

CHAIRMAN'S ADDRESS

TO THE EIGHTH ANNUAL GENERAL MEETING OF MINCOR RESOURCES NL TO BE HELD ON THURSDAY, 11 NOVEMBER 2004 AT 11.30AM AT THE CELTIC CLUB, 48 ORD STREET, WEST PERTH

Ladies and Gentlemen

My name is David Humann and I am your Chairman.

I should like to welcome all shareholders and visitors to our eighth Annual General Meeting. I encourage your participation in this meeting.

I am sure you will enjoy the proceedings and the presentation to be given by our CEO and Managing Director, Mr. David Moore, upon completion of our formal business.

Mr. Moore is on my right and I would like to introduce him to you. We also have our other directors, Mr. Jack Gardner and Mr. Ian Burston, at the table. I would also like to introduce our company secretary, Mr. Brian Lynn.

Your 2004 Annual Report provides all the important relevant information for the 2003/2004 financial year. Since then, MINCOR has issued several reports to the ASX, including our Quarterly Report for the period ended 30th September 2004. All these reports are posted on our website and they are worthy of close study.

Our net profit after tax of \$11.3 million is a 25% improvement on the figure of \$9.1 million for the 2002/2003 year.

Our cash at bank decreased from \$19 million to \$9 million and our working capital decreased by \$6.1 million to \$1.7 million. This reduction happened because the Company incurred ie. invested in development expenditures as it advanced the new Redross, Mariners and North Miitel projects to new producing nickel mines. We will see the profits from working these new sources of nickel ore emerge in the coming years. We expect to increase aggregate annual production by about 70% over the next few years.

Health and safety remained a major area of focus. Our safety performance has been very good, with only 2 lost time injuries in the past 2½ years. Nevertheless we believe any injury is one too many, and we will continue our relentless efforts to improve in this area.

Stock market conditions continue to be strongly in favour of the resources sector, as do commodity prices. There has been an offsetting factor inherent in the continuing strength of the Australian dollar, however our overall financial performance remains strong. The Australian dollar is likely to fluctuate in an inverse relationship to the US dollar \$. There is evidence of a strengthening of the US economy, eg employment is rising strongly and interest rates have been increased. This may improve the value of the US\$ and in turn improve our revenue in A\$ terms.

The challenging operating environment we have experienced over the past year has been widely canvassed with our shareholders. However, the operational changes we have implemented are now bearing fruit, and I am delighted to announce today that in the month of October our Miitel Nickel Mine broke its own ore production record for the second month in a row. October's production from Miitel was 28,133 tonnes @ 3.3% nickel, just beating September's record of 28,098 tonnes. This strong performance from Miitel has allowed Mincor to average over 1,000 tonnes per month of nickel metal in ore for the last two months – and it looks like we might repeat these successes in November. Combined with our strong cost and productivity improvements, these figures illustrate the strength of the turn-around we have achieved.

I am also very happy to announce today that the high-risk phase of our Mariners Nickel Mine Development Project is now over. The de-watering programme has been successful, and the mine is now dewatered to a depth of 324 metres below surface, with only 19 vertical metres to go to the end of the old stope voids. The task is essentially done. All other aspects of the project are proceeding well, the decline ramp has been successfully rehabilitated to the current water level, and the second main pump station and the upgraded ventilation system are being installed right now. We expect to have access to our first ore source within a month, and look forward to first production from Mariners in January, as originally budgeted.

Further, I am delighted to be able to announce that Mincor is now in the process of launching three major exploration programmes, to complement our extensional surface drilling programme that has been underway for some time. Our regional

Widgiemooltha Nickel Exploration Programme has commenced, with extensive geophysical, geochemical and drilling work underway. Our regional Widgiemooltha Gold Exploration Programme will commence within a month, focused on the discovery of a major near-surface gold deposit around the Widgiemooltha Dome. Extensional exploration work, currently underway from surface at South Miitel, will, before the end of the quarter, be complemented by three considerable underground drilling programmes testing high quality new targets at Miitel and Wannaway.

Finally, and very excitingly, Mincor has just been granted its Dundas Exploration Licences south-east of Norsemen – where our first priority is a very significant nickel soil anomaly that warrants immediate investigation.

Turning to the broader market, there continues to exist a very strong demand for the commodities we produce. I am confident this demand will be sustained for the foreseeable future. With strong economic growth in most developed countries and the re-election of President Bush, investment should grow and world stability and security should improve. The USA will need to move strongly to increase its exports and reduce its Federal deficit through tax revenues derived from increased profits and personal incomes, in order to maintain the value of the US\$. This need was acknowledged by the President in his recent press conference in Washington.

The growth in Japan has picked up. The continuing development of new modern infrastructure, commercial, industrial and residential properties, and the sale of consumer goods, including motor vehicles, in countries such as China and India, is well known.

Mincor is well-set to capitalise on these favourable market conditions. Our combination of strong near-term production growth and commitment to future growth through exploration, as well as our demonstrable track record in getting wealth into shareholder's pockets will, I believe, keep the Company at the forefront of the Australian mining sector for many years to come.

I should like to thank, on your behalf, our dedicated, energetic and highly skilled management and staff teams lead by our CEO, David Moore.

I will now move to the formal resolutions before us.

David J Humann
Chairman, Mincor Resources NL