
MINCOR RESOURCES NL

ACN 072 745 692

CHAIRMAN'S ADDRESS

**TO THE ELEVENTH ANNUAL GENERAL MEETING OF MINCOR
RESOURCES NL TO BE HELD ON MONDAY, 12 NOVEMBER 2007
AT 11.00AM AT THE CELTIC CLUB, 48 ORD STREET, WEST PERTH**

Ladies and Gentlemen

My name is David Humann and I am Chairman of your Board of Directors.

I should like to warmly welcome all shareholders and visitors to our eleventh Annual General Meeting. I encourage your participation and questions.

Our format will be to deal with the formal business set out in the Notice of Meeting which you will have received. When this business is complete we will move on to a presentation to be given by our Chief Executive Officer, Mr David Moore, who will be delighted to answer any questions you may have on the operations of your Company.

I should like to introduce Mr Moore who sits on my right and our other director who is present, Mr Jack Gardner. Mr Ian Burston has tendered his apologies as he is on leave. I must mention the untimely death of our director, Mr Jim Reeve, in August of this year. Jim was formerly our Chief Operating Officer. Jim was a geologist and had a vast knowledge of the geology and mining of the Kambalda nickel province, gained through a long and successful career with WMC Resources Ltd. We have expressed our condolences to Jim's family and friends. He made a leading contribution to the development and success of your Company.

Our other important executive is Mr Brian Lynn our Chief Financial Officer and Company Secretary.

Highlights since the financial year end are:

- **We won the 'Miner of the Year' award for 2006/07 and our shares were rated as the best performer in the ASX 200 List for 2006/07**
- Achieved record production of 4,359 tonnes of nickel-in-concentrate, for the September 2007 quarter
- **Generated a record quarterly operating surplus of AUD \$48.3 million for the September Quarter 2007, before prior period adjustments**
- Reduced cash costs by 15% per pound of payable nickel in the September quarter compared to the June quarter
- **Production from our newly acquired Otter Juan/Coronet operations in Kambalda, reached 1,300 tonnes of nickel-in-concentrate for our first quarter of ownership**
- Development work at our sixth nickel mine at Carnilya Hill at Widgiemooltha is proceeding strongly
- **Our Wannaway Mine achieved an outstanding 2 years free of lost time incidents**
- Your Board has recently announced the approval of the feasibility study for the development of our McMahon mine at Kambalda. Work will commence immediately
- **A feasibility study is currently underway on the Durkin nickel project at Kambalda**
- Outstanding drilling results at the emerging discovery at the Mariners N09 ore body
- **Mineral resources calculated as at the end of June 2007 stood at an all time high of 146,300 tonnes of contained nickel metal – more than three times our resources in 2001 when we started mining**

In other developments

- We discovered widespread copper mineralisation at our Tottenham Copper project located in New South Wales

- **And, were granted new tenements for our Tipperary zinc-lead project in Ireland**

Now, a reminder of our financial results – a record AUD\$101 million profit after tax in the 2006/07 financial year – up 246% on the previous year – and an increase of 140% in our dividends paid to shareholders ie: to 12 cents per share – indicative of our long standing policy of returning fully franked cash dividends to our shareholders, as well as substantial capital gains in the market price of our shares.

Our balance sheet remains strong, with no debt and current cash and receivables, less all creditors at 31 October of nearly AUD\$70 million – this liquidity being determined after paying the full purchase price and other amounts due to the former owners of GMM.

Our hedging policy is effective and is not speculative. We have a policy of maintaining maximum exposure to the nickel price, while securing sufficient 24 month rolling protection of our revenues to cover our capital and operating expenditures and to protect revenues against adverse price movements in the nickel price.

We have achieved this balance by selling forward 3,961 tonnes of payable nickel through to December 2009 at an average price of AUD\$32,733 per tonne. This tonnage represents only 18% of our expected nickel production over the period to December 2009.

Our safety record continues to be substantially better than industry benchmarks. No lost time injuries occurred in the September quarter. We are obsessed with the safety of our staff and continuous training, and the best of equipment is provided, to constantly improve our performance in regards to safety.

As David Moore will describe in his talk today, we are maintaining a strong regional exploration program to ensure we replace mined reserves and discover new resources and reserves. We are confident of success.

We have also observed some moves to consolidate the nickel industry in Australia. We are watching these developments with interest.

We continue to do all we can to assist the development of the natural and built environment in the Kambalda district, and have donated substantial sums to this effect. However, it is our continued investment in exploration and mine development that is the strongest guarantor of Kambalda's continuing prosperity.

On a more general level, I have the following comments regarding the broader business environment:

- **Global prosperity is at a uniquely high level**
- Australia is currently a major beneficiary of this prosperity
- **The emergence of many countries and cities from stagnation and repression is due, substantially, to modern methods of communication. Also to skilled management and workplace entrepreneurship. Great improvement in information flows, computing and mechanised means of production, assist the achievement of generally higher standards of living. Economic progress is also due to strong scientific and design advances in all forms of goods and services**
- I see every reason to believe this economic progress will continue to be positive for the long term. Such progress will provide the physical and intellectual means to continuously improve the material and social standards of living of billions of people. This will depend on political stability and the continuance of free, transparent, and open conditions of trade and competition

I believe Australia and your Company will support and participate in the benefits that current governmental and corporate policies are providing.

A report in the Financial Review dated 30 October informs us that five out of the ten largest companies in the world, as measured by market capitalisation, are Chinese, and only three of the ten are American. Two of these Chinese companies are in the top 50 by sales.

The five Chinese companies span insurance, banking, petroleum and chemical manufacturing. Even taking into account the possibly excessive gains posted in the Shanghai and Shenzhen Exchanges of 170% in this year, the rapid change in philosophy and financial performance in China is staggering and is an indicator of the future demand for our product.

I should like to thank all our staff and contractors who have worked very hard and as a team to bring you, the shareholders, the great array of financial and social results for the Company and for the communities in which we work.

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

David J Humann
Chairman, Mincor Resources NL