

# QUARTERLY REPORT

## 31 March 2010



### 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

- Nickel production of 7,832 tonnes and cobalt production of 549 tonnes
- Planned year to date nickel and cobalt metal production achieved
- Cash on hand at 31 March 2010 \$274.0 million
- Completion of three planned maintenance shutdowns

## MURRIN MURRIN OPERATIONS

	Quarter Ended 31 March 2010	Prior Quarter Ended 31 December 2009	Quarter Ended 31 March 2009
Nickel Production (tonnes)	7,832	8,675	7,762
Cobalt Production (tonnes)	549	512	450
<b>Minara's Equity (60%)</b>			
Nickel (tonnes)	4,699	5,205	4,657
Cobalt (tonnes)	329	307	270

Total production of 7,832 tonnes of packaged nickel and 549 tonnes of packaged cobalt was achieved at Murrin Murrin for the three months to 31 March 2010. Minara's share is 60 percent. The previous corresponding three month period saw 7,762 tonnes of packaged nickel and 450 tonnes of packaged cobalt produced.

During the quarter several planned maintenance projects were completed. These included the nickel refinery sinter furnace annual overhaul, a planned line changeover in the mixed sulphide precipitation circuit and a major service of the gas turbine.

The Murrin Murrin production guidance for the 2010 calendar year remains unchanged and is 30,000 – 34,000 tonnes of nickel (Minara's share 60%). This guidance range takes into account the planned triennial major plant shut scheduled for late 2010.

Autoclave feed for the quarter was 735,989 tonnes of ore grading 1.26% nickel, as planned.

## CORPORATE / FINANCIAL

Minara was cash flow positive for the quarter ended 31 March 2010. Cash on hand at 31 March 2010 was \$274.0 million (\$247.1 million 31 December 2009).

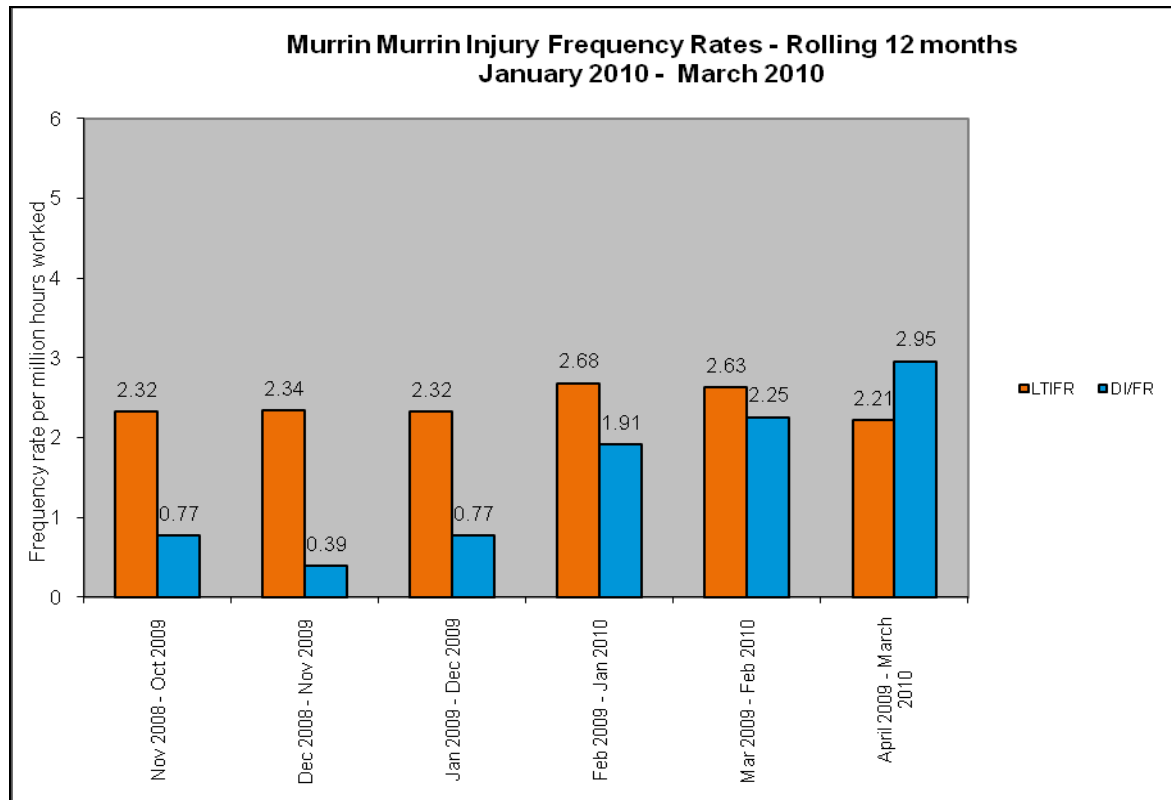
Minara's nickel and cobalt revenue is priced in US dollars, with the majority of input costs denominated in Australian dollars (with the exception of sulphur and some maintenance parts). Consequently, the positive impact on revenue from increased nickel and cobalt metal production is partially offset by the strength of the Australian dollar.

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

## HEALTH AND SAFETY

The LTI/FR 12 month rolling average is 2.21.

The DI/FR 12 month rolling average is 2.95.



## ENVIRONMENT

There were no reportable environmental incidents for the quarter.

## EXPLORATION

*Bardoc Nickel Project (Minara Resources 100%)*

Drill planning commenced in the March quarter.

*Mt Margaret – Marshall Pool (Murrin Murrin JV 100%)*

The Marshall Pool project contains significant upgradeable nickel laterite mineralisation and scoping studies assessing the viability of a processing route recommenced during the quarter. The scoping studies will continue during 2010.

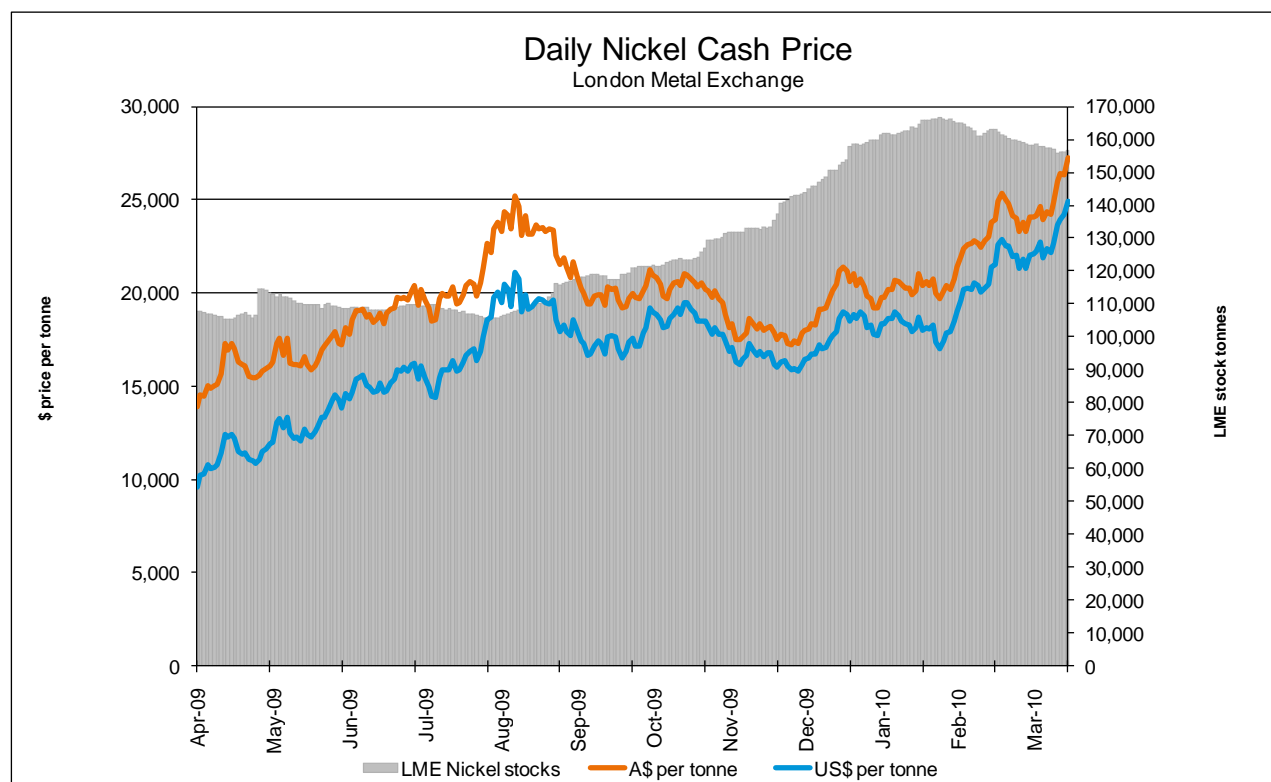
## METAL MARKETS

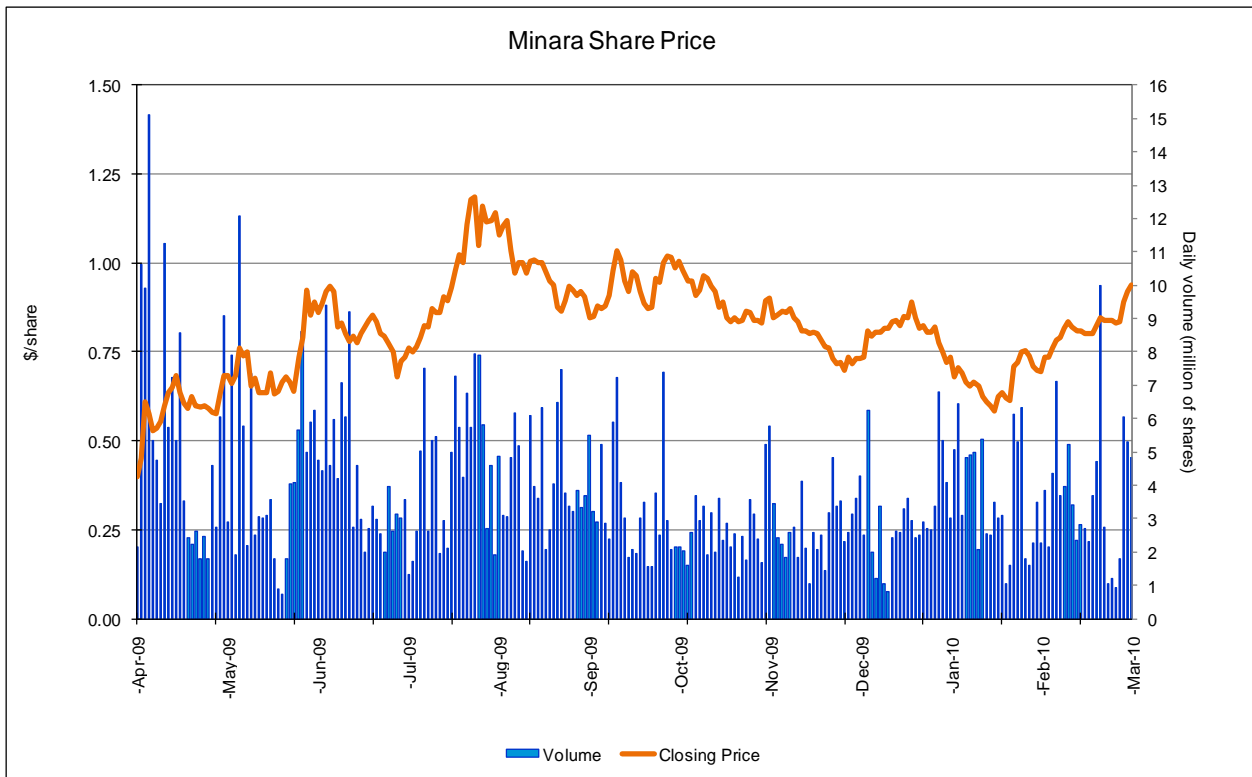
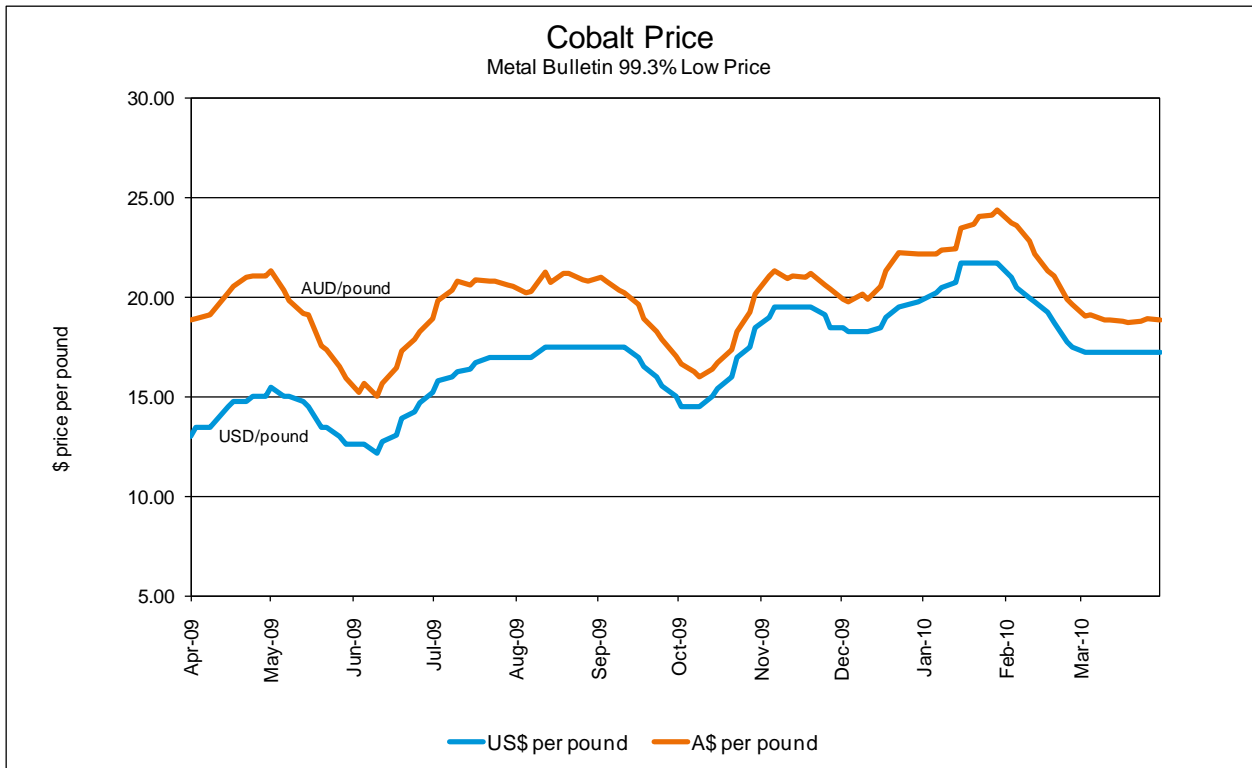
While London Metal Exchange (LME) nickel spot prices have increased during the quarter the nickel market remains volatile. The nickel spot price opened the reporting period at US\$18,480 per tonne then fell to US\$17,035 per tonne in February before steadily increasing to US\$24,950 per tonne on 31 March 2010.

Despite recent reductions, the LME nickel stock levels remained high throughout the quarter and exceed 155,000 tonnes.

The cobalt price was volatile during the quarter. The price was US\$19.75 per lb at the start of the reporting period and reached US\$21.75 per lb in January. In February the price decreased and steadied at US\$17.25 per lb by the end of the quarter.

Commodity Prices	Prices as at 31 March 2010	Average for quarter ending 31 March 2010	Average for quarter ending 31 December 2009	Average for quarter ending 31 March 2009
<b>LME Nickel</b>				
Cash Seller & Settlement				
US\$ per tonne	24,950	20,078	17,535	10,459
US\$ per lb	11.32	9.11	7.95	4.74
AUD\$ per tonne	27,241	22,195	19,254	15,751
<b>Cobalt</b>				
US\$ per lb	17.25	19.20	17.88	12.09
Exchange rate AUD:USD	0.9159	0.9046	0.9107	0.6640





## CEO'S COMMENTS

"Minara is pleased to report the consistent nickel and cobalt production profile that was a feature of our performance in 2009 has continued into the first quarter of this year.

"As a producer of LME grade nickel briquettes we are able to fully realise the benefit of the improvement witnessed in the nickel market over the last few months. The improvement of the nickel market is due to increased demand - predominantly attributed to China, signs of growth in East Asia, and a recovering world GDP.

"However, due to the fragility of the recovery and current high LME stock levels Minara remains cautious on nickel demand. The company needs to ensure we continue to meet our production targets to take full advantage of a recovering market."



**Peter Johnston**  
Managing Director and CEO  
12 April 2010

### Contact

Jason Cooke, General Manager Corporate Development  
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

### 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. The information in this report relating to Exploration Results is based on information compiled by Mr David Selfe. Both Mr O'Callaghan and Mr Selfe are Members of the Australasian Institute of Mining and Metallurgy. Mr O'Callaghan and Mr Selfe are full time employees of Minara Resources Limited. Mr O'Callaghan and Mr Selfe have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which each 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 and Mr Selfe consent to the inclusion in the report of the matters based on the information each has provided in the form and context in which it appears.