

MINCOR RESOURCES NL

ACN 072 745 692

CHAIRMAN'S ADDRESS

**TO THE NINETEENTH ANNUAL GENERAL MEETING OF MINCOR RESOURCES NL
TO BE HELD ON WEDNESDAY, 11 NOVEMBER 2015 AT 11.30AM
AT THE CELTIC CLUB, 48 ORD STREET, WEST PERTH**

Ladies and Gentlemen

You will have seen from the Annual Report of the Company that the 2014/2015 financial year proved to be the most difficult of our fifteen year history as a successful operator of nickel mines and resources.

While production was strong through the year under review, the sustained year-long drop in the nickel price, combined with lower grades in the second half of the year, led to a full-year operating loss.

The nickel price performance was against expectations. The fall in the value of the Australian dollar, while providing a useful buffer, was not of itself sufficient to achieve operational profitability.

In fact, the price continues to be at levels at which the bulk of the global nickel mining industry is unprofitable. We moved swiftly to counter this downturn and as a result we expect to be able to maintain a small core mining operation while we complete the groundwork for a strong resurgence in production once the nickel price recovers.

The redundancies and production cut backs incorporated into our corrective action plan are deeply regrettable, but necessary to sustain the Company.

On the positive side, we enjoyed outstanding exploration success through the year, with new discoveries at the Voyce and Cassini prospects and substantial upgrades to mineral resources at Burnett and Durkin North. These projects now form the core of our growth strategy, and we have definitive feasibility studies underway on two of them.

All these projects are described in detail in our Annual and Quarterly reports to shareholders.

As you have seen from our balance sheet we remain financially strong. We are not daunted by the prevailing operating conditions and to the contrary, look forward to the future with great confidence.

The demand for nickel, which is an essential ingredient in stainless steel production, has been flat but is widely expected to improve. While consensus forecasts have been adjusted downward through the past year, they remain positive for next year and very positive for the years thereafter. Some indications of reducing nickel inventories suggest that the start of a price rebound may be approaching.

There are encouraging signs of economic growth and demand in the USA, UK, Japan and South East Asia. China remains an enigma and there appears to be a general trend to reduce capital works and infrastructure. The exception to this is their new Silk Road undertaking which could involve a trillion dollars in major infrastructure work. They will make it happen and it will provide significant support to steel and nickel demand.

Your Board is confident that our present and future prospects are bright and we are working hard and constructively to be ready for the next growth phase in the demand cycle.

In closing, I wish to record the thanks of the Board to our Managing Director, David Moore and to all our employees for their extraordinary and effective efforts in restructuring our business and in creating the opportunities we have for future prosperity over the long term.

Thank you for your attention.

A handwritten signature in black ink, appearing to read 'D Humann', with a stylized initial 'D'.

David J Humann
Chairman, Mincor Resources NL