

Quarterly Report 30 September 2011



ASX Announcement: 14 October 2011

ASX CODE: MRE

BOARD OF DIRECTORS

Malcolm Macpherson
Chairman

Peter Johnston
Managing Director and
Chief Executive Officer

John Morrison
Non-executive Director

Ivan Glasenberg
Non-executive Director

Marc Ocskay
Non-executive Director

CONTACT

Andrew Bantock
Chief Financial Officer
Minara Resources Limited
+ 61 8 9212 8400

or

David Griffiths
Gryphon Management Australia
+ 61 8 9382 8300

MINARA RESOURCES LIMITED

Level 10, Alluvion
58 Mounts Bay Road
PERTH WA 6000
PO Box Z5523
St Georges Terrace
Perth WA 6831 Australia
www.minara.com.au

SIGNIFICANT EVENTS

- Takeover offer by Glencore announced 24 August at \$0.87 per share. Extended to 24 October 2011.
- Glencore has achieved approximately 97% ownership of Minara pursuant to the offer and proposes to proceed to compulsory acquisition.
- Takeover expected to be completed by late November 2011.
- 7,584 tonnes of nickel packaged for the quarter.
- Production recommenced by 13 July after the acid plant heat exchanger failure in late June.
- \$189 million cash at 30 September 2011.

PRODUCTION

Total production of 7,584 tonnes of packaged nickel and 558 tonnes of packaged cobalt was achieved at Murrin Murrin for the three months to 30 September 2011. The previous quarter saw 7,157 tonnes of packaged nickel and 457 tonnes of packaged cobalt produced. Minara's share is 60%.

	Unit	Quarter ending 30 September 2011	Previous Quarter ending 30 June 2011
Material mined	BCM	3,206,967	3,265,041
Autoclave feed	Tonnes	679,818	633,895
Autoclave feed grade (Ni)	%	1.37%	1.28
Nickel production	Tonnes	7,584	7,157
Cobalt production	Tonnes	558	457
Direct cash costs	US\$/lb Ni	7.93	9.06

Autoclave feed for the quarter was 679,818 tonnes of ore grading 1.37% nickel.

July production was impacted by the failure of the acid plant heat exchanger unit in late June.

A replacement unit was sourced and production re-commenced by 13 July.

INSURANCE CLAIMS

The Murrin Murrin Joint Venture maintains Material Damage and Business Interruption insurance. The insurance underwriters were advised of a potential claim in relation to the heat exchanger failure in the June quarter and the matter is currently under assessment by insurance loss adjustors.

COSTS

Direct cash costs (Brook Hunt C1) were US\$7.93 per pound nickel (post by-product credits) for the quarter. This reflected production losses/maintenance costs associated with the acid plant heat exchanger failure discussed above, as well as the relatively strong Australian dollar.

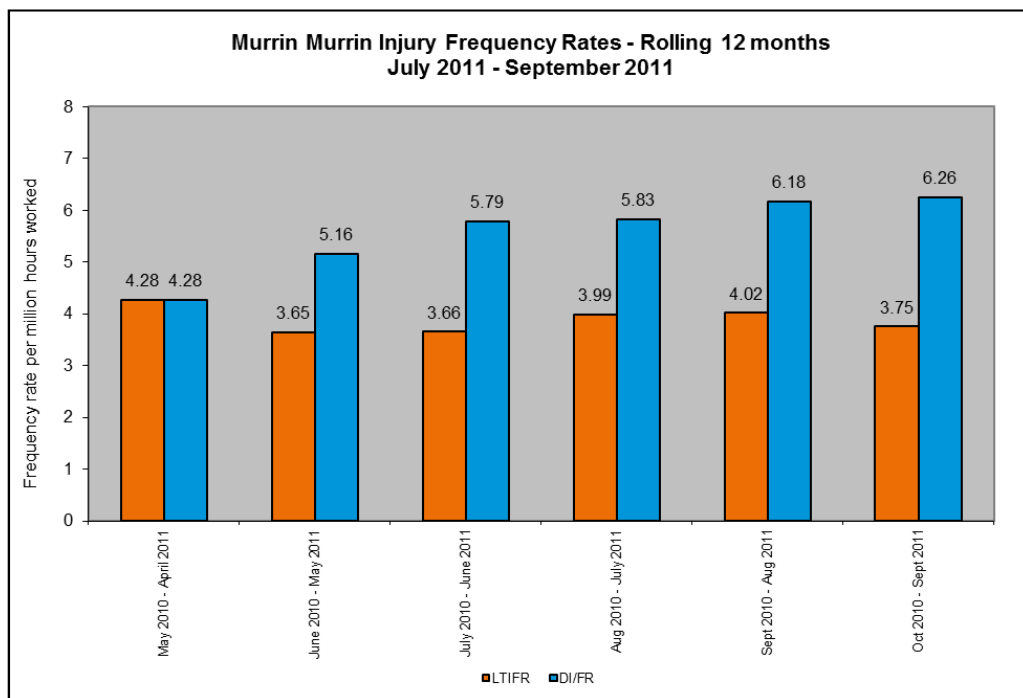
The resumption of full production, including the benefit of a higher proportion of Murrin Murrin East ore processed, is expected to drive reported C1 costs lower in future quarters, subject to the prevailing exchange rate.

HEALTH AND SAFETY

The LTIFR 12 month rolling average is 3.75.

The DIFR 12 month rolling average is 6.26.

The company continues to focus on reviewing safety performance and implementing comprehensive safety initiatives across the business.



CORPORATE/FINANCIAL

Glencore Takeover

On 24 August Glencore Investment Pty Ltd, a wholly owned subsidiary of Glencore International plc (Glencore), announced a takeover offer for the Company at \$0.87 per share.

The takeover offer opened on 8 September and is scheduled to close on 24 October 2011. The Independent Directors of the Company recommended that shareholders accept the takeover offer, following receipt of an opinion by the Independent Expert, KPMG Corporate Finance (Aust) Pty Ltd, that the offer was both fair and reasonable.

Glencore had increased its shareholding in the Company to approximately 97% of issued capital by 10 October 2011, achieving the minimum ownership level required to invoke the compulsory acquisition provisions of the Corporations Act. The takeover is expected to be completed pursuant to these provisions by late November.

Cash

Cash on hand at 30 September 2011 was \$189 million (30 June 2011 \$204 million).

Metals Markets

The London Metal Exchange (LME) nickel spot prices were relatively volatile during the quarter, trading in a range of approximately US\$17,925 to US\$25,080 per tonne nickel. The spot price opened the reporting period at US\$23,115 per tonne nickel and closed the period on 30 September 2011 at US\$18,305 per tonne nickel.

LME nickel stock levels opened the reporting period at 106,836 tonnes and closed at 96,738 tonnes.

The cobalt price traded in a range of approximately US\$15.10 to US\$16.40 per pound cobalt during the quarter. The price opened the quarter at US\$15.65 per pound cobalt and closed the quarter at US\$15.10 per pound cobalt.

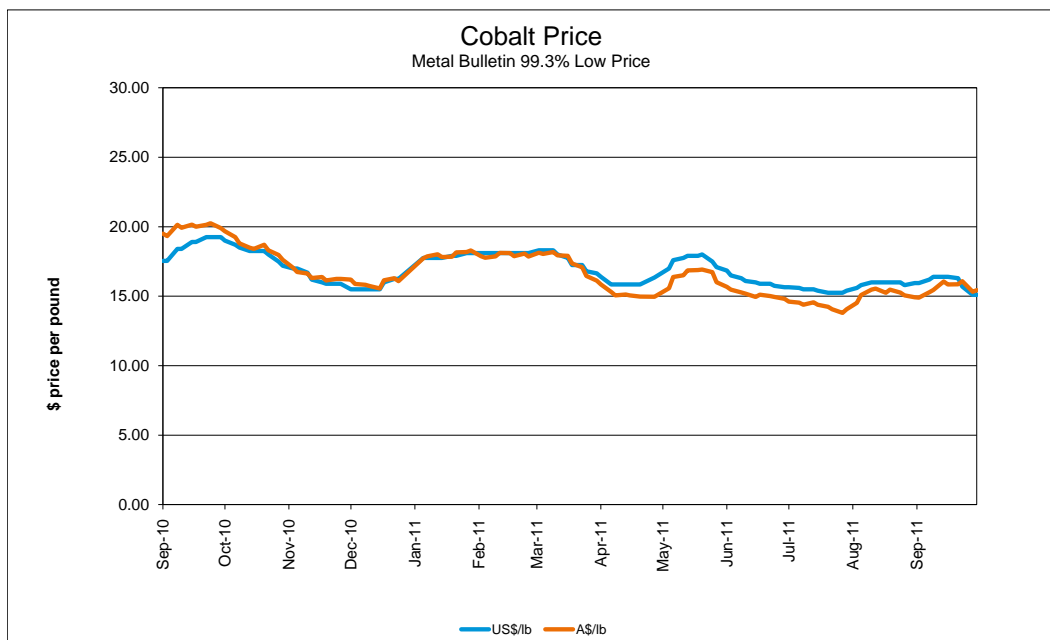
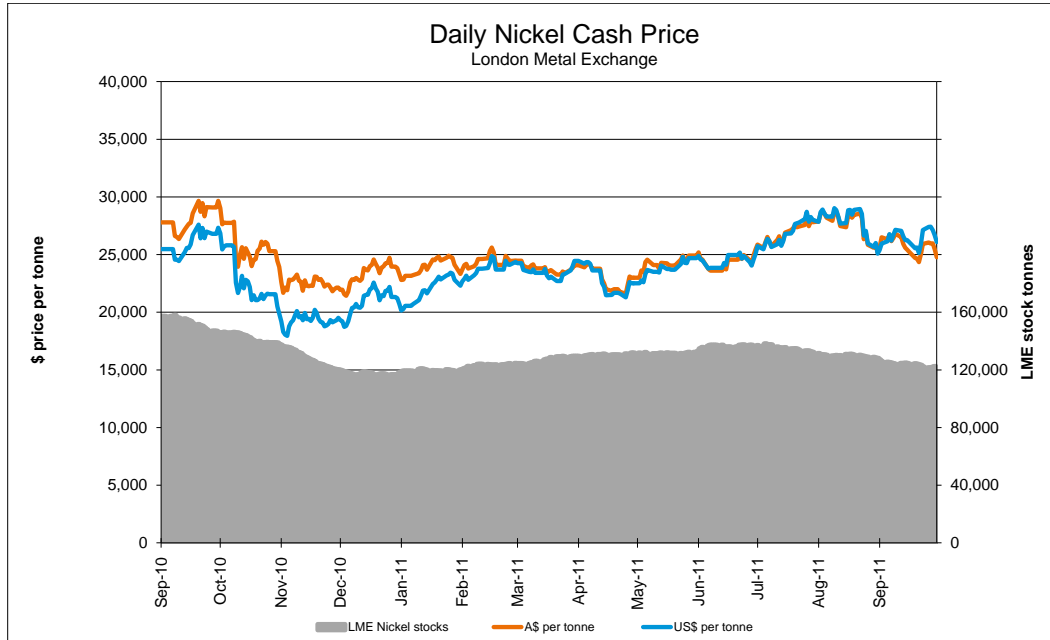
Commodity Prices	Prices as at 30 September 2011	Average for quarter ending 30 September 2011	Average for quarter ending 30 June 2011	Average for quarter ending 30 September 2010
LME Nickel				
Cash Seller & Settlement				
US\$ per tonne	18,305	22,032	24,165	21,188
US\$ per pound	8.30	9.99	10.96	9.61
A\$ per tonne	18,715	20,963	22,759	23,458
Cobalt				
US\$ per pound	15.10	15.76	16.57	17.20
Exchange rate A\$:US\$	0.9781	1.0510	1.0618	0.9032

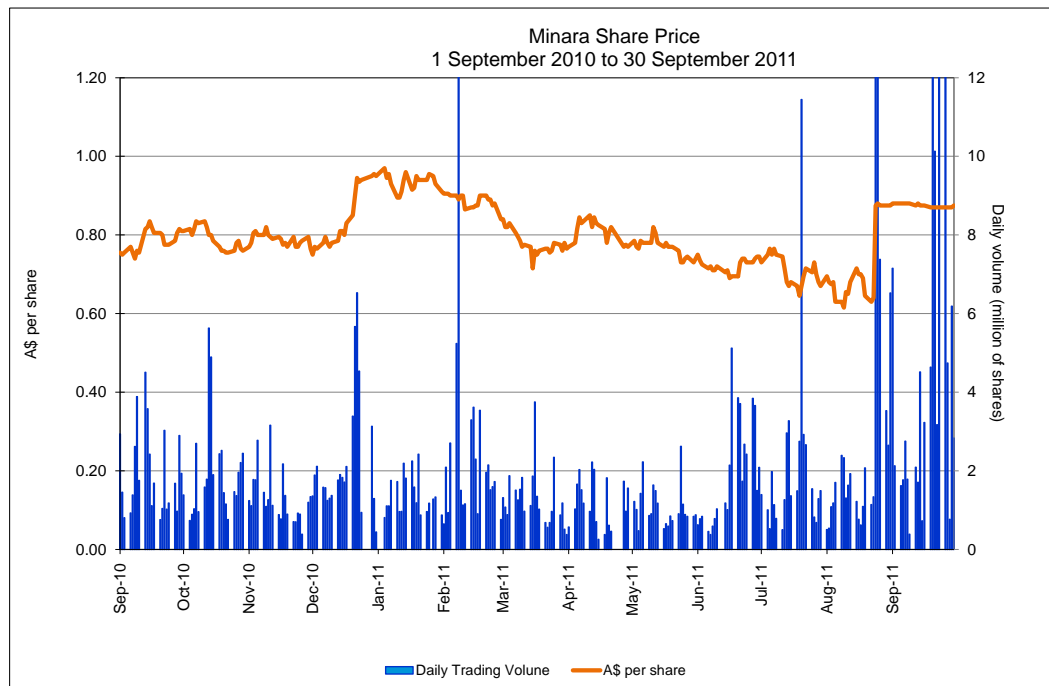
Head Office Relocation

Minara's head office is relocating to new premises:

Level 10, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Telephone contact details remain unchanged.





CEO'S COMMENTS

"Following suspension of production due to the acid plant heat exchanger failure in early July, Murrin Murrin ramped up to full capacity over August and September to record an overall increase in quarterly production. This reflected consistent plant availability in the latter part of the quarter, as well as the previously forecast positive impact of full ore delivery from the Murrin Murrin East ore-body.

The attainment by Glencore of approximately 97% ownership of Minara and its proposal to invoke the compulsory acquisition provisions of the Corporations Act is expected to see the full takeover completed by late November.

It is the end of an era for Minara as a publically listed company, however the business will continue as usual as we seek to optimise and develop the Murrin Murrin nickel/cobalt operation."



Peter Johnston
Managing Director and CEO
14 October 2011

The information in this report that relates to Metallurgical Results is based on information compiled by Mr Bradley Adamson. Mr Adamson is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Minara Resources Limited. Mr Adamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Adamson consents to the inclusion in the report of the matters based on the information he has provided in the form and context in which they appear.