

MINCOR ANNOUNCES LANDMARK A\$30M KAMBALDA NICKEL ACQUISITION

KEY POINTS

- **Key \$30M acquisition of historic nickel mines in centre of Kambalda Nickel District from private group GMM Pty Ltd.**
- **Acquisition includes 28,830 tonnes of nickel metal already identified in Mineral Resources.**
- **Outstanding exploration potential in richly endowed nickel field.**
- **Historic production of more than 153,000 tonnes of nickel metal.**
- **Extensive existing surface and underground mining infrastructure.**
- **Existing Off-take Agreement.**

Kambalda nickel producer Mincor Resources NL (**ASX: MCR**) announced today that it had reached agreement with privately owned group Goldfields Mine Management Pty Ltd (“GMM”) to acquire a portfolio of historic Kambalda nickel mines, including an extensive existing nickel resource inventory and surrounding land package, for \$30 million in cash plus a royalty.

The landmark acquisition represents one of the most significant growth initiatives for Mincor in the Kambalda region since its pioneering acquisition of the Miitel and Wannaway nickel mines from WMC Resources in 2001. Subject to its successful completion, the GMM acquisition is expected to lay the foundations for a significant new exploration and production front for Mincor in the Kambalda District.

Under the Agreement announced today, Mincor will acquire GMM’s entire interest in the historic McMahon and Durkin nickel mines together with the surrounding exploration portfolio. The consideration is \$30 million in cash, which will be funded from Mincor’s internal cash resources, plus the undertaking to pay a Net Smelter Return royalty (NSR) linked to the nickel price.

The transaction is subject to the satisfactory completion of Mincor’s due diligence, the approval of Mincor’s Board and a number of other Conditions Precedent, including statutory and other approvals. The proposed acquisition does not include any interest in the Otter-Juan Mine, which is currently leased and operated by GMM. However GMM has granted Mincor a first and last right of refusal on any future divestment by GMM of the Otter-Juan Mine.

Due to complexities in the existing ownership structure, completion may occur in up to three stages, with first stage completion scheduled for February 2007. This will give Mincor immediate access to the McMahon and Durkin Mines, and, subject to the necessary access development, to an initial existing Mineral Resource estimated by Mincor to contain 28,830 tonnes of nickel metal (676,600 tonnes @ 4.3% nickel in Indicated and Inferred Mineral Resources, see below).

Following completion of this first stage, the Company intends to carry out a fast-track feasibility study on the development of a mining operation at the Ken North and McMahon Deeps ore bodies and to commence investigations into the feasibility of mining the deep but high-grade mineralisation at Durkin Deeps.

The Company would also commence immediate exploration on targets throughout the richly endowed surrounding area, including the down-plunge extensions of ore shoots with combined past production of over 153,000 tonnes of nickel metal.

“We are very pleased with this opportunity to acquire a new production and exploration centre on the Kambalda Dome – the site of the first nickel discoveries in the Kambalda District,” said Mincor’s Managing Director, Mr David Moore.

“While our four mines in the Widgiemooltha area have made Mincor the largest single producer of nickel in the Kambalda District, there is no doubting the remarkable nickel endowment of the original Kambalda Dome,” he added.

“It is also a striking fact that there has been only negligible exploration since 1998 on these immensely prolific tenements, despite the nickel boom – a quirk of history and circumstance that creates an exceptional opportunity for a growth-orientated nickel mining company such as Mincor.”

“This transaction opens a whole new exploration and production front for Mincor, and demonstrates our intention to use our excess cash resources to acquire proven assets in high-quality areas that provide both immediate value and long-term upside. The deal is also good news for the town of Kambalda, which will, once the acquisition is completed, see a rapid increase in exploration and mining activity almost on its doorstep,” Mr Moore said.

Mr Moore said Mincor would focus on getting production underway from the Ken North/McMahon Deeps complex as soon as possible, while pursuing intensive exploration on other known resources and target areas. With past production of over 4.9 million tonnes of ore at an average grade of 3.12% nickel, the tenements to be acquired are among the most prolific in the Kambalda Nickel District.

Mincor is currently producing approximately 15,000 tonnes per annum of nickel metal in ore from its four operating mines in the Widgiemooltha area of the Kambalda Nickel District. As the biggest single producer in the Kambalda District, and the largest “mid-tier” nickel sulphide producer in Australia, the Company is benefiting strongly from record nickel prices and has a net working capital balance in excess of \$65 million, with no debt.

In addition to its four existing mines, Mincor recently commenced pre-feasibility studies on its new discovery at Carnilya Hill, north of Kambalda. The Company is also developing the South Miitel ore body, and recently announced the potential discovery of a new high-grade nickel ore body beneath its operating Mariners Mine.

Resource Estimations

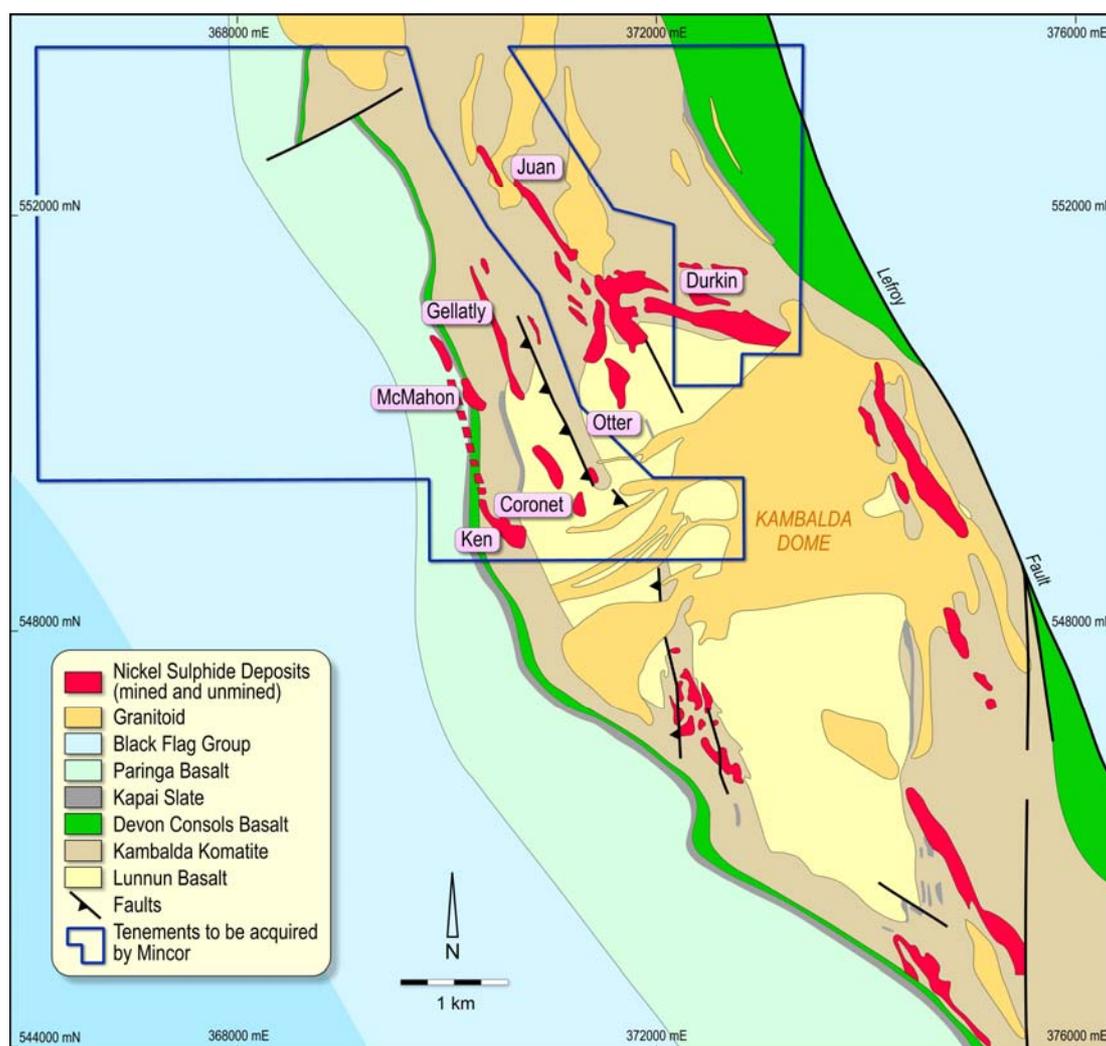
Resource estimates were completed by Mincor Resources NL on the three un-mined nickel resources on the tenements the subject of this transaction. These are the Ken North, McMahon Deeps and Durkin Deeps mineralised zones. All of these surfaces are extensions or repetitions of previously mined ore bodies, thus some reliance can be placed on previous mapping and interpretations in the modeling. Wireframes were constructed to capture all nickel intersections at or above one percent nickel.

A total of ninety seven (97) drill holes were used for the estimations, with the number of intersections per surface ranging from one to nineteen. The surfaces with less than four drill holes to inform them were generally classified as Inferred Mineral Resources. Estimation methodology is via an ordinary kriged triple accumulation unfolded model that is subsequently re-incorporated into the real world block model for reporting appropriate tonnages and grade.

The following tabulation provides the summary results of the estimations, classified in accordance with the guidelines of JORC (2004);

| Ore Body | Inferred Mineral Resource | | Indicated Mineral Resource | | Total Mineral Resource | | |
|----------------------|---------------------------|-----|----------------------------|-----|------------------------|-----|-----------|
| | Tonnes | Ni% | Tonnes | Ni% | Tonnes | Ni% | Ni Tonnes |
| McMahon Deeps | | | 310,940 | 3.3 | 310,940 | 3.3 | 10,320 |
| Ken North | 80,920 | 6.6 | | | 80,920 | 6.6 | 5,350 |
| Durkin Deeps | 144,670 | 4.4 | 140,140 | 4.8 | 284,810 | 4.6 | 13,160 |
| Total | 225,590 | 5.2 | 451,080 | 3.8 | 676,670 | 4.3 | 28,830 |

Note: minor differences may occur due to rounding of figures.



The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Rob 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.

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