

# NEW NICKEL SULPHIDE EXTENSIONS DISCOVERED AT WANNAWAY

## HIGHLY ENCOURAGING RESULTS FROM THREE OTHER TARGETS

Mincor Resources NL's (**ASX: MCR**) recently expanded exploration push in the Kambalda region is already paying dividends with the discovery of a new zone of ore grade nickel sulphide mineralisation beneath its operating **Wannaway Nickel Mine**, indicating the potential for a significant down-plunge extension to the orebody.

Mincor said today (Wednesday) that two of four underground drill holes at Wannaway – one of its original flagship Kambalda nickel operations – had intersected ore grade nickel mineralisation immediately beneath the **NO1** ore body:

- UWA-04-01: **5.47 metres** at **2.95% nickel** (1% Ni cut-off), including **4.99 metres** at **3.08% nickel** (1.5% Ni cut-off). True width is approximately 2.50 metres, 590 metres below surface; and
- UWA-04-02: **7.14 metres** at **3.20% nickel** (1% Ni cut-off). True width is 4.0 metres, approximately 585 metres below surface.

Given the nature of the ore bodies at Wannaway, the Company believes there is a significant possibility of a new ore zone opening up beneath the low-grade ore reserve that is currently being mined (*see long section attached*).

The new results come as Mincor's aggressive exploration push in the Kambalda region gathers momentum, with encouraging results also announced today at other prospects including Jeremy Dee, near the Redross Mine, Redross itself and South Miitel. The Company announced a \$7 million exploration budget in March this year aimed at doubling its current Ore Reserves through 'extensional' exploration of existing orebodies and at discovering a new million tonne, high-grade nickel ore body.

Mincor's Managing Director, Mr David Moore, said the new ore zone at Wannaway was located just 45 vertical metres below existing mine development.

Hole number UWA-04-02 terminated in mineralisation due to poor ground conditions. A review of adjacent historical drill hole WU860-6 indicates that further ore may be present immediately beneath UWA-04-02 and that mineralisation may be developed over a true thickness of up to 10 metres. WU860-6 contains strongly developed mineralisation (10.48 horizontal metres at 2.75% nickel from historical records) within a sediment-free window on the basal contact.

The discovery of continuing nickel mineralisation beneath the NO1 ore body indicates that, rather than terminating at depth, the orebody is open ended. This represents an exceptional exploration target along the trend of what appears to be the original "channel" direction. The new drilling also suggests that the sediment along the basal contact is thinning, providing further evidence that this may be an original channel position and that the ore body is open at depth.

“Wannaway continues to excite”, Mr Moore said. “We have already doubled its original mine life, and these results highlight the potential for a whole new ore system down-plunge. Importantly, we already have \$20 million worth of infrastructure in place to mine anything we find there.”

Mr Moore said a deep surface hole was now being planned, targeting a major step-out position from the two holes reported above. “That will be the acid test,” he said. “We need to find out whether this is just a small pod, or the start of something big.”

Other exploration results included high-grade nickel sulphides intersected at **Jeremy Dee**, located close to Mincor’s Redross Mine (currently under development). A step-out hole 200 metres down-plunge of the previous drilling intersected a narrow zone of high grade mineralisation:

MDD042: **0.95 metres** at **4.70% nickel** from 474.43 metres down hole, using a 1% nickel cut-off (true width estimated at 0.80 metres).

The hole intersected an upper “flanking contact” followed by further mineralisation in a basalt-basalt “pinch-out” position. This suggests that possible mineralisation associated with the main channel is likely to be up-dip, and further drilling is planned.

The Jeremy Dee structure has now been demonstrated to extend over a strike length of 500 metres (*see long section attached*). Down-hole electromagnetic surveying is currently underway. Future drilling will test both continued strike extensions and the up-dip width of the mineralisation, the latter being the vital element required to provide sufficient tonnes per vertical metre for economic extraction.

The first of a fence of planned holes down-plunge of the **Redross** ore body itself has also been completed (MDD40), intersecting low-grade mineralisation. However, a down-hole electromagnetic survey of the hole identified a “nearby” strong anomaly. Drilling is continuing.

After a second disappointing hole at **South Miitel**, the third hole, some 160 metres further down plunge, has intersected a narrow zone of massive sulphides (40 centimetres), with assay results pending. The geological setting of the intersection is considered highly encouraging, being a “basalt-basalt” pinch-out zone beneath a barren open contact. This suggests that the main zone of mineralisation may be present up- or down-dip. The hole is being prepared for a down-hole electromagnetic survey, to be followed by drilling of a wedge hole angled off the parent hole.

An ultra-detailed airborne magnetic survey has been completed over the East Widgie Block and the Lake Zot dolerite to the east of the Mariners mine. The incorporation of all data for the Widgiemooltha Dome into a three-dimensional model is at an advanced stage.

*The information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Richard Hatfield, a person who is a Member of the Australasian Institute of Mining and Metallurgy and who has more than five years experience in the field of activity being reported on. This report accurately reflects the information compiled by Richard Hatfield.*

**Background Information**

Mincor Resources NL (**ASX: MCR**) is a profitable Australian nickel sulphide producer that owns and operates a portfolio of underground nickel mines in the Kambalda district of Western Australia.

Mincor, which is based in Perth, currently operates the Miitel and Wannaway Nickel Mines, with ore toll-treated at WMC Resources Ltd's Kambalda Nickel Operations. The resulting concentrate is sold to WMC via a long-term off-take agreement. The Company is also developing the Redross Nickel Mine and the Mariners Nickel Mine – both due to come on stream in the latter part of 2004.

In December 2004 Mincor announced a substantial increase in the Wannaway Ore Reserve, one of its two original Kambalda mines, and is currently developing a major expansion to the other, Miitel. With all four mines in production the Company has forecast nickel production to increase from the current 8,300 tonnes pa to around 15,000 tonnes in financial year 2005/6 (based on current reserves only).

The Company has also announced a landmark \$7 million exploration budget over the next 15 months – more than triple previous levels – as part of an aggressive new growth strategy. This strategy is aimed at doubling existing Ore Reserves through 'extensional' exploration of existing ore bodies and at discovering a new million tonne, high-grade nickel ore body through regional exploration around the Widgiemooltha Dome.

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Figure 1 - Longitudinal projection showing Wannaway

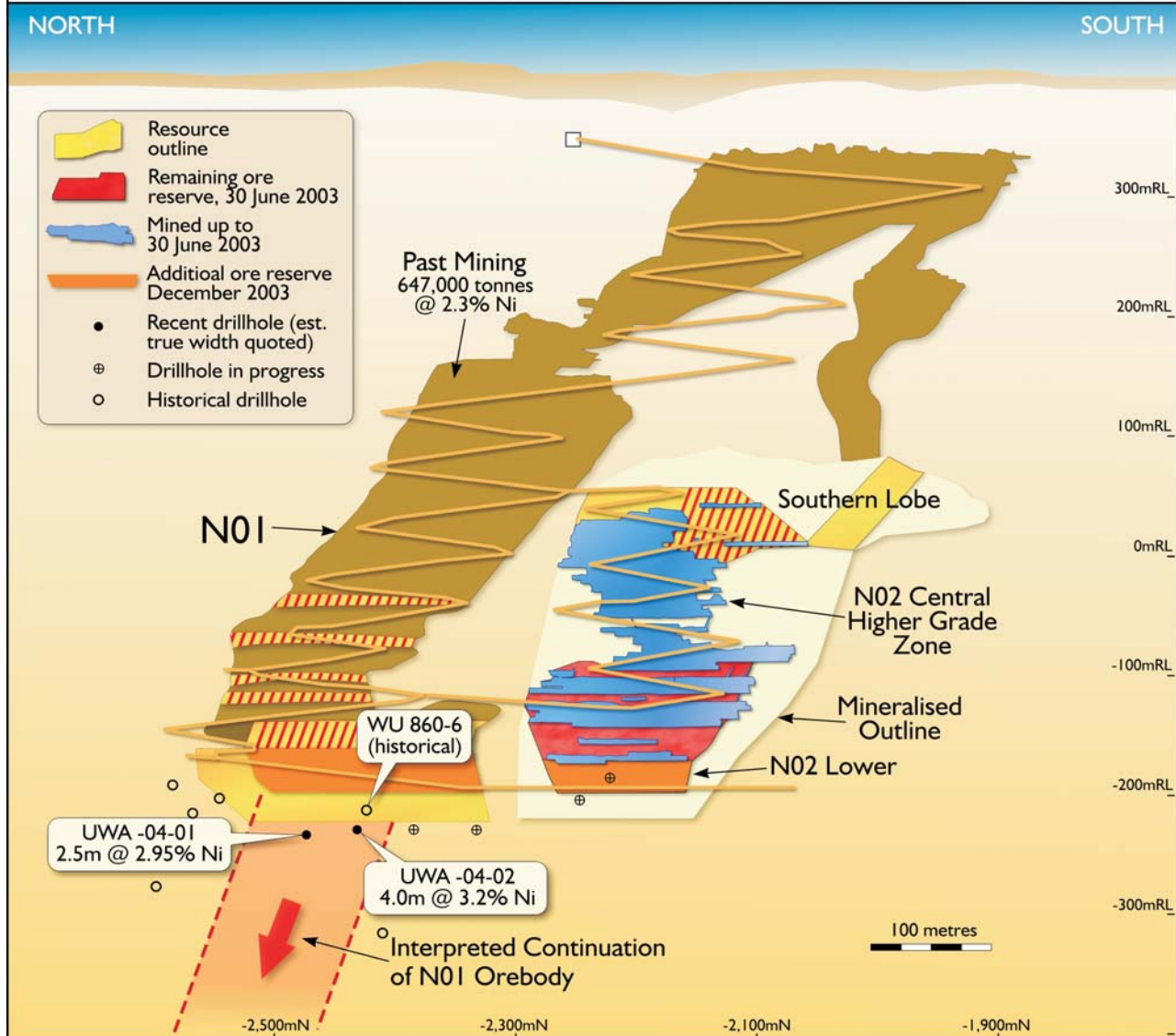


Figure 2 - Longitudinal projection showing Redross and Jeremy Dee

