

MINCOR UPGRADES PRODUCTION OUTLOOK FOLLOWING RECORD 3-MONTH PERFORMANCE

On Track for 30% Increase in Production in Current Financial Year

Kambalda nickel producer Mincor Resources NL (ASX: MCR) today confirmed upgraded production forecasts for 2004/05 following a record 3-month performance by its Kambalda Nickel Operations. The strong performance reflects increased productivity and reduced costs following operational changes instigated earlier this year, together with the ramp-up of the new Redross Mine and excellent development progress at the new Mariners Mine.

Mincor said today (Tuesday) attributable ore production from its three Kambalda mines had exceeded 100,000 tonnes over a three-month period for the first time ever, underpinning expectations of a strong December quarter.

The Company today forecast sales of over **2,700 tonnes** of nickel metal in concentrate, a **67% increase** on the previous quarter, positioning Mincor to achieve a targeted **30% increase** in full-year production from its Kambalda Nickel Operations to **11,000 tonnes** of nickel in concentrate (2003/04: 8,679 tonnes). Mincor is targeting a further increase in production to 15,000 tonnes of nickel in concentrate for 2005/06.

Mincor's Managing Director, Mr David Moore, said the record performance directly reflected the operational changes carried out at mid-year to overcome mining contract issues and manpower shortages which were constraining production.

"Mincor is also reaping the rewards of the Nickel Expansion Strategy", Mr Moore added. "It has been a challenging task – made more difficult by the severe constraints under which the mining industry is operating and to which we were particularly vulnerable. However, we are confident that Mincor is now entering a period of sustained growth and strong production."

The record three-month performance saw strong contributions from Mincor's three Kambalda mines, as well as excellent progress with the development of a fourth operation, the Mariners Mine.

Mincor's flagship **Miitel Nickel Mine** outstripped all previous production records over the past three months. The major new expansion at North Miitel is proceeding rapidly, and production from the first of the North Miitel ore bodies is expected in December 2004. Meanwhile at South Miitel deep drilling has intersected nickel sulphides some 500 metres south of the mine – with assay results expected shortly.

The successful ramp-up of the new **Redross Nickel Mine** continued, with monthly production in November exceeding 100 tonnes of nickel metal in concentrate for the first time. The main Redross ore body, now exposed on three new levels, has performed well, meeting all Mincor's expectations.

Mr Moore said an unexpected bonus at Redross had been the discovery of additional nickel mineralisation in the hanging wall, which was previously thought to be mineralised only in the deeper levels of the mine. Diamond drilling is currently underway to define the extent and grade of this zone, which could represent a significant extension to known resources, requiring little or no additional capital to extract.

Mincor's **Wannaway Nickel Mine**, already well past its original closure date, continues to generate strong cash flows at current nickel prices. The operation is on track to deliver around 300 tonnes of nickel metal in concentrate for the December quarter. An underground drilling programme testing new concepts in two areas of the mine is underway, and results will be released as they become available.

The development of Mincor's fourth operation, the **Mariners Nickel Mine**, passed several significant milestones during November. The dewatering programme is essentially complete, and its success represents a major engineering achievement. The water is now well below the level of the high-volume old stopes, with only the access decline down to the unmined 07 ore body left to be de-watered.

The water is currently being maintained at this level while the second permanent pump station is installed, after which the access decline will be rapidly pumped out. Access to the 07 ore body is expected in about mid-December, with first production on track for January 2005.

Following some delays the final critical element in Mincor's restructuring programme, the construction of a mine-site accommodation village, has cleared its last regulatory hurdle with the recent issue to Mincor of a clearing permit. Construction of the village, targeted for completion in February 2005, will bring additional safety, cost and productivity benefits to the Company and its workforce.

While Mincor's extensional drilling programme, targeting growth in its nickel resource base, is proceeding on schedule, the Company is also currently finalising regional nickel and gold exploration programs.

"With the mining operations bedded down and a 70% increase in production set up for the next two years, now is the time to focus on other areas of growth", Mr Moore said. "We have exciting targets in both nickel and gold, and will be outlining our exploration strategy to the market over the next few weeks."

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