Mineral Resources Limited

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18 November 2008

Company Announcements
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir,

Chairman's Presentation to Mineral Resources Limited 2008 Annual General Meeting

The attached announcement is for immediate release to the market.

Yours Sincerely

Bruce Goulds
Company Secretary

MINERAL RESOURCES LIMITED

CHAIRMAN'S MESSAGE

2008 ANNUAL GENERAL MEETING

Perth WA
Tuesday, 18 November 2008

Ladies and Gentleman,

Now that the formal part of the AGM has finished, I propose to very briefly talk about the strong FY2008 results and then address some of the current and future issues that the shareholders have asked me to address and which govern the day to day actions of your Board and management team.

By any standard, your company financial performance in 2008 was outstanding and, notwithstanding the market turmoil of the last three (3) months, we are in a strong financial position.

As a quick summary of last year's results,

- Our safety record for the year was outstanding and is again of world best practice quality performance
- Our profit for FY2008 was up 133% to $47.10 million
- Return on funds employed was a remarkable achievement at 73%
- We reduced our debt substantially through the year so that presently we are net cash positive with a strong balance sheet and an interest cover of 31.4 times.
- The annual dividend for the year was 19.35 cents per share with the final dividend amount of 13.35 cents being paid today.

These results were achieved on the back of a strong demand for steel making raw materials, primarily from China, and the general strength of the resource and infrastructure industry within Australia. They also reflected the strength and skills of your company's management team and its recognition and reputation as a quality supplier of goods and services to its customers.

Over the year to June 2008, we exported in excess of 320,000 tonnes of lump and fines manganese ore and 220,000 tonnes of plus 62% iron ore; extended by negotiation the terms of three (3) of our contract crushing operations and expanded the widespread acceptance of the Group's tight fit lining operation which has facilitated substantial additional contracts for PIHA through this new financial year.

In each of these areas, Mineral Resources is a market leader within the mining services sector of the Australian market, and I recommend detailed review of the 2008 Annual Report for more information about last year's performance.

Let me now comment briefly on the current financial crisis and its impact on the resource sector and our company in particular.

The financial crisis has created a crisis in confidence for markets, shareholders and investors alike.

As with most stocks in the mining services sector, the Mineral Resources share price has been seriously weakened by the turmoil in world financial markets and the consequent slow down across all global economies. The market had foreshadowed that our major customer, China, would be immune from the impacts in the USA and Europe but that has been proven to be inaccurate and it is anticipated that this level of volatility and uncertainty will likely continue for some time.

However, for the Mineral Resources operation we see this as a time of opportunity for the company and are focusing on optimizing our delivery options and consolidating cost performance to be positioned for an upswing when market sentiment and demand improve.

It is important to emphasize the fact that our business has a proven business model and uniquely diversified operations. Our contracting operations provide us with a strong ongoing operation and solid cash flow allowing us to reinvest throughout the cycle where others might not be able to do so.

In fact we believe our balance sheet and net cash position status places us in a strong position in the mining services sector to take full advantage of not only the recovery when it occurs, but also in capitalizing on opportunities that we believe will arise in this difficult, credit constrained market.

The key to the return of confidence to the mining services sector is the timing and volume of future demand for resources. That return to 'normality' is fundamental to our performance in FY2009 and the uncertainty in the timing of that recovery restricts our ability to provide definitive guidance. I will come back to that point.

From a future demand perspective, we believe that China and India will continue to achieve growth and performance from significant and ongoing industrialization and urbanisation of their populations. These countries, and the other BRIC economics, are at a relatively early stage in development and middle class growth and we believe their projected growth will continue to drive strong long term demand for our products and services.

There is no doubt that China has been an important driver of growth in resources demand, underpinned by its unprecedented urbanization push. Statistics confirm that the urban population has increased by 300 million people since 1990 and continuing internal migration is a plank of government policy.

Macroeconomic indicators now show that Chinese growth has softened recently, albeit from very high levels. We believe that softening is due to both domestic and global factors.

With receding inflationary pressures, large financial reserves and a deep desire to grow, the Chinese economy should show some resilience and we note the International Monetary Fund growth forecast of around 9 per cent for 2009.

Over the next 20 years, we note the prediction that Chinese cities will grow by another 350 million people with consequent infrastructure and property development requirements.

We note that the China National Bureau of Statistics has recently released the latest gross domestic product data which shows that third quarter growth came in at 9 per cent year on year.

More recently, the Chinese Government has announced a growth stimulus package that involves the expenditure of approximately $800 billion (AUD) over two (2) years for infrastructure and housing construction supplemented by reduced taxes and tariffs. That package, equating to a nominal 7% of GDP per year is positive for Australian resources and for the Mineral Resources business.

The slowdown in the sale and export of both manganese and iron ore has limited the tonnages sold by us in the FY2009 year to date and we foreshadow that the softness in demand will remain while the stockpiles of bulk commodities at the ports in China are worked through. We believe that demand for those steel making materials will recover from this current constrained level in the 3rd quarter of FY2009 and that the current disconnect between contract and spot prices will be resolved.

But what does all this mean for Mineral Resources in FY2009 and for the future?

Despite the uncertainty, we remain confident that our strategy and the structure of our business are sound. We are confident that the fundamental long term outlook for the mining services sector, and our capacity to gain substantial benefits for our shareholders, remains intact.

The Mineral Resources business as a provider of goods and services to the mining and infrastructure sectors is well placed to achieve ongoing profitability from its range of blue chip clients and longer term committed contracts.

The contract crushing operations have continued to perform ahead of budget over the period from June 2008 and the Windimurra Vanadium 10 year BOOT crushing and processing operation construction and commissioning is progressing below budget and ahead of time for production.

We have extended two of our operations for further contract periods and the pipeline for projects remains strong.

It is understood that the three major global iron ore producers have all indicated that their product sales will be lower in this calendar year and with likely further pricing weakness albeit offset by the weak Australian dollar and the lower current shipping costs.

Mineral Resources is a strong value adding provider of services to the local iron ore miners and we are discussing the arrangements that will apply to our contract crushing operations in Western Australia. Our contract operations are an important part of their iron ore supply chain (with contracts extending through to 2010 and 2011) and individual site production tonnages are dependent on our client's export schedules.

The infrastructure market, and particularly the pipeline and pipelining project requirements, is particularly strong. We have recently been awarded and commenced work on a series of supply and construction pipelining operations in Brunei, South Australia, Queensland and Western Australia. The success in winning those contracts is a testament to the pre-eminent position that our company holds in the tight fit lining process within Australasia and East Asia. That range of work covers the resources, power and oil and gas sectors and augurs well for future business operations within those markets.

The polyethylene fittings manufacturing operation is also developing strongly with expanded alliances with the pipe supply companies being developed.

Within the mineral processing operations of the company, the softened market conditions for our iron ore and manganese products has reduced the volume and revenue from export tonnages. Mineral Resources has made a conscious decision that the current sales prices for these products, reflecting the oversupply at the ports in China, does not recognise the true value of the minerals. We will not sell at the current opportunistic pricing offers that fail to recognise the inherent value of our product and, accordingly, export tonnages in the FY2009 year to date have been restricted.

We are however strongly placed, from substantial processed stockpiles of iron ore and manganese, to benefit from an upswing in demand and acceptable export pricing that we believe will start to return later in this financial year.

Similarly, during the year we entered into a mining alliance with HPPL for the development of the Balfour Downs manganese operation and planning and approvals for that are being progressively developed for a project commencement within 2009.

The strength of our balance sheet, and our strong cash position, enables Mineral Resources to structure its operations and marketing to optimise outcomes for all shareholders. Sales of product at unacceptable pricing does not meet that objective.

Notwithstanding those comments, we are in ongoing sales and pricing negotiations with a range of our customers and believe that acceptable sales will be enacted later in the financial year.

Given the levels of uncertainty across the market, it is not possible to provide definitive financial guidance to the market for the 2009 financial year. Specifically, the major factors that are currently impacting our forecasts are

- Quantum and pricing of processed mineral sales between now and June, 2009
- Availability of credit by smaller customers in China to support the necessary shipping letters of credit
- The AUD rate relative to the USD, and
- The cost of shipping from Port Hedland to China.

The Board, therefore, has forecast a range of profitability for Mineral Resources for the 2009 financial year that covers a range of scenarios around the projected levels of export shipments of iron ore and manganese through to year end.

Our expectation for the year is a net profit for the FY2009 year in the range of $32 million - $51 million. We recognise that is a large range but it reflects the volatility of the market and the level of uncertainty that exists across our key forecast inputs.

As the year unfolds we will look to provide more detailed information to the market.

To conclude this presentation and provide time for your questions, let me reaffirm the commitment of the Board and management to continue to work towards growing the business in the interest of all stakeholders and to add substantial value to our share price. We believe that the difficult economic situation is part of the historical cycle that occurs within the resource services sector and your management team have operated through such cycles in the past with great success.

We see today as both a challenge and an opportunity and are confident in our strategy and the long term fundamentals of our business.

I wish to pay tribute to the Mineral Resources team that achieved such outstanding results last year and exhort them to maintain that enthusiasm, drive and skill going forward.

I also thank you all for coming today and being an important part of the Mineral Resources story which has many more chapters to be read.

Ladies and gentlemen, that concludes my report on the company. If you have any questions we would be pleased to answer them and we cordially invite you to join us for morning tea to conclude this AGM.

Thank you.