

MINCOR DISCOVERS MAJOR EXTENSION TO MIITEL NICKEL ORE SYSTEM

Burnett Shoot Intersected in Step-out Hole 600 metres Beyond Previous Drilling

Australian nickel producer Mincor Resources NL (**ASX: MCR**) has achieved a milestone in its aggressive Kambalda nickel exploration strategy, today announcing the discovery of a **major extension** to the ore system of the highly productive **Miitel Nickel Mine** – its original Kambalda nickel operation.

Mincor said today (**Wednesday**) that a step-out hole located nearly **600 metres** beyond previous drilling had intersected **strong, wide nickel mineralisation** in a channel structure interpreted to be the strike continuation of the Burnett Shoot at North Miitel. Drill hole MDD170W1, one of a series of surface holes drilled to test for an extension to the Burnett Shoot, intersected the following:

MDD170W1: 8.72 metres @ 2.74% nickel (true width 5.58 metres) from 751 metres down-hole, including:
5.30 metres @ 3.42% nickel (true width 3.39 metres)

Significantly, the intersection comprises a well-developed “Kambalda Profile” with a narrow zone of **high-tenor massive sulphides grading 13.15% nickel** lying directly on the basal contact, overlain by matrix and then disseminated sulphides. The presence of massive sulphides, albeit only 30cm in down-hole width, is an important indicator of the strength of the ore system.

“This is a tremendously significant result,” said Mincor’s Managing Director, David Moore. “While we must not get ahead of ourselves, it potentially extends the entire Miitel ore system by as much as 25%. Miitel is already the fifth biggest ore system discovered in Kambalda to date, and if infill drilling back towards the mine confirms this discovery, then the implications for resource and reserve extensions are profound.”

Mr Moore said that the characteristics of Miitel, including its flat plunge, vertical dip, and classic ore profile, were all favourable for high-production, low-cost mining. “Importantly, all of these characteristics appear to be present in the latest drilling, which further reinforces the significance of this discovery for the Company,” he said.

“Our exploration strategy is underpinned by the potential of Kambalda’s ore systems to extend well beyond their current limits,” Mr Moore continued. “This success at Miitel reinforces the enormous upside at all of the 12 ore systems we own in the Kambalda Nickel District.”

Drill hole MDD170W1 was one of a series of surface holes designed to discover the northward extension of the Burnett Shoot at North Miitel. Three holes and a wedge were required to achieve the discovery, although strong indications were present in the third hole – the parent to MDD170W1 – which intersected **0.7 metres @ 2.82% nickel** (true width 0.35 metres), some 60 metres down-dip of the intersection in MDD170W1.

A down-hole electromagnetic survey has been completed indicating strong anomalism to both the north and south. A further wedge hole off MDD170 is currently underway, targeting an intersection point approximately 40 metres up-dip of the intersection in MDD170W1.

The Burnett Shoot was first discovered by underground drilling at the very end of the North Miitel ore body, when it became apparent that the basal contact that hosts the Miitel ore system had been faulted into the hanging wall. Underground drilling beyond the fault zone subsequently achieved three ore grade intersections extending to approximately 200 metres beyond current underground development.

However due to drilling difficulties caused by the fault zone, Mincor decided to discontinue underground drilling from that location and instead extend a drill drive through the fault zone to a new location, from where the Burnett Shoot can be effectively drilled out from underground. That drill drive is currently in progress.

In parallel with this Mincor commenced drilling on a major step-out section from surface some 800 metres beyond the fault zone, with the aim of discovering a significant strike extension to the Burnett Shoot. The intersection in MDD170W1 reported above is the result of that work.

Mincor is Australia's 3rd largest listed nickel producer. The Company is targeting a long term production rate of 20,000 tonnes of nickel in ore per annum, and is pursuing an aggressive exploration growth strategy in the world-class Kambalda Nickel District of Western Australia.

The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Muccilli, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Muccilli is a permanent 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 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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