

MINCOR RESOURCES NL

ACN 072 745 692

CHAIRMAN'S ADDRESS

**TO THE TWENTIETH ANNUAL GENERAL MEETING OF MINCOR RESOURCES NL
TO BE HELD ON WEDNESDAY, 9 NOVEMBER 2016 AT 11.30AM
AT THE CELTIC CLUB, 48 ORD STREET, WEST PERTH**

Ladies and Gentlemen

The 2016 year was a difficult one for your company.

A stubbornly low nickel price conspiring with a strong Australian dollar rendered our core nickel business uneconomic. While the nickel price has improved a little over the last few months it has not reached a viable level.

With much regret, particularly with the significant adverse effects on our long serving and loyal staff members, we were forced to close or put on to a care and maintenance basis all of our nickel mines.

The staff redundancy programme was handled very efficiently by our management and the cost and trauma to staff was kept to a minimum. There was no adverse media or other external comment.

Many of our former staff have found satisfying work in the mining industry, particularly in the gold sector and in other fields open to them because of their skills.

Appropriate redundancy payments were made promptly to all leaving staff.

While we hold the Miitel / Burnett and Durkin mines on care and maintenance, there is presently only an uncertain path towards any likelihood of any reopening.

Opportunities in nickel do exist, but require a great deal of research and physical investigation to make an informed decision on whether these projects are capable of adding value to Mincor.

Nickel is not yet dead :: merely resting!

Shareholders will appreciate the nickel era has been a success for Mincor :: equity raised from shareholders, \$24 million :: total dividends paid to shareholders :: \$133

million :: a 550% return on the original investment. It was a technical success with integrity applied at every step of the way.

We have recognised an urgent imperative to develop new initiatives to ensure the growth and prosperity of the company and its value to shareholders into the future.

As set out in our annual report and in our various announcements to the exchange our main focus at present is to achieve quickly, production and profitability from our gold projects.

Our additional drilling programmes are complete and associated resource analyses are under way. The Company is now progressing with the financial feasibility studies of these gold projects which, if positive, will lead to a mine development decision.

We are also confident that our recently reverted gold rights on our freehold land holdings at North Kambalda will provide additional gold resources.

An initial evaluation of our North Widgiemooltha lithium potential will commence shortly and we have engaged a contractor to undertake geochemical sampling. There have been a number of unsolicited approaches regarding the company's lithium potential. We will keep you informed of progress.

In his presentation to follow the formal business for the meeting, Peter Muccilli our CEO will describe our operation in more detail.

Our overall financial position at 30th September, 2016 is closely following our plan. Net working capital is \$14.5 million including cash of \$17.0 million. Interest bearing debt totals \$778,000.

The board and management of the company wish you to know of their appreciation of the loyalty and continuing interest of investors in Mincor.

Thank you for your attention.

A handwritten signature in black ink, appearing to read 'D Humann', written in a cursive style.

David J Humann
Chairman, Mincor Resources NL