

## **MINCOR ACCELERATES NICKEL DRILLING AS NEW POTENTIAL EMERGES AT SOUTH MIITEL**

### **Latest Results Highlight Outstanding Near-Mine Exploration Opportunity**

- Recent discoveries and new drill intersections have increased the evident near-mine exploration opportunity at the southern end of Mincor's Miitel Nickel Mine.
- Mincor's revised geological model highlights the potential for a **substantial upgrade** in both resources and reserves at South Miitel.
- This has **profoundly positive implications** for the long-term future of Miitel.
- Two underground drill rigs are being deployed with immediate effect to pursue this opportunity.

Kambalda nickel miner Mincor Resources NL (**ASX: MCR**) is pleased to advise that it has allocated additional resources to accelerate drilling immediately south of its flagship **Miitel** nickel mine in Western Australia. This follows recent drill results and updated geological modelling which have brought about a substantial upgrade in Mincor's estimation of the potential resource inventory in this area.

Two dedicated underground drilling rigs have now been deployed to advance drilling at South Miitel, and will be active until at least the end of the calendar year.

Miitel was Mincor's first nickel mining operation in Kambalda and forms part of its profitable Southern Operations, which delivered strong production of over 5,300 tonnes of nickel-in-concentrate for FY 2012 at a competitive cash operating cost of A\$5.45/lb of payable nickel (before royalties).

Three events in recent months, including the results of three recent drill-holes, have led to a revision of Mincor's geological model at South Miitel, and to a **substantial upgrade** in the Company's estimation of the near-mine exploration opportunity in this area.

The first event was the discovery of the **N29C ore body**, in November 2011 (see Figure 1). This was the first indication of very high-grade nickel sulphide mineralisation, at good widths, in the South Miitel area. Ore Reserves for the N29C have been estimated and published at **47,400 tonnes @ 4.8% nickel**. The N29C is currently undergoing its production ramp-up, with the first two strike drives having generated 13,300 tonnes of ore at an average grade of 3.78% nickel.

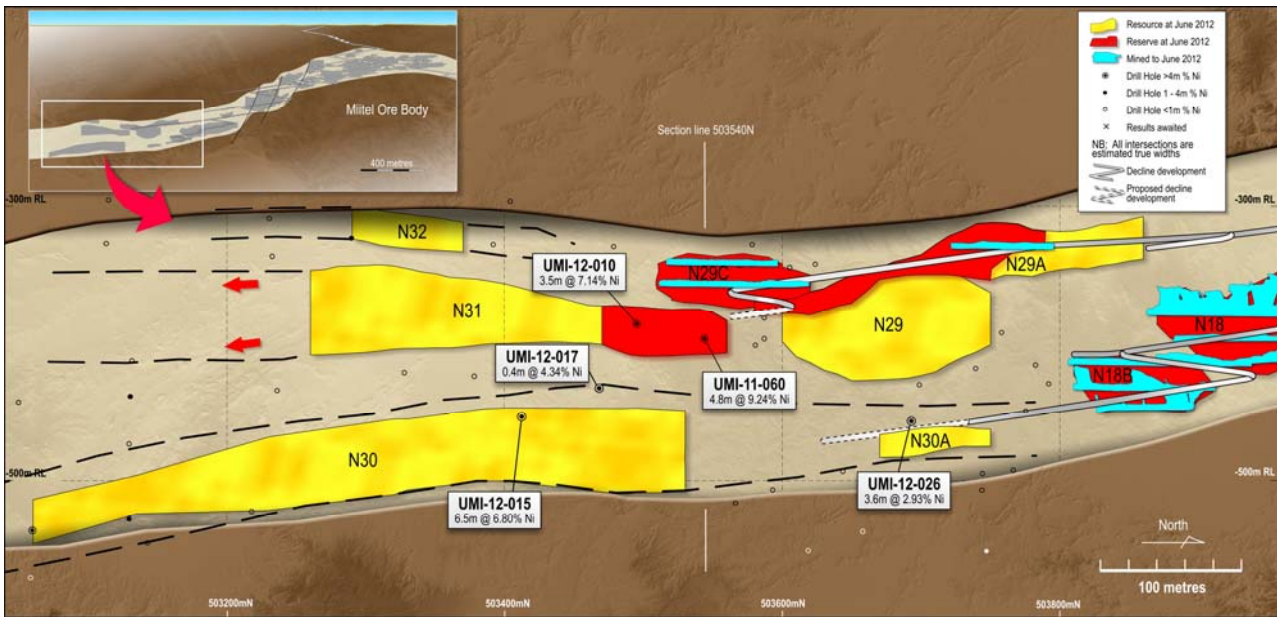
The second event was the confirmation of strong, high-grade mineralisation in a second deeply embayed channel structure beneath the N29C. A drill intersection with a true width of **3.5 metres @ 7.14% nickel** (announced 6/8/2012) confirmed an earlier hole (**4.8 metres true width @ 9.24% nickel**) and established that this lower high-grade channel is linked to the much larger and lightly-drilled Mineral Resource called the N31, which extends well to the south of the Miitel Mine (Figure 1).

The third event was the recent intersection of high-grade nickel sulphide mineralisation in three new drill-holes beneath the N31 Mineral Resource:

- UMI-12-15: **6.5 metres @ 6.80% nickel** (estimated true width)
- UMI-12-17: **0.4 metres @ 4.34% nickel** (estimated true width)
- UMI-12-26: **3.6 metres @ 2.93% nickel** (estimated true width)

Drill-holes UMI-12-15 and UMI-12-17 demonstrate that the vertical extent of the previously identified and lightly-drilled N30 Mineral Resource is significantly greater than previously estimated. Drill-hole UMI-12-26 demonstrates that the N30 may extend, at a similar (expanded) vertical extent, a further 250 metres back towards mine infrastructure. This 250 metre gap has not been drill-tested.

**Figure 1:** South Miitel cross-section showing the N29C (in production), the existing N31 and N30 Mineral Resources and (within the dashed lines) the new resource potential



Taken together, these three events demonstrate that three mineralised sub-channels are present at South Miitel, that all three of them carry, at least in places, very strong nickel grades, and that the lowermost channel, the N30, may be substantially larger than previously estimated. It should be noted that all three sub-channels are entirely open to the south.

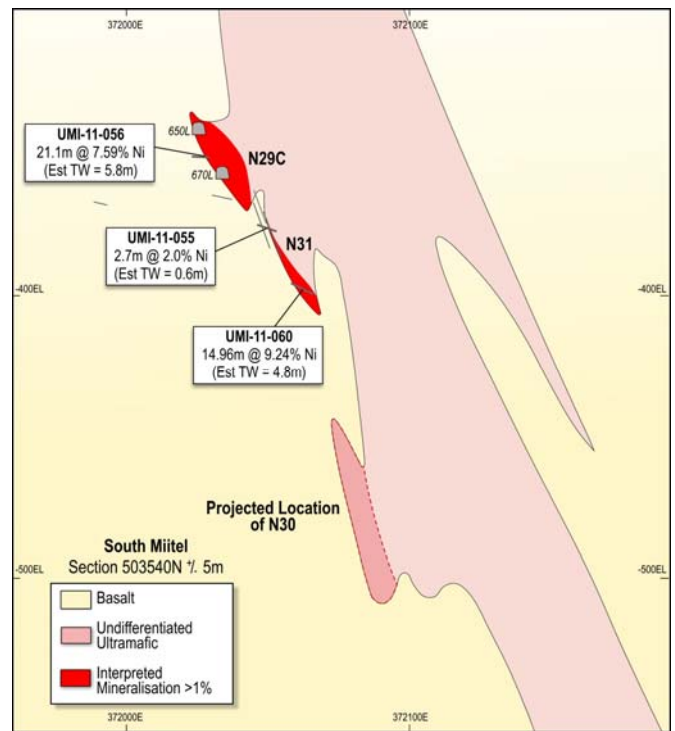
The current Mineral Resource for South Miitel contains an estimated **20,300 tonnes of nickel metal**, and the Ore Reserve contains **6,100 tonnes of nickel metal**. The low proportion of nickel in Ore Reserves is largely a function of the density of drilling.

The Long Section in Figure 1 shows in dashed lines the outside limits of Mincor’s new interpretation of the mineralisation at South Miitel. These extended areas have not been drill-tested, and represent the maximum potential under the new geological interpretation. This may be compared to the current Mineral Resource (in yellow), which in turn may be compared to the current Ore Reserve (in red).

Mincor’s Managing Director, Mr David Moore, said the new results and revised interpretation of the geological model highlight the scale of the opportunity now emerging at South Miitel.

“We are confident that there is excellent potential for a substantial increase in Ore Reserves as more of the existing Mineral Resource is converted into Reserves,” Mr Moore said. “In addition, there is clearly great potential for the Mineral Resource itself it grow very substantially. This has **profoundly positive** implications for the mine-life and ongoing success of Miitel.”

**Figure 2:** Cross section through the N29C and N31 Resources, and the projected location of the potential extension to the N30 Resource



**Mincor is a leading Australian nickel producer and an active multi-commodity exploration company, and is listed on the Australian Securities Exchange. Mincor operates two mining centres in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.**

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The information in this Public Report that relates to Exploration Results is based on information compiled by Peter Muccilli, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Muccilli is a full-time employee of Mincor Resources NL. Mr Muccilli 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 Muccilli consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Mineral Resources as at 30 June 2012

RESOURCE	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	112,000	4.8	332,000	4.5	78,000	3.6	521,000	4.5	23,300
Redross	39,000	4.9	138,000	2.9	67,000	2.9	244,000	3.2	7,900
Burnett	-	-	121,000	4.8	98,000	2.2	219,000	3.6	7,900
Miitel	132,000	3.7	306,000	4.2	333,000	3.1	771,000	3.6	28,000
Wannaway	-	-	110,000	2.6	16,000	6.6	126,000	3.1	3,900
Carnilya Hill*	40,000	3.8	40,000	2.2	-	-	80,000	3.0	2,400
Otter Juan	18,000	4.0	114,000	4.7	79,000	2.3	211,000	3.8	8,000
McMahon/Ken**	70,000	4.5	67,000	3.3	203,000	3.4	340,000	3.6	12,400
Durkin	-	-	251,000	5.2	115,000	4.9	366,000	5.1	18,600
Gellatly	-	-	29,000	3.4	-	-	29,000	3.4	1,000
Cameron	-	-	96,000	3.3	-	-	96,000	3.3	3,200
Stockwell	-	-	554,000	3.0	-	-	554,000	3.0	16,700
<b>Grand total</b>	<b>411,000</b>	<b>4.3</b>	<b>2,158,000</b>	<b>3.8</b>	<b>989,000</b>	<b>3.3</b>	<b>3,557,000</b>	<b>3.7</b>	<b>133,300</b>

- Figures have been rounded and hence may not add up exactly to the given totals.
- Note that Resources are inclusive of Reserves.
- \* Resources shown for Carnilya Hill are those attributable to Mincor – that is, 70% of the total Carnilya Hill Resource.
- \*\* McMahon/Ken includes Coronet.

Resources are estimated to a 1% nickel cut-off. No minimum mining width criteria are used. The Resource estimation is done using inverse distance or kriging methods, depending on the data density. Volume models are constructed using all available data including underground drive and stope mapping. Grade interpolation using assay results from diamond drill core and, in places, underground face samples.

The information in this Public Report that relates to Mineral Resources is based on information compiled by Mr Robert Hartley, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hartley is a permanent employee of Mincor Resources NL. Mr Hartley 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 Hartley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Ore Reserves as at 30 June 2012

RESERVE	PROVED		PROBABLE		TOTAL		
	Tonnes	Ni (%)	Tonnes	Ni (%)	Tonnes	Ni (%)	Ni Tonnes
Mariners	53,000	4.3	267,000	3.9	320,000	4.0	12,700
Redross	49,000	3.3	-	-	49,000	3.3	1,600
Miitel	91,000	2.3	161,000	3.5	251,000	3.1	7,800
Wannaway	-	-	39,000	2.9	39,000	2.9	1,100
Carnilya Hill*	-	-	-	-	-	-	-
Otter Juan	12,000	3.3	-	-	12,000	3.3	400
McMahon/Ken**	72,000	3.2	4,000	1.6	76,000	3.1	2,300
<b>Grand total</b>	<b>277,000</b>	<b>3.1</b>	<b>471,000</b>	<b>3.7</b>	<b>747,000</b>	<b>3.5</b>	<b>25,900</b>

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- \*\* McMahon Ken includes Coronet.

Appropriate dilution for the various mining methods was applied to the Indicated and Measured Resources. Using a 1.5% nickel cut-off and minimum mining width criteria, areas were selected as being mineable. Additional modifying factors to account for ore loss, recovery, further dilution, etc were then applied to achieve an estimated Reserve.

The information in this Public Report that relates to Ore Reserves is based on information compiled by Mr Brett Fowler, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Fowler is a permanent employee of Mincor Resources NL. Mr Fowler 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 Fowler 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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