

MONDAY, 2 SEPTEMBER 2002

KAMBALDA NICKEL MINES PROPEL MINCOR TO IMPRESSIVE \$9.3M ANNUAL PROFIT

SECOND YEAR OF STRONG EARNINGS GROWTH FOR AUSTRALIAN NICKEL PRODUCER

Perth-based nickel producer Mincor Resources NL (ASX: MCR) has notched up its second successive year of strong profit growth, today (Monday) unveiling a more than four-fold increase in net annual profit to **\$9.3 million** after an outstanding performance by its Kambalda nickel operations.

The striking result, which was achieved on a **288% increase** in sales revenue to **\$63.5 million** (\$16.3 million last year), has reinforced Mincor's position at the forefront of a new generation of focused and highly profitable Australian nickel sulphide producers.

The full-year profit result, which compared with a \$2.0 million net profit last year, equated to earnings per share of **5.5 cents** (1.5 cents last year). Pre-tax profit surged to \$15.2 million (from \$4.1 million previously), while net cashflows from operating activities were \$25.5 million.

The result was based on an outstanding operating performance by Mincor's flagship assets, its 76%-owned Miitel and Wannaway Nickel Mines near Kambalda, both of which it acquired from WMC Resources Ltd during 2001 – laying the foundations of its future as an Australian-focused mining group.

Mincor's equity share of production from these two mines was **8,635 tonnes** of nickel metal in concentrate for the 12-month period, from 233,775 tonnes of ore processed. The average cash cost of production was US\$0.94 per pound of nickel in concentrate produced. This compared with last year's production of 2,140 tonnes of nickel-in-concentrate, from four months of production.

The strong financial performance enabled Mincor to reduce its project finance debt from a peak of \$32 million in December 2001 to \$22 million at the June 30 balance date. This has been further reduced to \$10.9 million as at 30 August 2002, leaving the Company close to a zero net debt position.

"This is a pleasing position to be in just 18 months after the \$38 million acquisition of the Miitel Mine, which was 80% debt funded, and eleven months after the \$10 million acquisition of the nearby Wannaway Mine, which was 100% debt funded," said Mincor's Managing Director, Mr David Moore.

"We are delighted with this excellent result, which is a tribute to the commitment and expertise of our operating team," Mr Moore added, "We have more than quadrupled profit, lifted shareholder's equity by \$9 million, and broken the back of our project finance debt."

Mr Moore said the strong result had been achieved despite the costs associated with the purchase of the Miitel and Wannaway mines, and included significant hedging losses in the second half of the year – when nickel prices enjoyed a period of strong recovery.

All ore produced from the mines is toll-treated at WMC's Kambalda mill under a long-term off-take agreement, with WMC purchasing the resulting concentrate at the prevailing nickel price.

Mr Moore said both Miitel and Wannaway contributed strongly to the profit result, in a ratio of approximately two to one.

"With the outlook for our nickel operations positive, the forthcoming development of the Redross Nickel Mine, and our exploration programme moving into top gear, the outlook for Mincor is very positive indeed," he added.

Mincor is currently drilling targets just north of the Miitel orebody, and in October will be testing the concept of a third ore lens at Wannaway before moving to test numerous other greenfields targets along the prospective basal contact around the Widgiemooltha Dome.

"We expect to be drilling without pause throughout the current financial year," Mr Moore said. "Our tenements are among the most well-endowed in Western Australia, with four large orebodies already discovered and more targets than kangaroos."

- ENDS -

Released by:
Jan Hope / Nicholas Read
Jan Hope & Partners
Telephone: (61-8) 9388-1474

On behalf of:
Mr David Moore
Managing Director
Mincor Resources NL
Telephone: (61-8) 9476-7204
www.mincor.com.au