,500 tonnes of nickel metal in reserves to Mincor's production base – by any standards a great success," he added.

The \$11 million Redross Mine and the \$13 million North Miitel project were both recently given the green light and are now under development. These two operations are expected to add approximately 7,000 tonnes of nickel per annum to Mincor's production.

Mr Moore said the Wannaway Extension was the third project to be successfully brought to fruition under the Nickel Expansion Strategy, and that work was proceeding rapidly on the Mariners feasibility study.

"In the space of less than 12 months, our Expansion Strategy has cemented Mincor's position as one of Australia's leading nickel producers and laid the foundations for strong growth over the next 2-3 years."

Mincor also maintains an aggressive nickel exploration program and is currently experiencing success just south of Miitel. It also has numerous promising targets within its extensive land package in the highly prospective Kambalda Nickel District, all of which are the subject of an ongoing drilling campaign.

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