

# QUARTERLY REPORT

## 30 September 2009



### ABOUT MINARA

Minara Resources Limited is a leading Australian resources company based in Perth, Western Australia.

Minara Resources owns and operates the Murrin Murrin nickel cobalt joint venture project (60% Minara, 40% Glencore International AG).

The Murrin Murrin operation is located near Leonora in Western Australia's historic northern goldfields region.

Murrin Murrin is a world-class nickel/cobalt hydrometallurgical project which offers significant environmental benefits compared to traditional smelting processes.

ASX CODE: MRE



## SIGNIFICANT EVENTS

- Increased metal production
- Cash on hand at 30 September 2009 \$202.1 million
- Improved nickel price however LME nickel stocks at historical highs
- Record quarterly cobalt production

## MURRIN MURRIN OPERATIONS

	Quarter Ended 30 September 2009	Prior Quarter Ended 30 June 2009	Quarter Ended 30 September 2008
Nickel Production (tonnes)	8,698	7,842	7,656
Cobalt Production (tonnes)	754	634	513
<b>Minara's Equity (60%)</b>			
Nickel (tonnes)	5,219	4,705	4,594
Cobalt (tonnes)	452	380	308

Total production of 8,698 tonnes of packaged nickel and 754 tonnes of packaged cobalt was achieved at Murrin Murrin for the three months to 30 September 2009. The company's share is 60%. The previous corresponding three month period saw 7,656 tonnes of packaged nickel and 513 tonnes of packaged cobalt produced. The quarterly cobalt production was a record for the Murrin Murrin operation.

The increased metal production occurred despite a five day planned maintenance shutdown for a precipitation line changeover in the refinery. During the shutdown planned maintenance was also completed in the oxygen plant.

There are no major plant maintenance shutdowns scheduled for the remainder of 2009.

Mine production remained steady for the quarter and achieved the targets set in the mining schedule. Mine production is scheduled to increase in the December quarter and into 2010.

Autoclave feed for the quarter was 706,609 tonnes of ore grading 1.34% nickel.

Minara's production forecast guidance for Murrin Murrin for the year remains unchanged at 30,000 to 34,000 tonnes.

Minara's sales position remains unhedged in both currency and price.

## CORPORATE / FINANCIAL

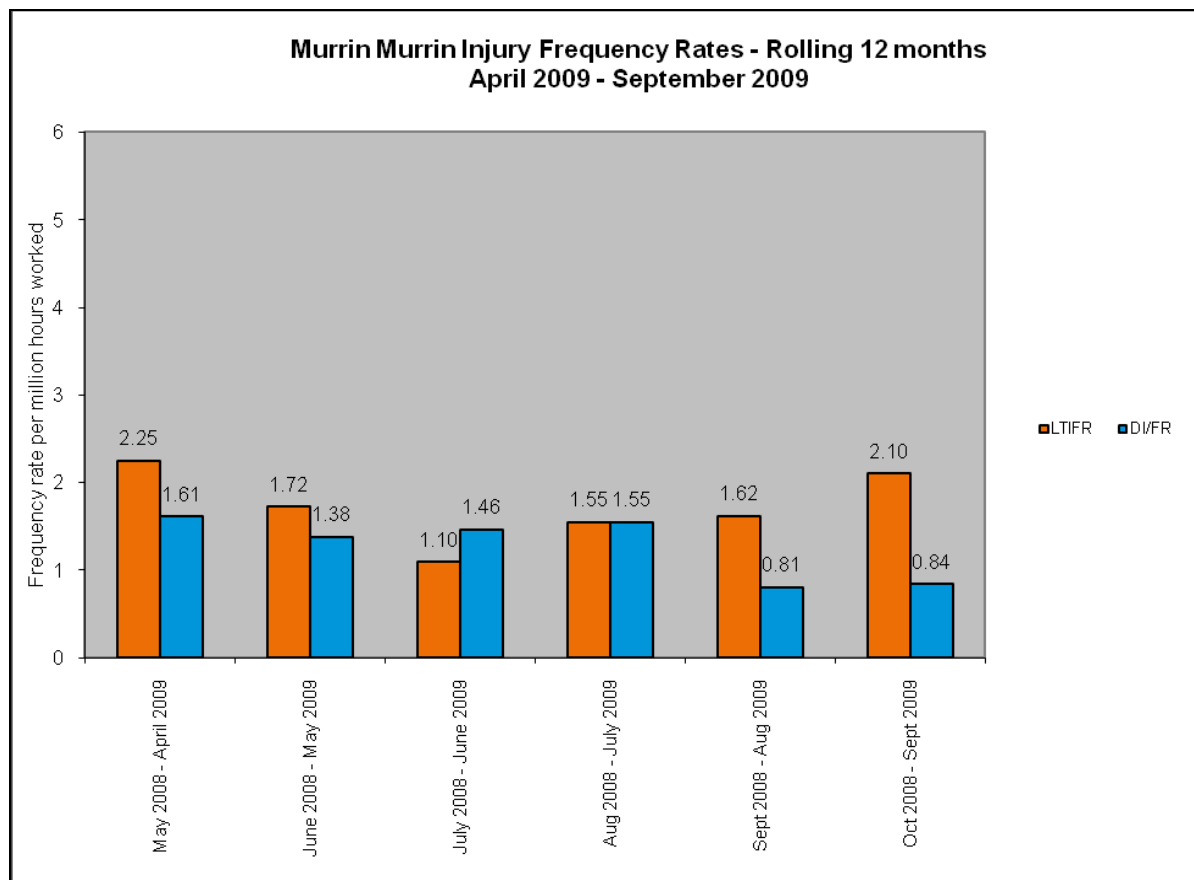
Minara was cash flow positive for the quarter ended 30 September 2009. Cash on hand at 30 September 2009 was \$202.1 million (\$127.2 million 30 June 2009).

Minara's nickel and cobalt revenue is priced in US dollars, with the majority of input costs denominated in Australian dollars (with the exception of sulphur and some maintenance parts). Consequently, the positive impact on revenue from the increases to nickel prices seen during the quarter continues to be partially offset by the strengthening Australian dollar.

## HEALTH AND SAFETY

The LTI/FR 12 month rolling average is 2.10.

The DI/FR 12 month rolling average is 0.84.



## ENVIRONMENT

There were no reportable environmental incidents for the quarter.

## EXPLORATION

*Irwin Hills - Coggia Well JV (Murrin Murrin JV 60%)*

No exploration was conducted this quarter.

*Bardoc Nickel Project (Minara Resources 100%)*

Review of nickel sulphide target rankings continued this quarter. This review is expected to continue into the December quarter to identify future drilling targets.

*Mt Margaret (Murrin Murrin JV)*

No exploration was conducted this quarter.

*Weld Range JV (Minara Resources 75%)*

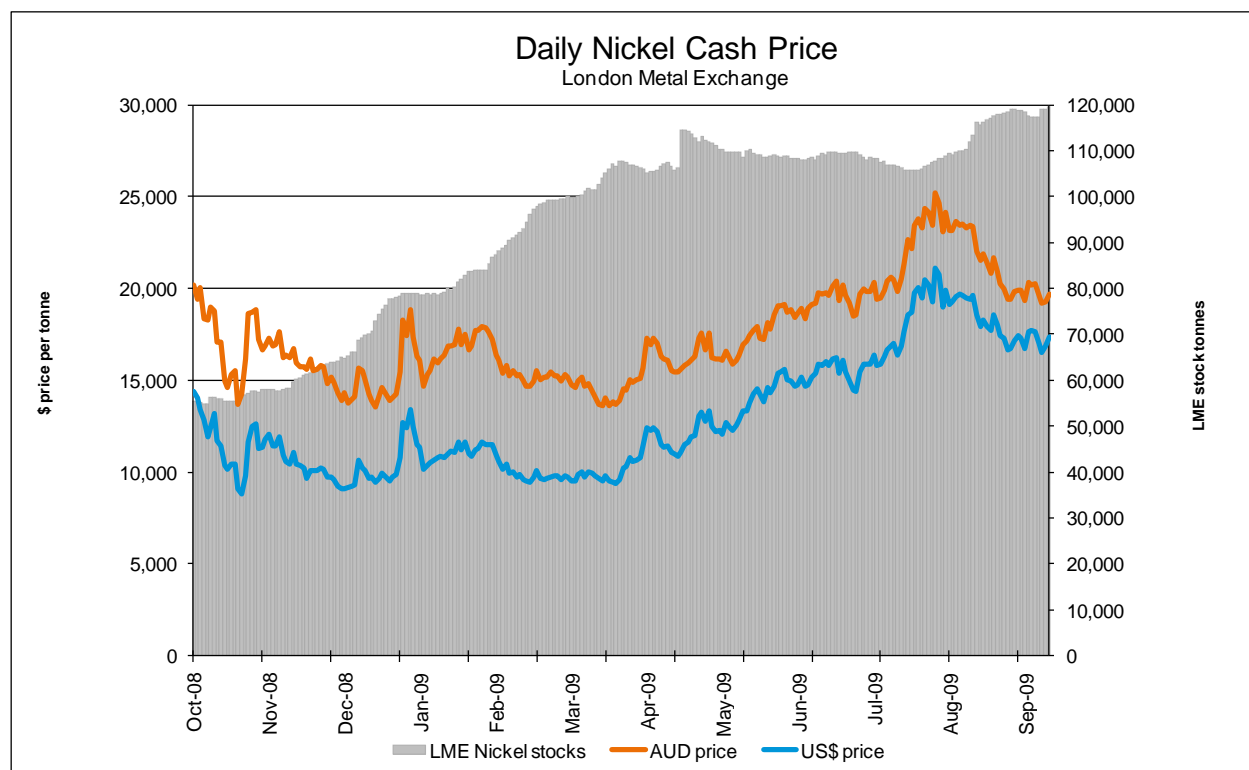
During the quarter, Minara Resources Ltd entered into an agreement to divest its interests in the Weld Range project to a subsidiary of Dragon Mining Ltd.

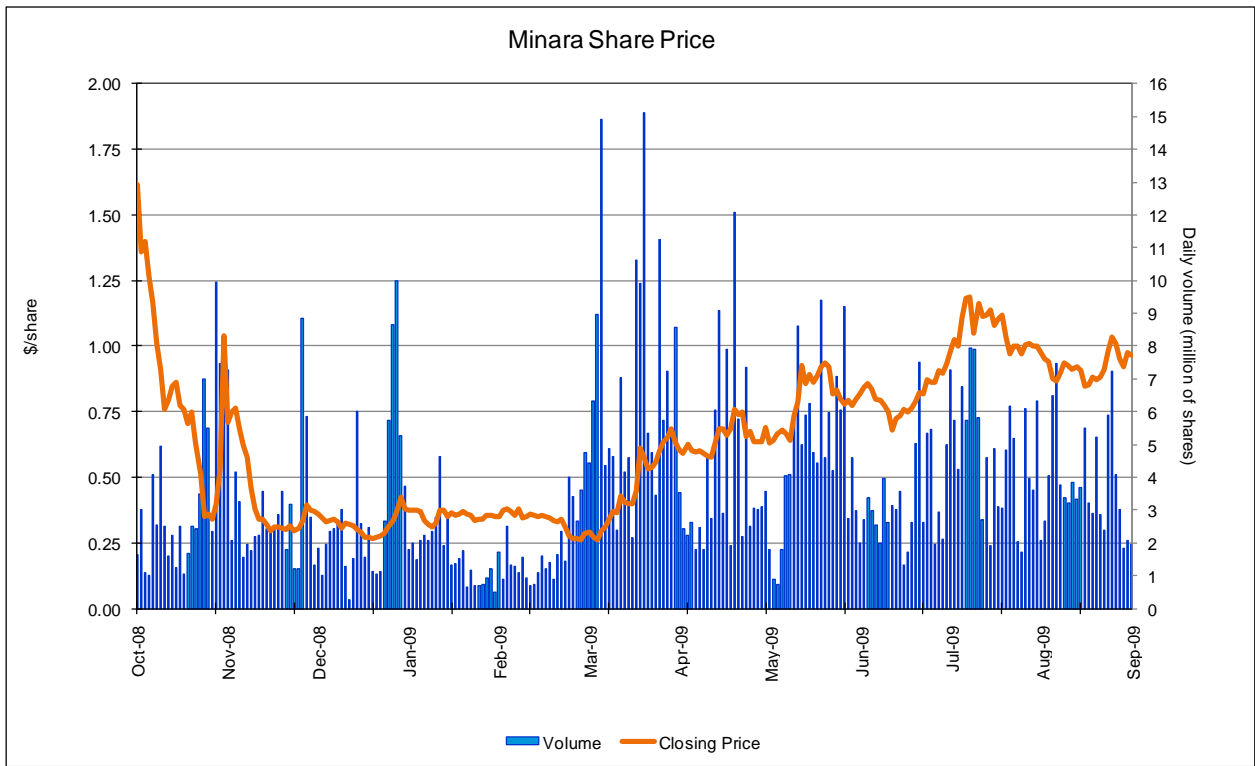
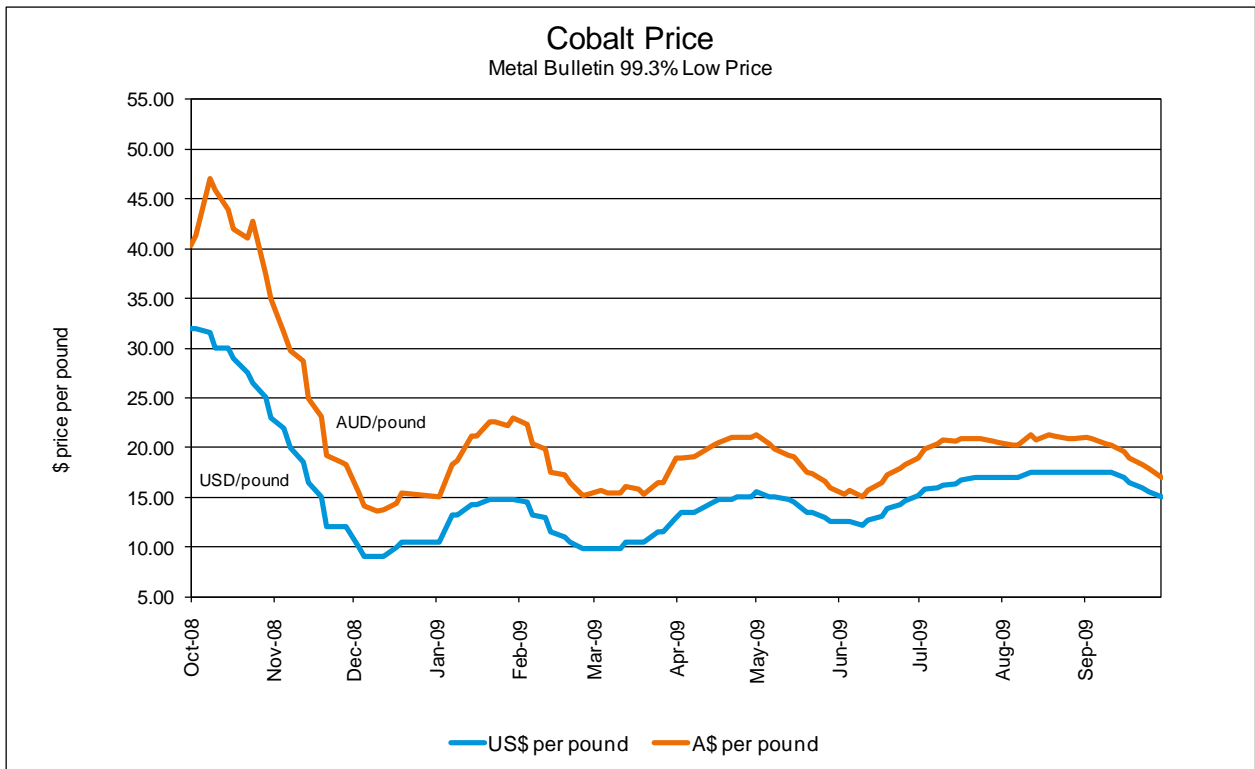
## METAL MARKETS

The nickel market improved during the quarter with nickel spot prices ranging from US\$15,755 per tonne on 1 July 2009 to a peak of US\$21,070 per tonne before closing the reporting period at US\$17,355 per tonne. Despite the price improvement the company remains cautious as official London Metal Exchange (LME) stocks have risen to approximately 120,000 tonnes in recent weeks and the stainless steel markets in Europe and the USA remain soft. The signs of increased demand for stainless steel in China have continued with consumption primarily being attributed to domestic purposes.

The cobalt price remains volatile. During the quarter the price has ranged between approximately US\$15.00/lb and US\$17.50/lb.

Commodity Prices	Prices as at 30 September 2009	Average for quarter ending 30 September 2009	Average for quarter ending 30 June 2009	Average for quarter ending 30 September 2008
<b>LME Nickel</b>				
Cash Seller & Settlement				
US\$ per tonne	17,335	17,614	12,992	18,980
US\$ per lb	7.86	7.99	5.89	8.61
AUD\$ per tonne	19,697	21,153	17,099	21,376
<b>Cobalt</b>				
US\$ per lb	15.00	16.79	13.90	31.62
Exchange Rates AUD:USD	0.8801	0.8327	0.7598	0.8879





## CEO'S COMMENTS

"We have maintained our consistent production profile and delivered an increase in nickel and cobalt production during the quarter. We are now seeing improved performance in the reduction area of the refinery.

"The improvement in the nickel price has positively impacted the balance sheet but the increase in cash reserves is also due to the company's reduced cost base and a continued focus on seeking further opportunities to run our business more efficiently.

"The challenge for the December quarter is to ensure we safely deliver our nickel production and remain focussed on cost management and the production improvement that have been a feature of our performance in 2009."



**Peter Johnston**  
Managing Director and CEO

9 October 2009

### Contact

David Pile, Chief Financial Officer  
Minara Resources Limited  
+ 61 8 9212 8400  
[www.minara.com.au](http://www.minara.com.au)

or

David Griffiths, Gryphon Management Australia  
0419 912 496  
[www.gryphon.net.au](http://www.gryphon.net.au)

### Minara Resources Limited

Level 4, 30 The Esplanade PERTH WA 6000  
PO Box Z5523, St Georges Terrace  
PERTH WA 6831 AUSTRALIA  
[www.minara.com.au](http://www.minara.com.au)

The information in this report that relates to Metallurgical Results is based on information compiled by Mr John O'Callaghan. Mr O'Callaghan is a Member of the Australasian Institute of Mining and Metallurgy. Mr O'Callaghan is a full time employee of Minara Resources Ltd. Mr O'Callaghan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr O'Callaghan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.