

ASX RELEASE

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Market Update

Minara Resources Limited (**Minara**) advises that its production guidance for the 2011 calendar year at Murrin Murrin is 33,000 – 37,000 tonnes of nickel (Minara's share 60%).

This increase on 2010 production reflects several important initiatives Minara has undertaken over the course of the year including:

- the successful completion of the October triennial statutory shutdown and subsequent successful restart of the plant,
- substantial completion of key de-bottlenecking projects including the high density slurry project and the sixth nickel reduction autoclave project, and
- development of the Murrin Murrin East Ore body introducing a new source of high grade ore, with first ore scheduled to be processed during the first half of 2011.

Minara has also reached in-principle agreement with its sulphur suppliers to implement supply arrangements which will give protection against sulphur market price spikes, such as were seen during 2008.

"The benefit of the significant maintenance and capital upgrades that we have worked on throughout 2010 should be seen in our performance during 2011 and the years ahead," Peter Johnston, Minara Managing Director and Chief Executive Officer said.

"The risk reduction strategies that we have been working on, particularly in our sulphur supply area, will assist in protecting our performance from unforeseen factors."

Peter Johnston
Managing Director & CEO

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