

MINCOR CONFIRMS NICKEL DISCOVERY AT SOUTH MIITEL

Potential for Further Extensions in New Parallel Ore Trend

Kambalda nickel producer Mincor Resources NL (**ASX: MCR**) today confirmed a potentially major nickel discovery just south of its flagship Miitel Nickel Mine after intersecting strong mineralisation a further 80 metres south of earlier drilling. The Company said the new mineralised zone now had a demonstrated strike length of over 300 metres and remained entirely open to the south.

Based on these results – which follow several months of exploration success just south of the Miitel Mine – Mincor has ordered a second drill rig to the site and will proceed with a dual programme of step-out and infill drilling.

Drill hole **SMD001**, which was drilled 80 metres south of the recently defined South Miitel ore trend, intersected a good thickness of massive, matrix and disseminated nickel sulphide mineralisation:

SMD001: 5.57 metres @ 3.21% nickel (true width estimated at 4.27 metres)

The mineralisation is located directly on and above the Basal Contact, in a typical Kambalda-style configuration. SMD001 is now the most southerly drill hole in the Miitel environment. Down-hole geophysics has been completed and indicates southward continuity to this mineralisation. Another drill-hole has already started on a further 80 metre step-out to the south (see long section attached).

A second hole, drilled as a wedge off previous hole MDD077, was aimed at a geophysical anomaly up-dip of the new ore trend. The new wedge intersected the basal contact 103 metres up-dip of the first wedge (2.48 metres @ 3.49% Ni) which was itself 34 metres above the parent hole intersection (1.09 metres @ 4.21% Ni). The new wedge intersected massive, matrix and disseminated nickel sulphides:

MDD077W2: 1.90 metres @ 3.13% nickel (true width estimated at 1.56 metres)

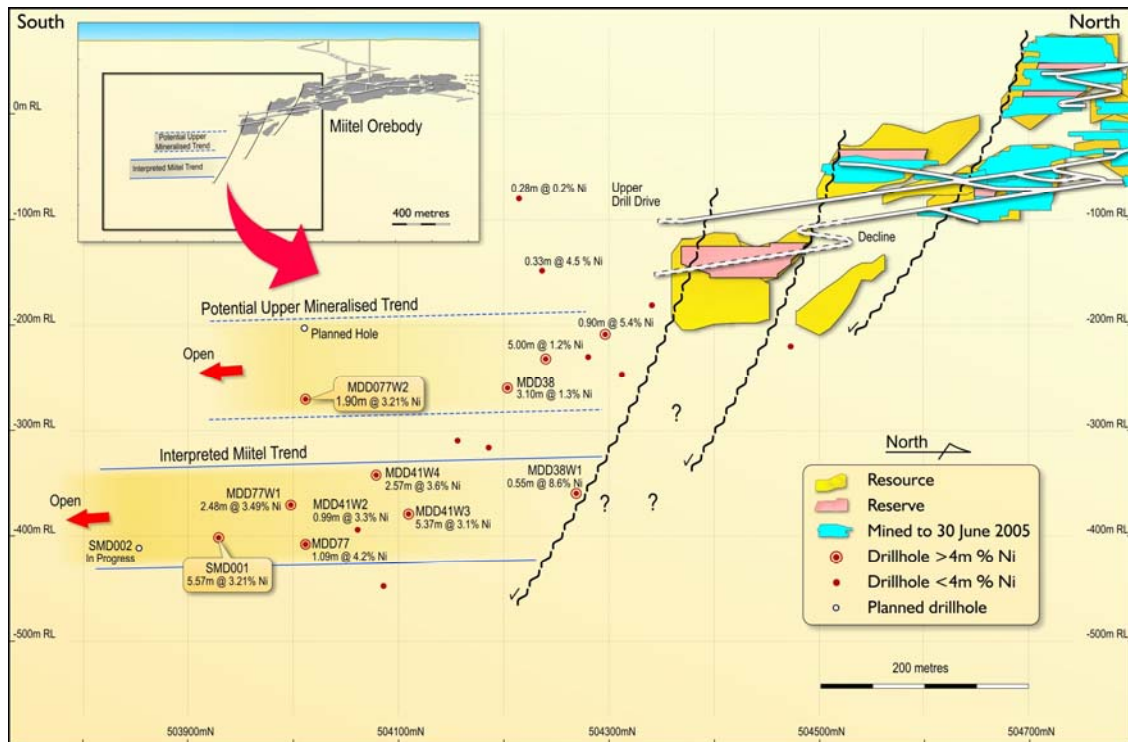
Mincor's Managing Director, David Moore, said this intersection suggested the likely presence of a second parallel ore trend at South Miitel, with very favourable implications for the overall size of the new discovery.

"These new results confirm the revised interpretation of the area completed by Mincor's geologists over the past several months. The newly discovered ore zones have a near-vertical dip and a sub-horizontal plunge, similar to the known ore body at Miitel. This orientation is highly favourable for mining and augurs well for the future economic viability of the new discoveries."

Drilling will now proceed with two rigs full-time at South Miitel, while a third rig continues the step-out drilling currently underway to the north of North Miitel, where exploration work has already extended the known mineralisation by over 350 metres along strike. A fourth diamond drill rig is active on regional nickel exploration, and Mincor's gold exploration programme is advancing with one aircore drilling rig.

“We are delighted with these results, and believe they outline what could be a major new nickel discovery, located immediately adjacent to our original Kambalda mining operation,” Mr Moore said. “The mineralisation is still entirely open to the south and, with the evidence of second parallel mineralised channel, the combined ore potential in this area could be very significant.

“We are now faced with the happy prospect of drilling two ore bodies from each drill position, with a parent hole and a wedge. It is important to reiterate that the mineralisation is within easy reach of our existing underground development. In addition, extending the decline to access these ore channels will enable us to mine other previously identified resources that were never strong enough to carry the cost of the decline on their own – but will pay handsomely if we can mine them on the way to something bigger.”



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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RELEASED BY:

Jan Hope/Nicholas Read
Jan Hope & Partners
Tel: (+61 8) 9388 1474

ON BEHALF OF:

Mr David Moore, Managing Director
Mincor Resources NL
Tel: (+61 8) 9321 7125
www.mincor.com.au