
MINCOR RESOURCES NL

ACN 072 745 692

CHAIRMAN'S ADDRESS

**TO THE SIXTEENTH ANNUAL GENERAL MEETING OF MINCOR RESOURCES NL TO BE HELD ON
WEDNESDAY, 14 NOVEMBER 2012**

AT 11.30AM AT THE CELTIC CLUB, 48 ORD STREET, WEST PERTH

As I said in my letter to shareholders included in our annual report covering the year ended 30 June 2012, we made excellent progress during the year under review.

The highlights of 2012 were:

- An excellent safety record. The first essential for the protection of our people and for successful, continuing mining operations.
- A brilliant restructuring of our mining activities by our general and management staff. This re-organisation led to mining higher metal grades and, in combination with planned cost reductions, a 27% reduction in operating cash costs per pound of payable nickel.
- Strong earnings from operations of \$42 million were achieved. These earnings will fund future growth and increased mining capital expenditure and exploration programs. These programs are designed to increase our resources and reserves, particularly near to mine resources and reserves and to win access to new high grade mineable reserves and resources.
- EBITDA, which equates to improved profitability, up 99% on the previous year: 2011.
- Dividend payments were maintained and when added to our share buy-back plan amounted to \$17 million.
- All of the above resulting in a strong balance sheet with \$76 million in cash and, as is desirable in this volatile market in which we live day by day, nil debt. Variables include volumes and grade of ore produced, the price of nickel, costs per tonne of ore produced and the AUD/US exchange rate.

The quarter to 30 September 2012 showed good production and grades. The nickel price had improved over last quarter 2012 levels until mid October, and whilst welcome, that price was not satisfactory. Further, the price of nickel has fallen since mid October. There are some indications of an emerging pressure for nickel price increases, but we cannot predict the future and we will have to wait and see how the market develops.

The main news to date is contained in our media release of 15 October which reports recent exciting nickel discoveries at South Miitel. New drill intersections have significantly increased the near to mine opportunities at the southern end of the Miitel nickel mine. Two additional underground rigs have been deployed to pursue the opportunities indicated by the recent discoveries. The new N29C reserve is currently undergoing a production ramp up, with the first two strike drives generating 13,300 tonnes of ore at an average grade of 3.78% nickel.

More drill intersections have occurred and are expected. For example, one intersection beneath the N29C comprised 3.5 metres, true width ore at 7.14% nickel, and confirmed an earlier hole of 4.8 metres true width at 9.24% nickel. These results confirmed that this lower high grade channel is linked to the much larger N31 resource which extends well to the south of Miitel Mine. In addition, the following three reported intersections beneath the N31 resource of:

- 6.5 metres @ 6.8% nickel (estimated true width)
- 0.4 metres @ 4.34% nickel (estimated true width)
- 3.6 metres @ 2.93% nickel (estimated true width)

suggest the N30 mineral resource is greater and may extend further than previously estimated.

The potential indicated above has profound and positive implications for the mine life and ongoing success of Miitel and Mincor.

Our copper and gold prospects in Papua New Guinea and at Tottenham in New South Wales and our lead, zinc, and copper prospects in Western Australia and South Australia are being explored on an aggressive and planned basis.

In conclusion, I should like to reinforce the view of the board (and all the people who work to make a career, operating success and financial success of, and for, Mincor), that we are very confident of the long term sustainability of your Company which will allow continuing good returns to be made by our shareholders.

Once again my thanks to the board, management and staff of Mincor for their hard work.

Thank you



David J Humann
Chairman, Mincor Resources NL