

# MINCOR RESTRUCTURES KAMBALDA NICKEL OPERATIONS

## Strategy designed to add value and position the Company for future growth

- Revised mining strategy implemented at Miitel and Mariners nickel operations.
- Strategy focused on maximising operating margins, suspending capital development.
- Scoping studies and resource modelling in progress on all four of Mincor's growth projects.
- Drilling to recommence at the Cassini discovery in the September quarter.
- Mincor remains on track to achieve FY15 production guidance.
- Consensus forecasts for the nickel price continue to predict a strong near-term recovery.

Australian nickel miner Mincor Resources NL (**ASX:MCR**) advises that it has today implemented a revised mining plan at its nickel mines in Kambalda, Western Australia as part of a strategy to maximise operating margins and sharpen its focus on the development of its new growth projects.

The new strategy follows a recently completed review of the Company's mining operations in response to ongoing weakness in the nickel price, which has fallen sharply through the financial year and remains at multi-year lows.

Mincor will suspend capital development at Miitel (having already stopped it at Mariners) and proceed with stoping-only operations at both mines. On this basis, Mincor expects to produce approximately 120,000 tonnes of ore at 2.8% nickel between June and November 2015, and to achieve its previously stated production target for FY2015 of approximately 8,500 tonnes of nickel-in-ore.

The Company will review operations at Miitel and Mariners through the second half of the year in light of the prevailing nickel price with a view to either recommencing capital development and ramping up production from those mines or reducing production after November and focusing primarily on the development of its new growth projects at Burnett, Cassini, Voyce and Durkin.

Mincor's revised mining plan will optimise mining cash flows while the initial studies are completed on these new projects, and will also leave substantial undeveloped Ore Reserves available for future mining at both Miitel and Mariners. A key element of the plan is that it is reversible at any time, should the nickel price improve.

Regrettably, the new mining plan will necessitate approximately 50 redundancies in Mincor's current workforce.

Detailed resource modelling is currently underway on the Voyce, Durkin and Burnett projects, while Cassini is undergoing conceptual scoping studies in order to determine drilling priorities for the recommencement of diamond drilling. In addition, planning for an aircore drilling programme over the un-explored northern half of the Cassini magnetic anomaly is well-advanced.

Mincor's Managing Director, David Moore, said he deeply regretted the job losses, but that after four years of falling nickel prices, changes were required in order to safeguard the future of the Company.

"Our revised mining plan will optimise cash flows and allow us to re-build production at both mines in due course, while giving us the scope to complete the drilling and evaluation of our four exciting new growth projects," he said.

"Based on our strong ore reserve position and these new discoveries, the future outlook for Mincor remains compelling. Consensus forecasts for the nickel price are very strong and the changes announced today will give us a solid foundation on which to build our next decade of profitable nickel mining in Kambalda."

Mincor is a leading Australian nickel producer and an active and self-funded explorer, and is listed on the Australian Securities Exchange. Mincor operates two mines in the world class Kambalda Nickel District of Western Australia, and has been in successful production since 2001.

- REPORT ENDS -

**Released by:**  
Nicholas Read  
Read Corporate  
Tel: (08) 9388 1474

**On behalf of:**  
David Moore, Managing Director  
Mincor Resources NL  
Tel: (08) 9476 7200 [www.mincor.com.au](http://www.mincor.com.au)