

EXPLORATION UPDATE

- Another **strong drill intersection** confirms an **emerging new discovery** near South Miitel – preparations are now underway for a substantial drilling program from surface to establish the full extent of the mineralisation;
- A high-quality new exploration target has been developed close to existing underground infrastructure at Otter Juan – the target is a **sub-parallel ore shoot** named the “Serp Trough” – drilling is underway;
- A **new zone of mineralisation** (the “Terrace Surface”) has been discovered adjacent to the new Mariners N10 Resource. This is defined to date by three mineralised intersections, and remains open in numerous directions;
- A narrow zone of massive and matrix nickel sulphide mineralisation was intersected in the footwall basalt at Mariners, some 125 metres below the new N10 ore body – this could be the **first indication of a possible “N11” ore body**. High priority drilling continues;
- First pass drilling of regional geological, geochemical and geophysical targets at Bluebush has generated a number of **significant nickel sulphide intersections**. There are now ten identified nickel prospects along the Bluebush Line, and a second round of drilling will commence early in the new year.
- Drilling of the first **Ultra-Sized Nickel Ore Body** (USNOB) target at North Kambalda is well underway – the target is likely to be intersected during January;
- The first ever **EM Torch Survey** has been carried out at the Otter Juan Mine – a powerful geophysical technique capable of discovering nearby massive sulphides – results are awaited;
- Underground exploration drilling is commencing now at McMahon, Ken and Carnilya Hill, and a new surface drilling program has just commenced at Burnett Shoot – all targeting **major extensions to known ore systems**;
- **Regional base metal exploration** continues, with soil sampling and airborne geophysical surveys currently underway at the **Tottenham Copper Project** in New South Wales. The next round of drilling is planned for early in the new year.

Australian nickel mining company Mincor Resources NL (**ASX: MCR**) continues to generate strong results from its aggressive exploration work in the Kambalda Nickel District, today announcing significant advances on a range of highly promising programs.

Mincor currently has six underground drill rigs and a surface rig active on its leases in Kambalda. Based on the emerging potential highlighted by the latest exploration results, the Company has decided to mobilise two additional underground drill rigs and a second surface rig, and these machines are expected to become operational during January.

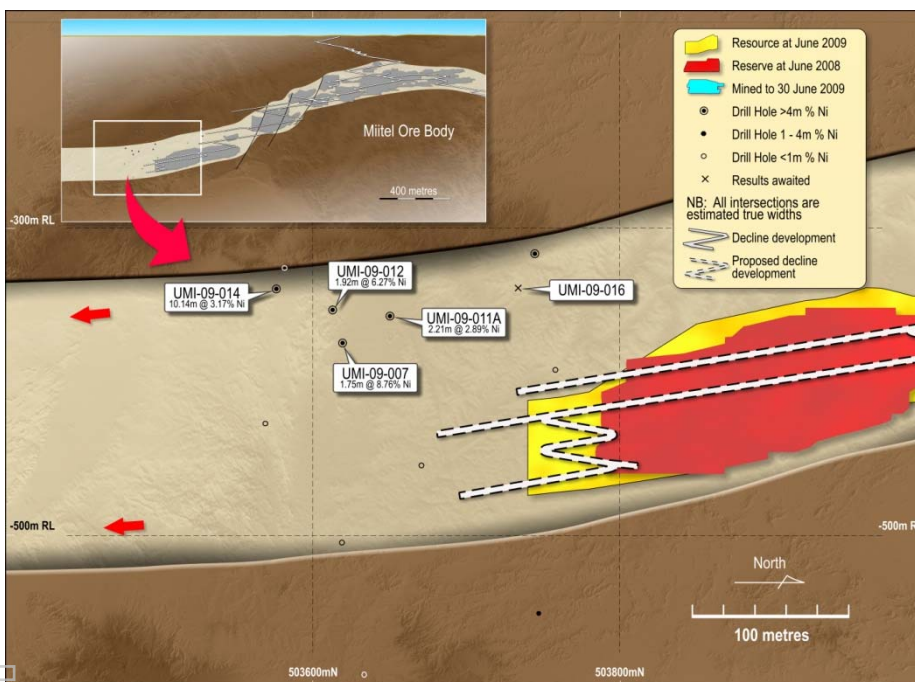
Mincor’s mining operations at North and South Kambalda continue to generate strong cashflows at current nickel prices. Its aggressive exploration program is fully covered by operating cashflows, and the Company has an exceptionally strong balance sheet, with effectively no debt and an end-October cash balance of \$94.5 million.

Emerging Discovery at South Miitel

First announced only two months ago, the emerging discovery at South Miitel continues to generate strong results. Previously announced drill intersections are as follows:

- UMI-09-007: **1.75 metres @ 8.76% nickel** (estimated true width)
- UMI-09-014 : **10.14 metres @ 3.17% nickel** (estimated true width)
- UMI-09-012: **1.92 metres @ 6.27% nickel** (estimated true width)
- UMI-09-011A: **2.21 metres @ 2.89% nickel** (estimated true width)

One further intersection has been achieved since the announcement of the above results, with potentially economic nickel mineralisation (based on visual estimates, assay results awaited) in drill-hole UMI-09-016. Importantly, this latest intersection extends mineralisation approximately 93 metres to the north of previous drilling, to within only 220 metres of existing underground development.



In addition, a contact-parallel hole has been partially completed, extending some 300 metres south beyond current drilling. A bore hole radar survey of this hole indicates a high-amplitude reflector in the estimated position of the basal contact, at a distance of 260 metres beyond current drilling. This could represent massive nickel sulphides. It is now planned to use directional drilling techniques to test this anomaly, as well as other positions along the contact, by wedging off the parent hole.

A surface drilling program will be required to fully evaluate the discovery. Due to the presence of a dry lake bed this requires the preparation of causeways for the drill rig. Permitting and planning for this process are underway, and, subject to permitting delays, drilling is expected to commence during January. This drilling will allow the systematic testing of the basal contact along strike to the south, and thus enable Mincor to establish the full extent of this exciting new discovery.

The Serp Trough – a parallel new Ore Shoot at Otter Juan?

Following detailed geological investigations the Company has commenced drill testing a well-known structural feature (the “Serp Trough”) that runs sub-parallel to the main Otter Juan ore body – one of Mincor’s most important mines and the largest known ore system in the Kambalda Nickel District.

The Serp Trough is thought to be continuous with a similar feature in the upper levels of the Otter Juan mine, which hosted substantial economic mineralisation in the 42 and 45 ore bodies. The Serp Trough runs sub-parallel to and alongside the main Otter Juan ore body over a plunge length of 600 metres, and is actually crossed by numerous

access drives off the main decline. These access drives now provide perfect platforms from which the Serp Trough may be drill tested.

Drilling of this outstanding target has commenced, and results will be announced as they are received.

The Terrace Surface at Mariners – a new addition to the N10 Resource?

A potential new ore position is emerging at Mariners Mine, immediately south of the newly discovered N10 Resource. The new position has been named the Terrace Surface, due to its relatively elevated location on a roll in the basal contact. The first indication of its presence was provided by drill-hole MRDH443, announced 17 September 2009, which intersected a true width of **3.90 metres @ 6.59% nickel**.

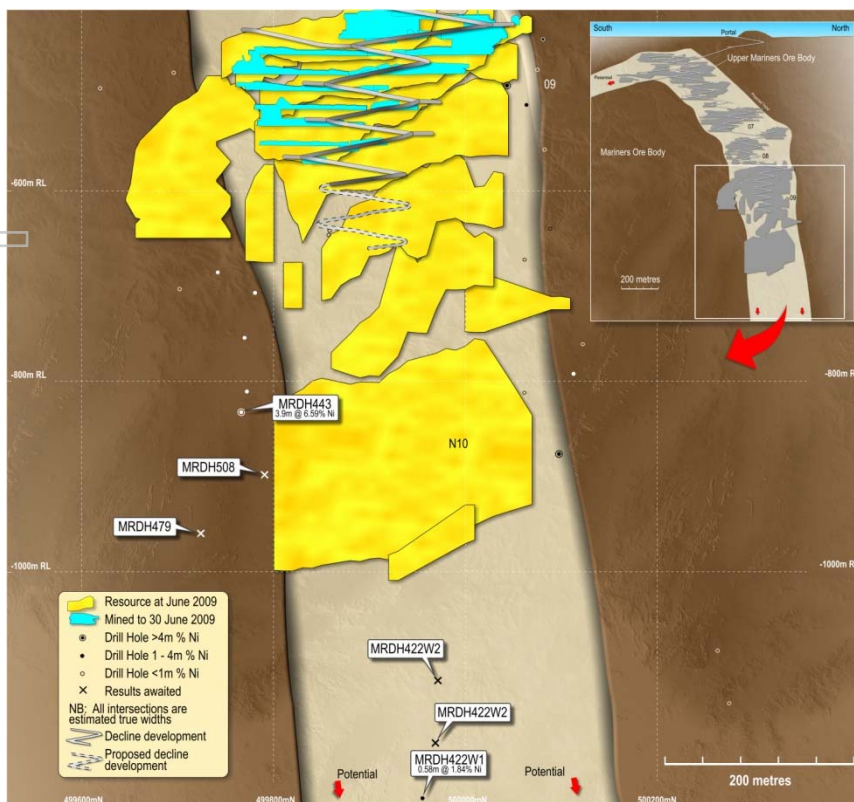
Further drilling in the area has yielded two additional potentially economic intersections (based on visual estimates, assay results awaited) in holes MRDH479 and MRDH508. The Terrace Surface, as defined by these three intersections, has an estimated strike length of approximately 50 metres and a dip length of approximately 140 metres, and remains open to the south and up and down dip.

Drilling is continuing, aimed at both the Terrace position and at infilling the Inferred Resource of the N10 ore body, the discovery of which was announced in April 2009.

Early Indications of a New Ore Body Down-Plunge at Mariners – the Postulated N11?

As previously announced, Mincor has completed a long contact-parallel drill-hole (MRDH422) extending some 250 metres below the bottom of the new N10 ore body at Mariners. This hole pierced the basal contact at a depth of 1,500 metres below surface and more than 600 metres below current mine workings. It intersected nickel mineralisation with a true width of 0.58 metres at 1.85% nickel.

Although sub-grade, the intersection shows that the ore system remains present and prospective at that position. A wedge off the parent hole (W2) was drilled, intersecting the contact about 60 metres above the first intersection, again intersecting sub-grade mineralisation.



However, this wedge also intersected a thin zone of massive nickel sulphides in the footwall basalt, some 125 metres below the interpreted base of the N10 Resource. Basalt-hosted mineralisation of this nature is commonly associated with strong on-contact (economic) mineralisation at Mariners. There is also a coincident borehole radar anomaly derived from a survey of the parent hole. As such an outstanding target is present, that could represent a postulated “N11” ore body. A new wedge off the parent hole is now underway, aimed at testing this target.

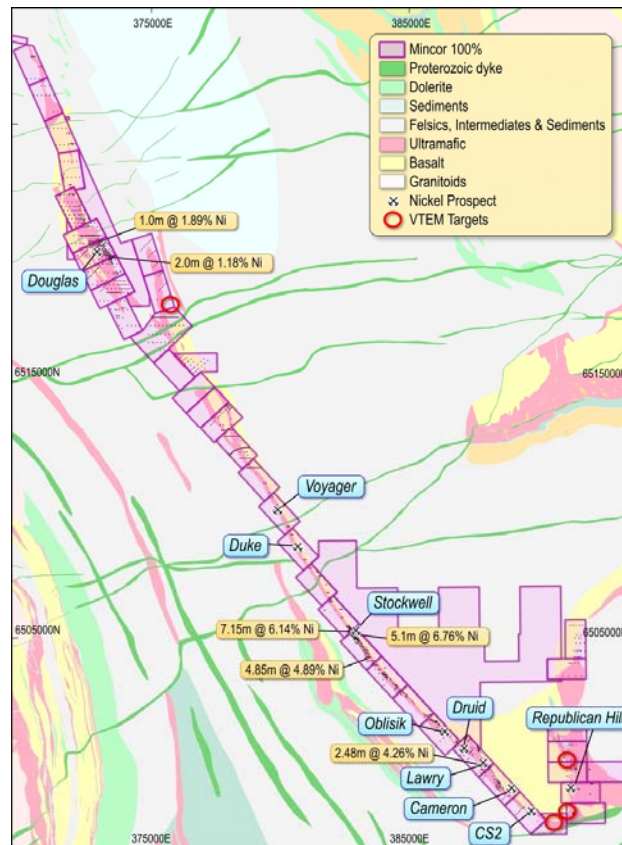
The Bluebush Line – Regional Drilling Generates Strong Nickel Prospects

Mincor has just completed the first round of regional drill testing of targets along the prospective Bluebush Line. This follows detailed geological and geochemical studies and compilations as well as a large-scale airborne electromagnetic (EM) survey with ground EM follow-up.

Three nickel sulphide prospects have emerged from this first round of drilling, including two that are entirely new (Voyager and CS2). All three prospects yielded nickel sulphide intersections (based on visual estimates, assay results are awaited). While these intersections are expected to be sub-economic, they could be important pathfinders to nearby economic mineralisation, especially given their favourable geological characteristics.

Based on these results, there are now ten known nickel prospects along the Bluebush Line with potentially economic or sub-economic nickel sulphide intersections in drill holes. These prospects are a high priority for Mincor and further drilling is planned for early in the new year.

In addition to the above, there are four high-quality airborne EM targets that have not yet been drill-tested, and there also remains more than five kilometres of prospective strike length that has not been examined at all, due to the presence of overlying lake sediments. These areas are also high priority targets for early in the new year.



The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Stephen Cowle and Mr Peter Muccilli, both of whom are Members of The Australasian Institute of Mining and Metallurgy. Messrs Cowle and Muccilli are permanent employees of Mincor Resources NL. Messrs Cowle and Muccilli have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Messrs Cowle and Muccilli consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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Mincor is a leading Australian nickel producer. The Company is listed on the Australian Securities Exchange and forms part of the benchmark S&P/ASX 200 Index. Mincor operates two mining centres in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.