

## **10,000 TONNE INITIAL NICKEL RESOURCE ESTIMATED AT NEW SOUTH MIITEL DISCOVERY**

*Initial Resource of 258,000 tonnes @ 3.98% Nickel Remains Open to South*

Kambalda nickel miner Mincor Resources NL (**ASX:MCR**) today announced an initial resource estimate of 258,000 tonnes @ 3.98% Nickel for 10,250 tonnes of contained nickel for its new discovery at South Miitel near Kambalda in Western Australia. The resource remains open to the south and step-out drilling is continuing.

The South Miitel discovery has evolved over the past six months as Mincor's geologists gained a greater understanding of the geometry of the southern end of Miitel, leading to the discovery of two parallel mineralised trends. Drilling to date has concentrated on the lower of these trends, named the N18 orebody, with the initial resource announced today being derived solely from this lower trend.

The initial resource estimate for this N18 ore body is as follows:

<b>Classification</b>	<b>Tonnes</b>	<b>Nickel Grade</b>	<b>Contained Nickel Metal</b>
<b>Indicated</b>	179,000 tonnes	4.11%	7,320 tonnes
<b>Inferred</b>	78,600 tonnes	3.74%	2,930 tonnes
<b>TOTAL</b>	<b>258,000 tonnes</b>	<b>3.98%</b>	<b>10,250 tonnes</b>

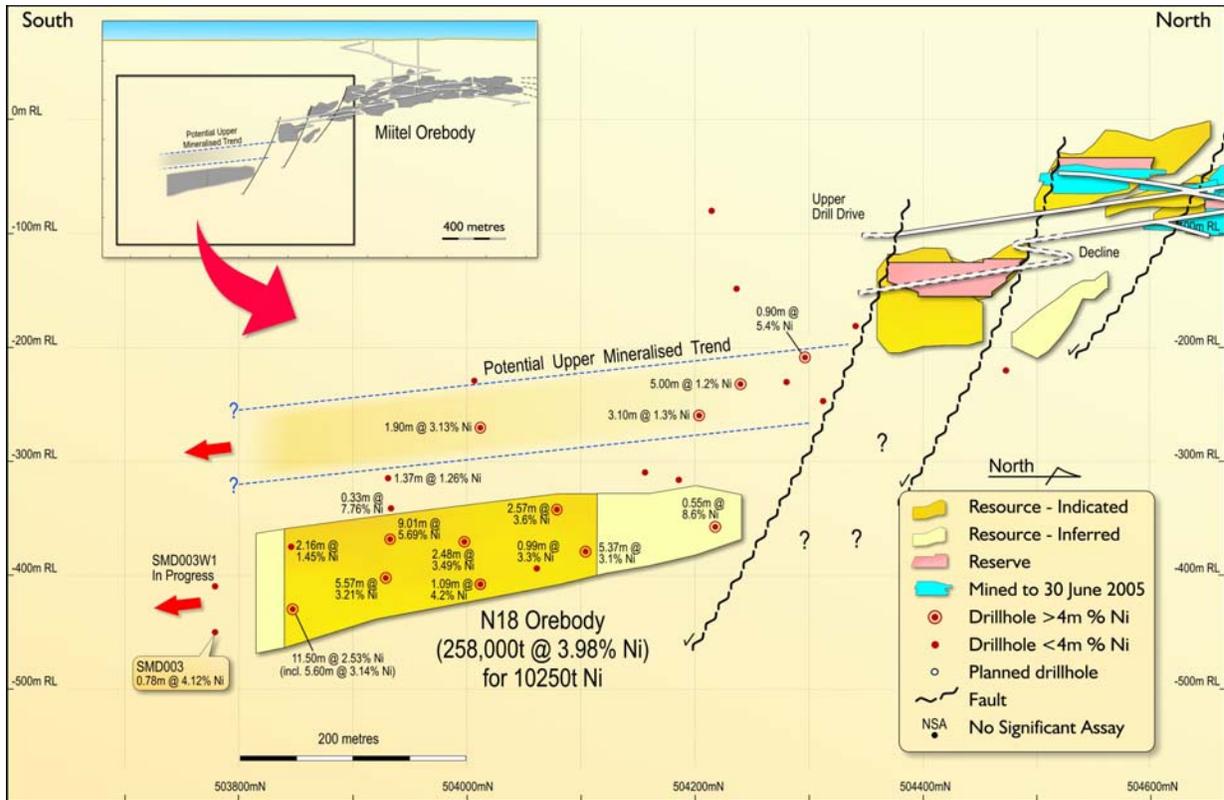
The N18 mineralisation is a typical 'Kambalda Style' nickel sulphide orebody, consisting of varying thicknesses and proportions of massive, matrix and disseminated sulphides. The mineralisation is located on the basalt contact and is hosted within the overlying channel facies high-magnesium ultramafic rocks.

The N18 Indicated Resource has been drilled to a density of approximately 80 metres by 40 metres. Drill results and down-hole electromagnetic survey results confirm the continuity of mineralisation and the orebody morphology. The resource has been classified as Inferred where drill spacing is greater than 80 metres by 40 metres. Infill drilling of the Inferred Resource is planned for early next year.

Results of the latest step-out hole at the N18 orebody have also just been received, and confirm that the mineralised channel is still present a further 80 metres to the south. Drill hole SMD003 intersected the lower edge of the interpreted channel, with assay results indicating **0.78 metres @ 4.21% nickel** (true width estimated at 0.60 metres). The down-hole electromagnetic survey of this hole indicates an off-hole conductor in the up-dip direction and a follow-up drill hole is underway. The extension indicated by SMD003 is not included in the above resource.

"This is a great initial result from South Miitel", said Managing Director David Moore, "it continues Mincor's outstanding record of growing its resource base. With this new resource and other additions discovered during the past year we have now replaced all the nickel we have mined since late 2003, and of course South Miitel is still open".

Note: The N18 Mineral Resource is based on 10 diamond holes, which were half-cored and assayed using ICP-AES. No top cut was applied and the wire frame was constructed using a 1% nickel cut-off. The 2D resource estimate is density weighted and interpolated using ordinary kriging into a Surpac block model.



The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jim Reeve, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reeve is a full-time employee of Mincor Resources NL. Mr Reeve has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeve consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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