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## PROFITS STEADY AS MINCOR BRACES FOR POST HEDGING REVENUE JUMP

*IMPRESSIVE OPERATIONAL PERFORMANCE CLEARS WAY FOR  
BIG SECOND HALF AS HEDGES UNWIND*

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Mincor Resources NL (**ASX:MCR**) has delivered its sixth half-year profit in a row and re-confirmed its position as Australia's most cost-efficient mid-cap nickel miner. The Company today reported steady net after tax profits of **\$4.2 million**, on operating cashflows of **\$14.0 million** and gross revenues of **\$38.8 million**.

Mincor produced 154,000 tonnes of ore at an average grade of 3.05% nickel for the half year period. Cash costs per pound nickel rose due to generally lower nickel grades but mining costs remained the most competitive in the sector – an indication of the Company's cash-generating capacity following the recent termination of its hedging contracts.

During the half-year Mincor delivered more than 71% of production into hedge contracts at a price of A\$10,898/tonne nickel – a massive discount to spot prices. These hedges were established 3 years ago as part of the project financing requirements for the Miitel acquisition. All the hedging contracts terminated at the end of January 2004, leaving the Company fully exposed to the spot nickel price for the rest of the Financial Year.

"Given the hedging we endured throughout the half-year, we are pretty happy with this result", said managing director David Moore, "what is very encouraging is that our mining costs on a per tonne of ore basis remain the lowest in the sector – this is the best measure of operating quality, and shows what we can do now that our hedging is over".

There were a number of exceptional cost items related to the high level of corporate and business development activity during the period, including the phenomenally successful spin-off of Tethyan Copper Company Limited (an effective return to shareholders of over 22 cents per Mincor share at current prices), the buy-out of Mincor's joint venture partners, and the completion of five full-scale feasibility studies.

Mincor is currently developing two new mines and extending a third, and has a total Reserve base (January '04) of nearly 2 million tonnes at 2.81% nickel, containing 55,760 tonnes of nickel metal. The Company is believed to have one of the largest nickel sulphide reserve bases in Australia.

"We now have our ducks beautifully lined up on the mine development side", said Mr Moore, "no other company can deliver stronger near-term production growth than Mincor – and our superb operating efficiencies give a hint of what we can do at current nickel prices".

"Our next big growth phase will be in exploration", he added, "we are already in the detailed planning stage and will be presenting our plans to the market very shortly".

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