

MINCOR APPROVES \$23M MCMAHON NICKEL MINE DEVELOPMENT

New Project Will Lift Group Production to 20,000 Tonnes Nickel Per Annum

Kambalda nickel producer Mincor Resources NL (**ASX: MCR**) is set to increase production by **up to 18%**, and to achieve its long-term target of 20,000 tonnes of nickel a year from 2008/09, after today announcing approval for the **\$23 million*** development of its 100%-owned **McMahon Nickel Project** in Western Australia.

The McMahon Project – Mincor’s seventh new mine in the Kambalda region since 2001 – will add up to 3,000 tonnes per annum (tpa) of nickel to the Company’s production profile from next financial year.

The development decision follows the successful completion of final feasibility studies on the McMahon Project and comes just 4 months after Mincor acquired the project as part of its \$68.5 million acquisition of GMM Pty Ltd, which also included the operating Otter Juan and Coronet mines.

Development work at McMahon will commence immediately with first production (from ore development) expected towards the end of the 2007/08 financial year. From the 2008/09 financial year onwards, the Company expects the McMahon Project to generate between 2,500 and 3,000 tpa of nickel-in-concentrate.

Together with new production currently under development at the Company’s 70% owned Carnilya Hill Project – which is on schedule to commence production in January 2008 – the McMahon Project will lift Mincor’s production to its long-term target of 20,000 tpa of nickel metal in ore.

McMahon will be developed by Mincor’s team at Otter Juan and run on an owner-operator basis as a subsidiary operation to the Otter Juan mine. This structure will maximise the synergies between the operations, which lie in close proximity to each other.

“We are delighted to announce the development of this new mining project, which is set to become our seventh operating mine in the Kambalda Nickel District,” said Mincor’s Managing Director, Mr David Moore.

“The development of McMahon will substantially enhance the value of the GMM acquisition, which has already been highlighted by the excellent production performance from Otter Juan and Coronet over the past quarter. It will also maximise the synergies of that acquisition and generate a very substantial financial return for our shareholders.

“There is also tremendous exploration upside at McMahon. Our drilling to date has shown that the ore channel remains open down plunge, and we are confident that the existing mineral resource will grow substantially over time.

“In addition, the development will provide us with the drilling positions to target completely new discoveries at depth in this phenomenally well-endowed part of the Kambalda Nickel District,” Mr Moore said.

The McMahon Project contains a currently delineated Mineral Resource of 373,650 tonnes at a grade of 4.1% nickel, for 15,180 tonnes of contained nickel metal. Approximately half this Resource has been placed into the initial Ore Reserve (see below). The remainder of the Mineral Resource requires further drilling, and this will be carried out from underground as development progresses.

The development of the McMahon Project requires the extension of the existing McMahon Decline and associated ventilation system. This will provide access to the McMahon and Ken Far North ore bodies and, importantly, will also open up additional areas for underground exploration. Mining will take place via mechanised slot stoping methods as well as traditional Kambalda-style airleg slot-and-rill stoping, with an expected production rate of approximately 10,000 tonnes of ore per month at full production.

Ore from McMahon will be toll treated at BHP Billiton's Nickel West Concentrator at Kambalda, with the concentrate sold to BHP Billiton under existing off-take agreements.

Mincor's feasibility study indicates an average life-of-mine cash cost for the McMahon Project of approximately A\$5.50 per pound payable nickel. Based on current price forecasts from Royal Bank of Canada, UBS, Merrill Lynch, Société Générale and BNP Paribas, Mincor expects the project to generate an Internal Rate of Return (IRR) on capital employed of well over 80%. The estimated capital cost of \$23 million will be funded from Mincor's internal cash resources.

Recent extensional drilling by Mincor has demonstrated that the ore channel that hosts the McMahon ore bodies continues well beyond the end of the current Ore Reserve. A step-out hole (KMD009) and wedge (KMD009W1) were completed by Mincor targeting a position some 140 metres down-plunge beyond the known Resources. Ore grade intersections were achieved in both holes. Significantly, both intersections were developed on a sediment-free basal contact, and down-hole EM surveys indicate anomalies in the up-plunge direction.

| Hole ID | From (m) | To (m) | Down-hole Interval | True Thickness | Grade (% Ni) |
|----------|----------|--------|--------------------|----------------|--------------|
| KMD009 | 563 | 564.21 | 1.21 | 1.21 | 4.12 |
| KMD009W1 | 585.78 | 588.19 | 2.41 | 2.41 | 2.69 |
| KMD009W1 | 595.17 | 596.75 | 1.58 | 1.58 | 8.04 |

Mineral Resources at McMahon

Mincor's initial Mineral Resource at McMahon, which was based on drilling completed by WMC Resources Ltd, was 391,860 tonnes @ 4.00% nickel for 15,670 tonnes of nickel metal (11 December 2006).

Following completion of resource confirmation drilling, during which Mincor completed seven diamond holes, the Mineral Resource was re-estimated, as follows:

Tabulated Mineral Resource

| Surface | Inferred Resource | | Indicated Resource | | Total Resources | | Ni Tonnes |
|---------------|-------------------|------------|--------------------|------------|-----------------|------------|---------------|
| | Tonnes | Ni% | Tonnes | Ni% | Tonnes | Ni% | |
| McMahon Deeps | | | 282,174 | 3.3 | 282,174 | 3.3 | 9,340 |
| Ken North | 91,482 | 6.4 | | | 91,482 | 6.4 | 5,850 |
| Total | 91,482 | 6.4 | 282,174 | 3.3 | 373,656 | 4.1 | 15,170 |

The Resource was estimated at a 1% nickel cut-off with no minimum width. Estimation method was ordinary kriging. Only the MM3 (part of the McMahon complex) surface was re estimated, all other surfaces are as per the 11 December 2006 statement apart from some refinement on assigned densities.

Ore Reserves at McMahon

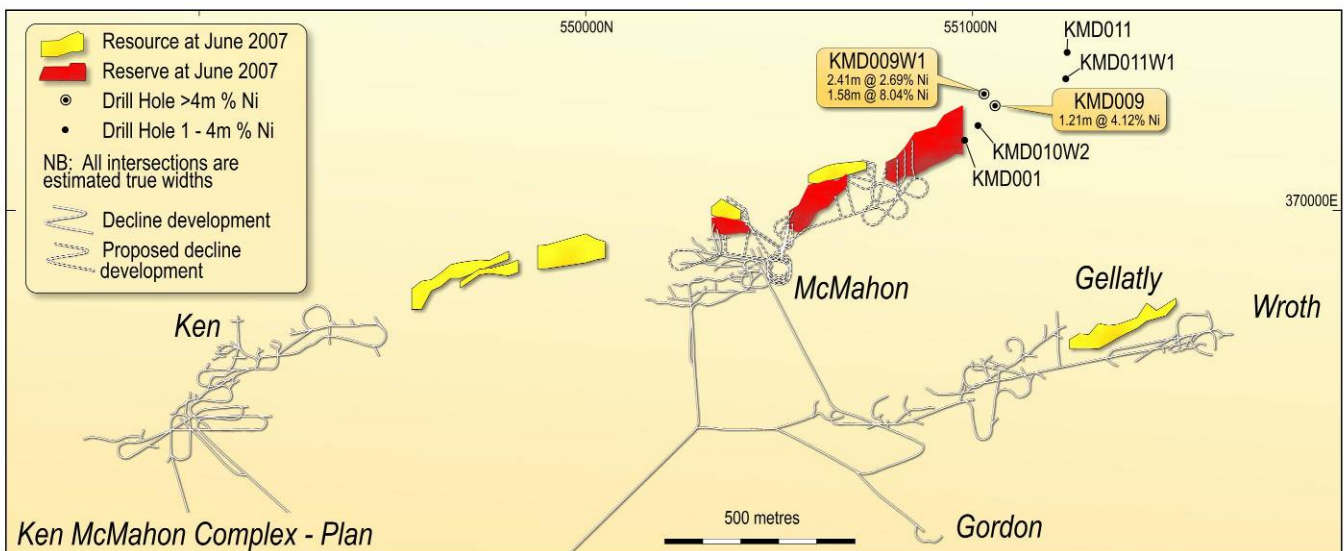
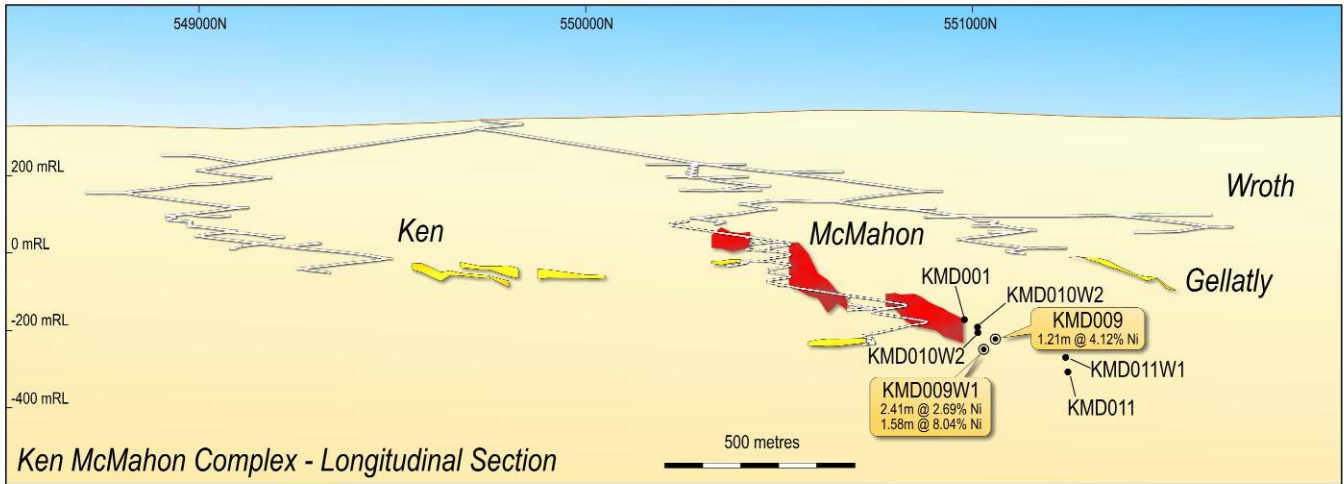
The Ore Reserves at McMahon are a sub-set of the Mineral Resources for the three McMahon ore bodies, and do not yet incorporate the five Ken ore bodies, which require in-fill drilling.

The Ore Reserves incorporate all mining dilution and recovery parameters, and are currently estimated at 322,340 tonnes @ 2.4% nickel for 7,730 tonnes of nickel metal.

Tabulated Ore Reserve

| Category | Tonnes | Ni% | Metal |
|--------------|----------------|--------------|--------------|
| Probable | 322,251 | 2.40% | 7,734 |
| Proved | | | |
| Total | 322,251 | 2.40% | 7,734 |

A 1.5% cut-off grade was used on the diluted resource models before other dilution parameters were applied to calculate this reserve. The mining method for the MMN 3 ore body is similar to that used currently at Mincor's Otter Juan mine. The mining method for the MMN 1 and MMN 2 ore bodies are similar to that used currently at Mincor's Redross mine.



Mincor owns and operates five nickel mines in the Kambalda Nickel District of Western Australia, and is developing two more. The Company has an aggressive multi-pronged growth strategy in nickel, and, as part of its Growth and Expansion Strategy, is actively exploring for other base metal commodities.

* All Dollar references in this release are Australian Dollars unless otherwise indicated.

The information in this Public Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Messrs Robert Hartley, Dean Will, and Peter Muccilli, all of whom are Members of The Australasian Institute of Mining and Metallurgy. Messrs Hartley, Will and Muccilli are permanent employees of Mincor Resources NL. Messrs Hartley, Will 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 Hartley, Will 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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