

MINCOR TO DRILL NEW KAMBALDA NICKEL & GOLD TARGETS

Expanded Regional Exploration Drilling Programme Launched

Nickel producer Mincor Resources NL (**MCR: ASX**) today outlined an aggressive exploration drilling schedule testing new nickel and gold targets in the Kambalda District of Western Australia. The expanded programme comes as the Company's highly successful Nickel Expansion Strategy delivers record production from its three Kambalda nickel mines.

Mincor's new exploration programme is the 'regional arm' of its expanded exploration strategy announced earlier in the year, with a landmark \$7 million, 15-month budget. The 'extensional arm' of the strategy – aimed at extending nickel resources in proximity to Mincor's existing mines – has been active throughout the year, with recent success south of Miitel. This component of the strategy will remain an ongoing priority in parallel with the new regional exploration initiatives.

Mincor's Kambalda tenements include much of the prospective terrain around the Widgiemooltha Dome, a prolific area with four known million-tonne nickel ore bodies. At least four mineralised contact positions are present, with up to 60 kilometres of prospective strike.

The Company has been carrying out early stage generative work on its regional nickel targets over the past few months. It is now ready to commence a rapid programme of drill testing aimed at the discovery of a new million-tonne high-grade nickel ore body. Drilling will commence after Christmas, with 6 identified nickel targets to be drill-tested early in the New Year. This will proceed in tandem with generative work that has been successful, using new geochemical and geophysical techniques, in identifying completely new target areas within this well-established nickel belt.

As part of the regional programme, Mincor will commence drilling on a suite of gold targets in January 2005. These were identified in a recently completed review of the gold potential of the Company's tenements. Mincor announced a deal to acquire the Widgiemooltha gold rights in late 2003, however settlement of the legally complex acquisition was achieved in 2004 and full access to the historical exploration database was obtained only recently.

Mincor's review of the database has revealed a very considerable gold endowment. Numerous high quality gold drill intersections are present, many of which require detailed verification before publication. However, it can be said that over 400 drill holes on Mincor's tenements intersected gold mineralisation in excess of 1g/t gold, even though only one in four historical drill holes were assayed for gold.

Mincor has constructed detailed fluid pathway models that coincide with the presence of primary gold in structural traps and predicted areas of low strain around the Widgiemooltha Dome. Many conceptual targets, such as the intersection of these gold-bearing fluid pathways with highly favourable host rocks (eg: Lake Zot Dolerite), have never been tested.

Regional sources of gold may be identified in the regional scale detachment shear zones that appear to have introduced mineralisation to the gold camps at Higginsville and Norseman, via structural splays of the type identified on Mincor's tenements.

Mincor's database has also revealed the presence of five well-defined gold soil anomalies, none of which have been adequately tested. Significantly, much of the area is covered by transported younger material, which is not amenable to the soil sampling methods used by previous explorers, and hence remains entirely untested for gold.

Regional Exploration Drilling Schedule: January 2004 to June 2005

- Nickel Target** **Anomaly A:** Known mineralised nickel system, depth extensions to be targeted. Possible extensions towards Mariners Mine to be targeted.
- Nickel Target** **Bradley Prospect:** Known mineralised nickel system. Depth extensions to be targeted.
- Gold Target** **Anomaly A:** High grade gold intersections to be tested with rapid percussion drilling – potential for high-grade narrow-vein ore body.
- Nickel Target** **Location One:** Known mineralised system. Open to north and south and at depth. Possibly extends to Location Two, one kilometre to south.
- Gold Target** **Gilligan Prospect:** Strong gold intersections along geological contact zone. Untested at depth and along strike. Untested intersection of fluid pathways with Lake Zot Dolerite.
- Gold Target** **Miitel Mine:** High grade gold intersections in footwall basalt. Potential for bonanza-style gold deposit adjacent to existing mine infrastructure.
- Nickel Target** **Rona, Blacksmith, Anomaly C:** New gravity targets along the prospective Miitel contact and its structural repetitions. Detailed structural, litho-geochemical, and geophysical work underway, to be followed by drilling.
- Gold Target** **Golden Wonderer Line:** RAB drill testing of extensive soil gold anomaly with numerous mineralised drill intersections;
- Nickel Target** **Dordie Contact:** Geochemically prospective contact amenable to rapid testing with percussion drilling.
- Nickel Target** **Miitel to Mariners Contact Zones:** Highly prospective contact zone – deep drilling using magnetic, electromagnetic and down-hole litho-geochemical vectors.
- Gold Target** **Dordie Rocks:** Additional soil sampling and RAB drill testing of open soil anomaly in structurally favourable low strain zone around an intrusive body, with mineralised drill intersections;

In parallel with the drilling programme outlined above, generative work on high priority areas in both nickel and gold will continue, with a focus, in nickel, on new technologies in geophysics, ultra-low detection level geochemistry, and detailed litho-geochemistry.

Generative gold work will focus on structural studies to fully define fluid pathways through the Widgiemooltha Dome, with additional soil sampling and extensive RAB drilling. This work is expected to lead to ongoing gold exploration drilling throughout 2005.

The information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Richard Hatfield and Peter Mucilli, both of whom are members of the Australasian Institute of Mining and Metallurgy and who have more than five years experience in the field of activity being reported on. This report accurately reflects the information compiled by Richard Hatfield and Peter Mucilli.

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