

Minara Resources Limited

World-scale Laterite Nickel Producer Growth – Cashflow – Nickel Leverage

MAY 2011



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Minara Resources is

- A leading listed Australian nickel price leverage investment
- Operator and 60% owner of the Murrin Murrin nickel facility
- Financially strong - A\$199 million at bank at 31 March 2011
- Committed to shareholder returns:
 - A\$110 million capital return paid September 2010
 - A\$58 million 2010 final dividend paid March 2011
- 71% owned by Glencore, one of the world's largest commodity traders
- Actively pursuing growth opportunities

Murrin Murrin Nickel Facility



Murrin Murrin is

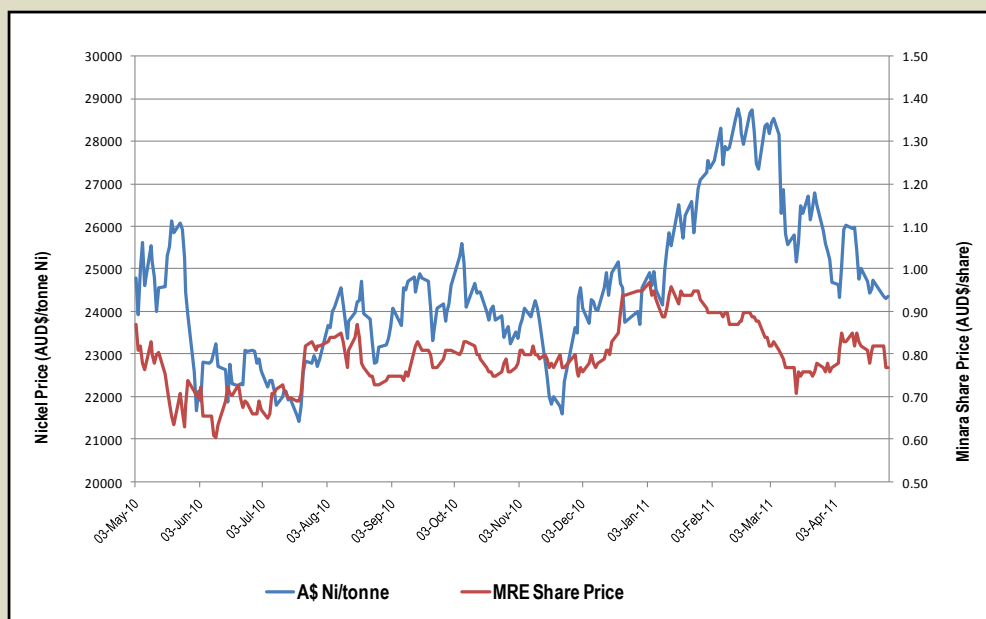
- One of the world's largest LME grade nickel facilities
- Australia's 2nd largest nickel Reserve:
 - 196 million tonnes at 1.05% nickel and 0.08% (2.1 million tonnes contained nickel, 0.15 million tonnes contained cobalt)*
- Australia's longest life nickel producer
 - Over 30 years mine life based on current Reserves
- The world's only single-site laterite nickel producer; producing high purity LME grade nickel
- The only commercially successful laterite nickel heap leach producer
- A world top 10 cobalt producer

* As at 31 December 2010. Refer to Statements related to Resources and Reserves at the end of this presentation

Corporate Snapshot

ASX: MRE	Unit	Value
Shares	millions	1,169
Management performance rights	millions	13
Total securities - fully diluted	millions	1,182
Market capitalisation (@ A\$0.78/share)	A\$ million	912
Cash @ 31 March 2011	A\$ million	199
Debt	A\$ million	Nil
Enterprise value	A\$ million	713

Board	
Malcolm Macpherson	Non-Executive Acting Chairman
Peter Johnston	Managing Director
Ivan Glasenberg	Non-Executive Director
Willy Strothotte	Non-Executive Director
John Morrison	Non-Executive Director



Value

- Murrin Murrin replacement value estimated A\$3-4 billion
- Current enterprise value of approximately A\$713 million:
- Enterprise value per tonne of Reserves significantly below ASX peers*

Company	ASX Code	2011 Production E('000 tonnes)	Enterprise Value (EV)(A\$M)	EV per Tonne of Nickel Reserves (A\$'000)	EV per Tonne of Nickel Resources (A\$'000)
Minara	MRE	21⁽¹⁾	713	0.63	0.49
Mirabella	MBN	16.6	1,252	1.65	1.53
Panoramic	PAN	16.4	314	2.37	1.82
Independence	IGO	8.9	1,045	n.m.	n.m.
Western Areas	WSA	25.1	1,368	8.91	5.03
Mincor	MCR	8.9	146	3.17	1.33

- * Non-Minara values in table sourced from RBC Capital Markets; 29 April 2011
- ⁽¹⁾ Based on mid point of 2011 Murrin Murrin Production guidance of 33,000 to 37,000 tonnes of nickel packaged

Developing a Leading Nickel Business




Date	Event	Phase
1993	Company founded.	Establishment and Funding
1997	Murrin Murrin construction commences.	
1999	Production commences.	Commissioning
2000/01	19,514 tonnes nickel produced at Murrin Murrin.	
2001/02	28,529 tonnes nickel produced at Murrin Murrin.	
2007	Major upgrade of acid plant, other capital works, in statutory shut down.	Consolidation and Process Improvement
2009	32,977 tonnes nickel produced at Murrin Murrin.	
2010	HDS, In-pit tails, 6 th Nickel Reduction autoclave projects, statutory shutdown.	
2006 to 2010	Average 30,195 tonnes nickel produced per annum Average C1 costs* of US\$5.42 per pound.	Platform for Growth
2011	Guidance of 33,000 – 37,000 tonnes nickel produced at Murrin Murrin.	Increased Production and Cashflow

Plant Upgrade and Investment

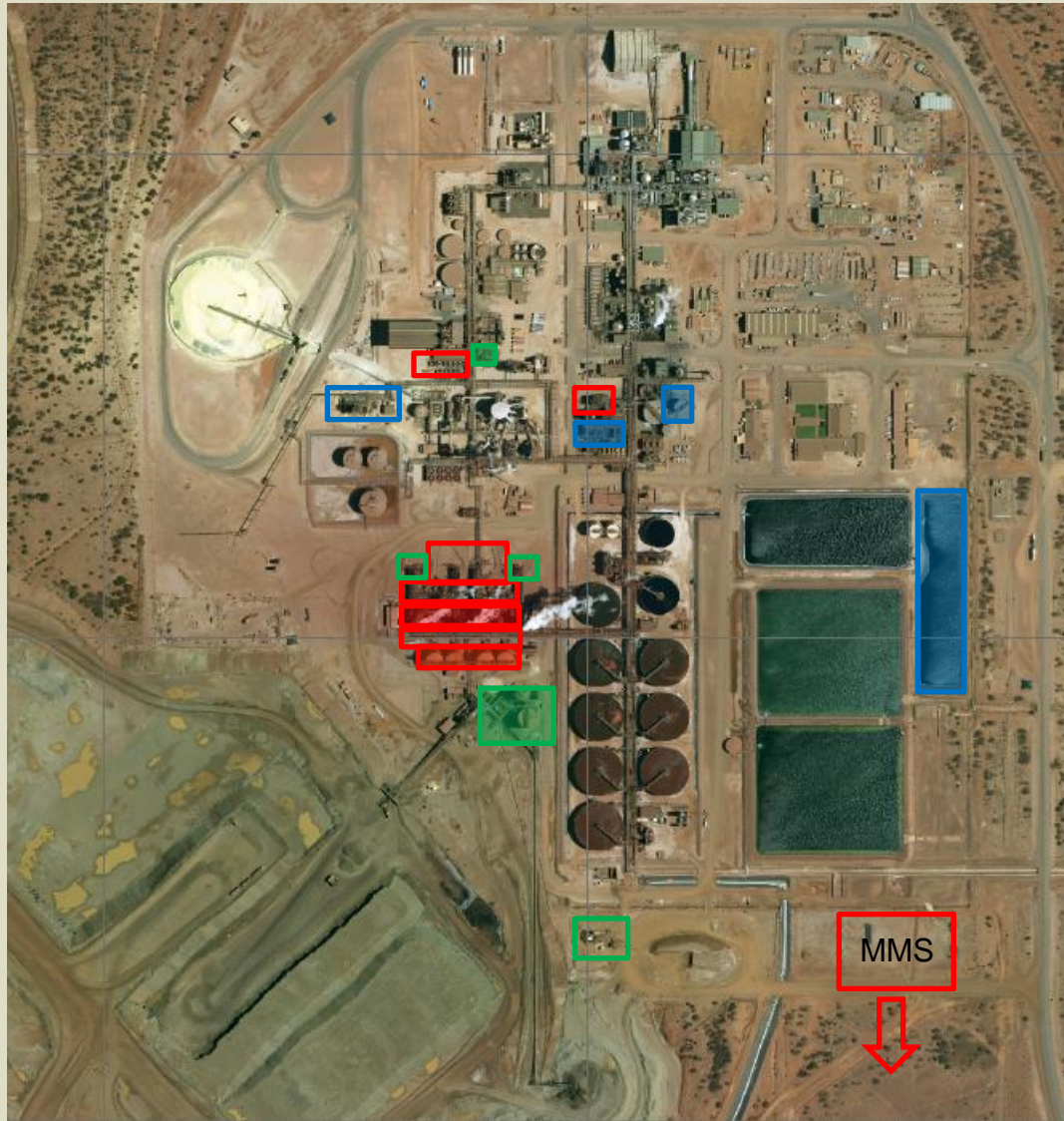


2000-2003 Design Remediation

- Screen upgrade and paste thickener
- Slurry storage agitation
- HPAL flash system
- Nickel solution storage de-couples ore leach from refinery
- Split mixed sulphide train

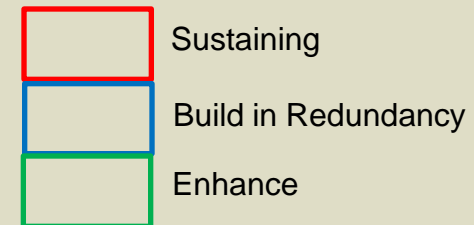
	Sustaining
	Build in Redundancy
	Enhance

Plant Upgrade and Investment

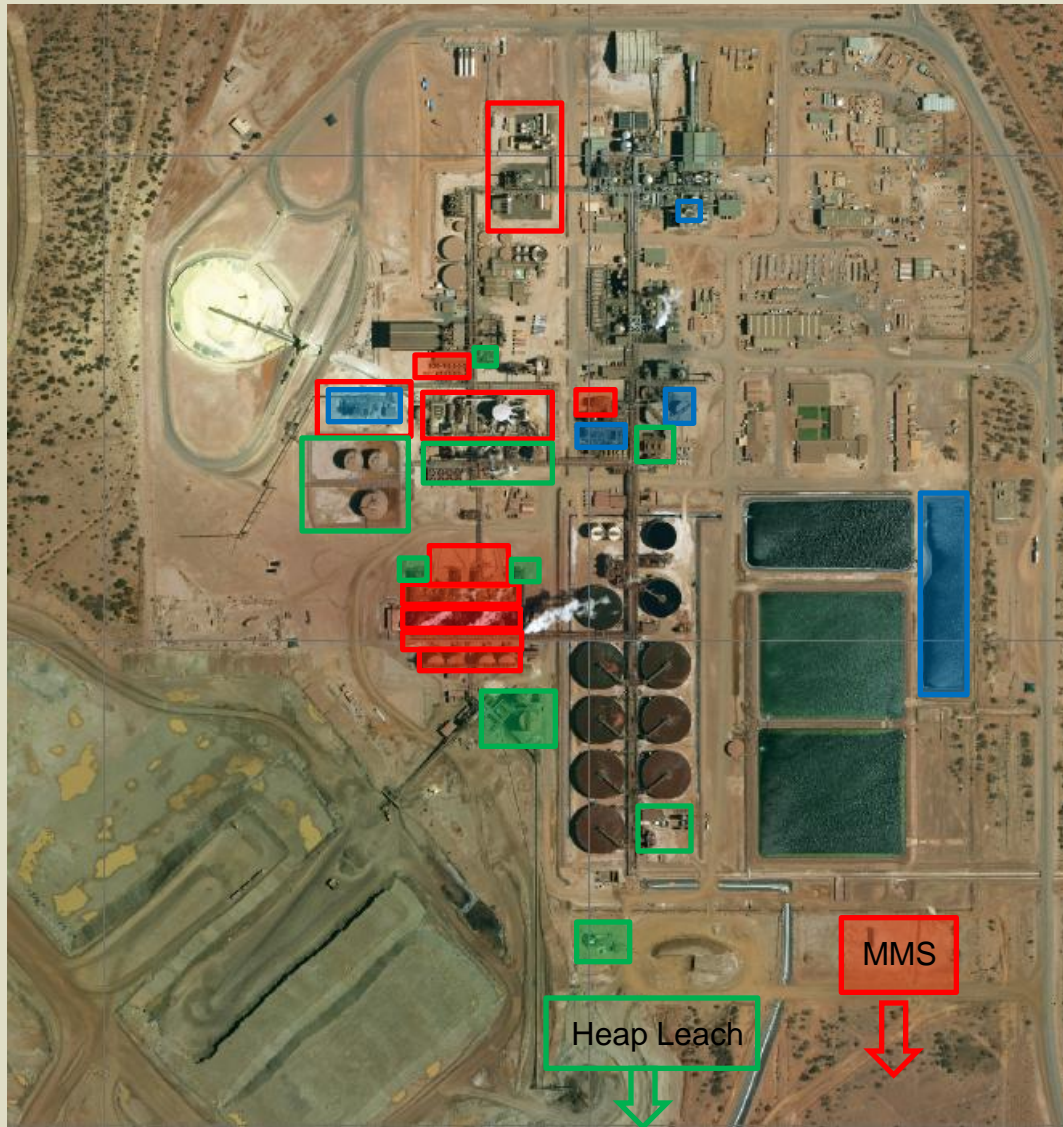


2004-2006 Reliability Focus

- HV power system upgrade
- HPAL acid supply system
- Additional HPAL feed pumps
- Borefield development
- Secondary feed mill
- Murrin South ore-body development



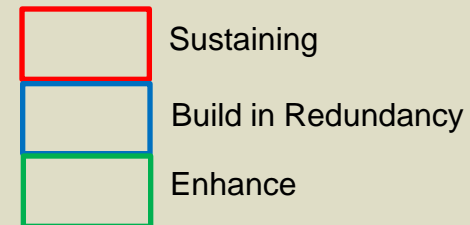
Plant Upgrade and Investment



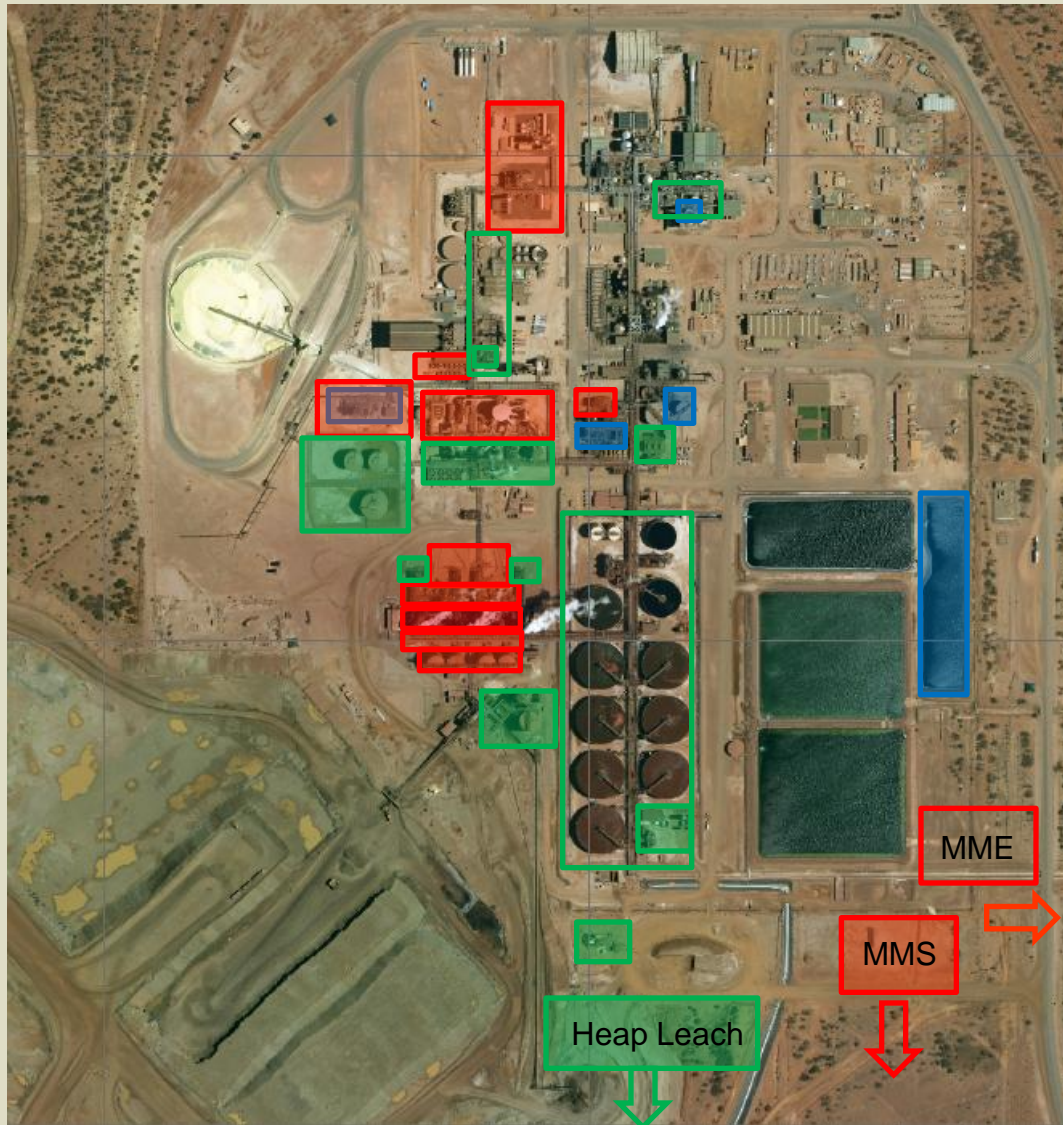
2007-2008

Utilities Upgrade and Heap Leach

- Major acid plant upgrade
- Gas plant upgrades
- New hydrogen sulphide reactors
- Heap leach commences
- In-pit tailings commences



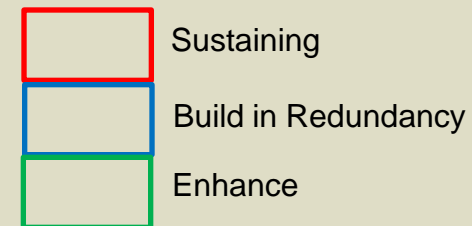
Plant Upgrade and Investment



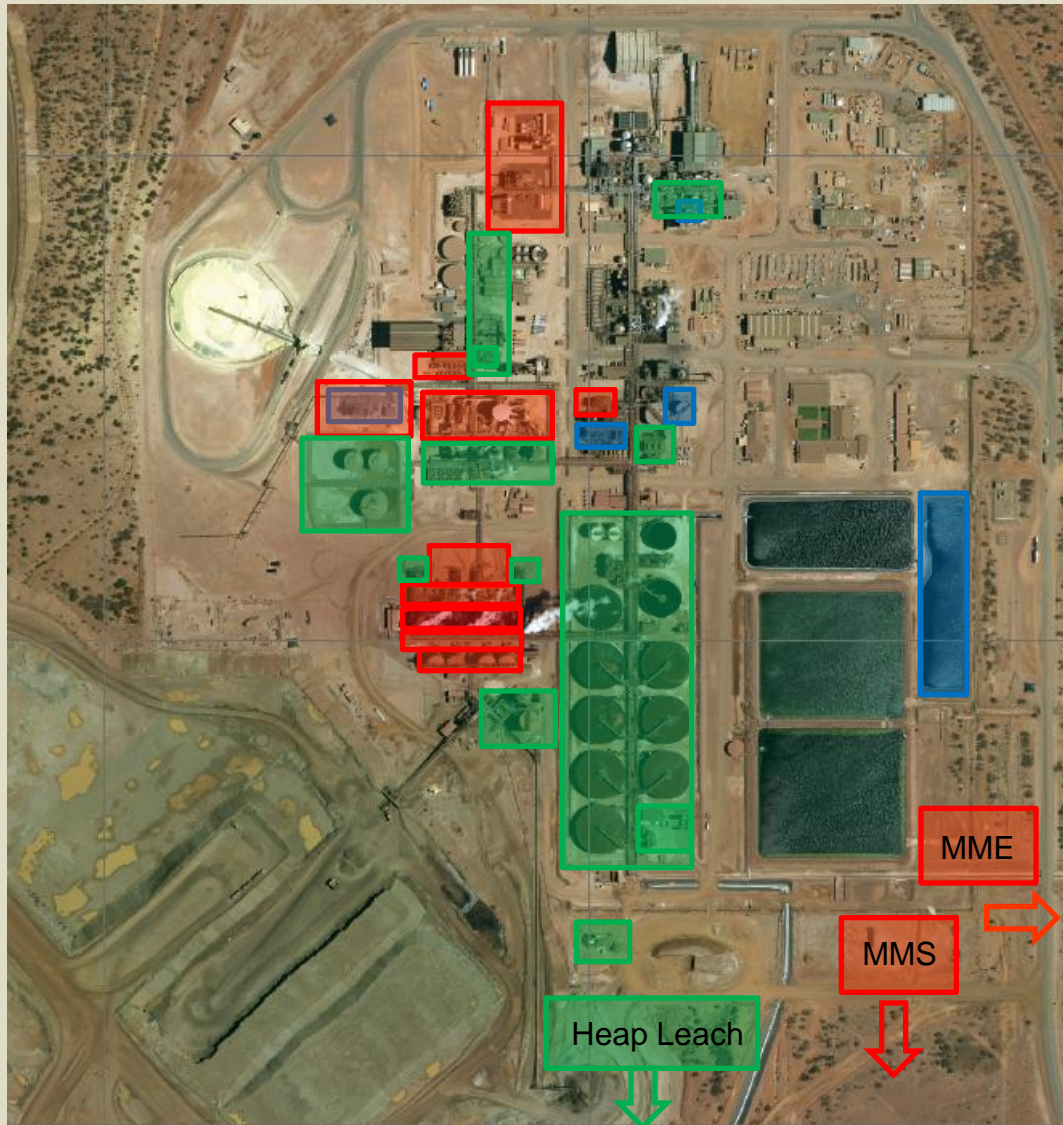
2009-2010

Throughput Enhancement and Redundancy

- HDS process debottlenecking
- 6th nickel reduction autoclave, 2nd flash vessel
- Murrin East ore-body development
- In-pit tailings continues

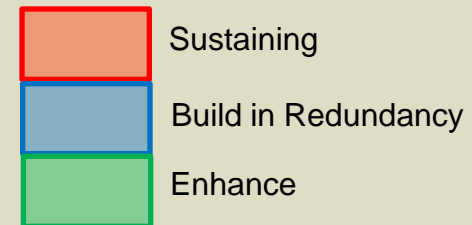


Plant Upgrade and Investment



10 Years of Investment

- Starting point: world's first integrated HPAL plant
- Addressed design flaws
- Built-in redundancy, reserve capacity, parallel processing
- Today: robust, long-term facility



Superior Nickel Price Leverage

- Minara produces nickel metal (not concentrate) and is unhedged
- Minara also produces cobalt metal (by-product credits)
- RBC Capital Markets:

*“Looking at our six ASX nickel companies under coverage in the exhibit below, Minara has the strongest leverage to the nickel price for both near-term earnings and cash flow, and is also a standout on an NAV basis”.**

2011 Earnings (A\$m)	Change from RBC case (%)		
Nickel price (US\$/lb)	9.00	10.00	11.00
Independence	11	26	40
Minara	127	254	382
Mincor	39	91	142
Mirabela	53	105	158
Panoramic	25	63	99
Western Areas	23	50	78
Source: RBC Capital Markets estimates			

2011 Op EBITDA (A\$m)	Change from RBC case (%)		
Nickel price (US\$/lb)	9.00	10.00	11.00
Independence	9	21	33
Minara	50	99	149
Mincor	13	30	47
Mirabela	20	41	61
Panoramic	14	35	56
Western Areas	14	32	50

Financial Performance

	Unit	Year Ended 31 December 2010	Year Ended 31 December 2009
Nickel Production	tonnes	28,378	32,977
Cobalt Production	tonnes	1,976	2,350
Minara's share is 60%			
Revenue	A\$ million	464.8	446.1
Cost of Production	A\$ million	369.4	377.7
Pre-tax Profit	A\$ million	84.4	37.3
Post-tax Profit	A\$ million	58.4	48.5
Cash and Deposits	A\$ million	224.3	247.1
Net Cash from Operations	A\$ million	122.5	110.5
Capital Return to Shareholders	A\$ million	110.9	-
2010 Final Dividend (\$0.05/share, fully franked)	A\$ million	58.5	

- 7,468 tonnes nickel packaged
- Flooding – 900 tonnes lost nickel production
- Murrin East development completed
 - higher grade ore feed from H2 2011



- US\$6.97 per pound nickel C1 Costs*, includes:
 - US\$0.58 per pound nickel due to higher A\$ (averaged parity)
 - US\$0.80 per pound nickel impact of floods

Murrin Murrin Mine



Resources and Reserves

Murrin Murrin Resources and Reserves as at 31 December 2010: (Minara 60%)

Mineral Resources				
Resource Category	Tonnage (million tonnes)	Nickel Grade %	Cobalt Grade %	Cut-off Grade Nickel
Measured	114	1.03	0.076	0.8%
Indicated	106	0.99	0.076	0.8%
Inferred	10	0.94	0.058	0.8%
Scats	1	1.01	0.073	
Stockpiles (Measured)	37	1.02	0.068	
TOTAL	268	1.01	0.074	

Ore Reserves			
Reserve Category	Tonnage (million tonnes)	Nickel Grade %	Cobalt Grade %
Proven	93	1.06	0.082
Probable	65	1.04	0.079
Scats	1	1.01	0.073
Stockpiles	37	1.02	0.068
TOTAL	196	1.05	0.078

(Refer to Statements related to Resources and Reserves at the end of this presentation)

Sulphur Price Protection

- Sulphur represents 15% - 20% of total production costs
- Current spot prices of US\$200 - \$220 per tonne FOB Vancouver
- Sulphur market “spiked” in 2008 to over US\$800 per tonne
- Price protection in place with long-term suppliers:
 - Secures sulphur volumes
 - Protects against future price spikes
- These arrangements are currently delivering savings to the business

2010 Capital Investments

Project	Objective	Cost	Status
High-density slurry (HDS)	5 – 10% increased throughput at “front-end” of plant	+\$90 M	<input type="checkbox"/> Commissioning in progress <input type="checkbox"/> Delivering increased throughput
Murrin Murrin East mine development	Improve medium term grade profile	\$13 M	<input type="checkbox"/> Development on schedule, on budget <input type="checkbox"/> Set to boost grade from H2 2011
6 th nickel reduction autoclave (plus second nickel reduction flash vessel)	5 – 10% increased throughput capacity at “back end” of plant	\$11 M	<input type="checkbox"/> Commissioning on budget
In-pit tailings disposal	Reduce operating costs & environmental footprint by depositing tailings to mined out ore pits	\$13 - 15 M	<input type="checkbox"/> Commissioned on time, on budget <input type="checkbox"/> Delivers significant ongoing operating and capital cost reductions

Offtake renewal

- Minara's share of Murrin Murrin nickel production is currently sold to Glencore for the LME price, less a discount, pursuant to an offtake agreement expiring 1 December 2011
- A five year extension has been negotiated to this agreement, with provision to go to 10 years
- The key change is a reduction of the discount payable to Glencore on nickel sales from 4.0% to 3.5% (cobalt discount to remain at 3.5%)
 - This is estimated to save approx. \$2 million pa
- Ernst & Young have reviewed the extension and concluded it is "at arms length" and is fair and reasonable to the non-Glencore shareholders
- Approval of the extension will be put to a vote of the non-Glencore shareholders at Minara's AGM on 13 May 2011*

* *Shareholders should read the Notice of Annual General meeting in full, including the explanatory memorandum and Ernst & Young report before voting on the subject shareholders resolution*

Growth



Growth - Overview

- Minara's strong operating performance and financial position allows a growth focus
- The benefits of successive past capital investment will be realised through increased plant throughput and production in the future
- The Murrin Murrin East ore will improve the medium-term grade profile from the second half of 2011
- Other "internal" growth projects are being studied/advanced, each with the capacity to deliver increased production
- Beyond realising the latent value of Murrin Murrin, Minara is actively seeking "second mine" acquisition opportunities

Growth - Internal

- Further opportunities for increased production:

Initiative	Objective	Status
Secondary feed	Process higher grade ore/concentrates from other mines	<input type="checkbox"/> Treated Western Areas NL Spotted Quoll ore since mid-2010 <input type="checkbox"/> Negotiating other sources of feed
Near mine exploration	Identify high grade areas Access these to lift medium term grade profile	<input type="checkbox"/> First near mine exploration since 2000 <input type="checkbox"/> Initial success, additional personnel and resources committed for the remainder of 2011.
Marshall Pool	Identify attractive areas within this large known resource, for beneficiation and treatment at Murrin to lift medium term grade profile	<input type="checkbox"/> Feasibility study underway
Acquire sulphide deposit	Acquire new sulphide nickel resource - can cope with high arsenic, non-smeltable material	<input type="checkbox"/> Searching

Growth - External

- Actively seeking “second mine” opportunities to leverage from strong corporate and financial position and core capabilities in:
 - technically complex production processes
 - process engineering and design
 - nickel and other metal heap leach production
- Value-based approach

Minara's Track Record

- Pioneered Australian laterite nickel production
- 11 years continuous operation and re-investment in the business
- 20 advanced nickel processing patents/patent applications
- World's first commercially successful laterite nickel heap leach
- Averaged over 30,000 tpa nickel produced at Murrin Murrin, last five years
- Averaged C1 Costs* of under US\$5.50 per pound at Murrin Murrin, last five years
- Significant cash returns to shareholders
- Internal growth projects currently being studied/advanced

* Brook Hunt direct cash costs (C1) after by-product credits, marketing costs and state royalties

Why Invest in Minara?

- Leading ASX listed nickel price leverage investment
- +30 year mine life
- Production growth
- Cash returns to shareholders - \$170 million paid in the past 6 months
- A\$199 million cash at 31 March 2011, no debt
- Significantly lower market capitalisation per tonne of nickel Reserve and Resource than ASX peers
- Strong, supportive shareholder: Glencore
- Growth focussed

www.minara.com.au



Statements related to Resources and Reserves

Resources

Murrin Murrin's Resources are based on a cut-off grade of 0.8% nickel and depletion of the geological block models using end of period surface surveys. The Resource classification is based on drill spacing, with the Measured category less than or equal to 50m x 50m, the Indicated category less than or equal to 100m x 100m and the Inferred category greater than 100m x 100m. The changes in Resource position are due to a combination of depletion of material from mining and processing activities and the updating of Resources with new Resource models. There is a significant increase in the Measured Resource from last year with a corresponding decrease in Indicated Resource due to the upgrading of the Resource with newer resource infill drilling that better defines the Resource and continued revision of modelling technique and parameters. Further change is related to normal mining activities and increased stockpile volumes.

Reserves

Murrin Murrin's Reserves are based on optimisations using long term assumptions of US\$16,000 per tonne nickel, US\$10.00 per pound cobalt and an exchange rate of US\$0.70/A\$. The 2010 Reserve optimisations consider the presence of project-to-date backfill, in-pit tailings deposition, public infrastructure and sites of cultural significance. During the preparation of the 2010 Reserve estimate it became apparent that a miscalculation had resulted in an overstatement of 15Mt in the 2009 Reserve estimate. This overstatement has been corrected in the 2010 Reserve. Additionally, the 2010 Reserve is net of all mining, milling and stockpiling activities completed during the period. As a result of the above there has been a net reduction in the reserve position from 2009.

The Measured and Indicated Mineral Resources include those Mineral Resources modified to produce the Ore Reserves. The process of deriving Ore Reserves uses the economic value of the ore blocks as the basis for inclusion in the Reserve, and is in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2004). The economic value is based on metal grades and projected values, processing and associated operating costs. The above Resources and Reserves have been prepared in accordance with JORC requirements for public reporting.

Statements related to Resources and Reserves

Competent Persons Statement

The information relating to Mineral Resources is based on information compiled by Mr Stephen King and Mr David Selfe, the information relating to Ore Reserves is based on information compiled by Mr Brett Fowler.

Mr Selfe, Mr King and Mr Fowler are all Members of the Australasian Institute of Mining and Metallurgy and are all full time employees of Minara Resources Ltd. Mr Selfe, Mr King and Mr Fowler and all have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking in order to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and all consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.