

# QUARTERLY REPORT

## 31 December 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

- Consistent nickel production for the quarter – 8,675 tonnes
- Record annual nickel production – 32,977 tonnes
- Record annual cobalt production – 2,350 tonnes
- Cash on hand \$247.1 million

## MURRIN MURRIN OPERATIONS

	Quarter Ended 31 December 2009	Prior Quarter Ended 30 September 2009	Quarter Ended 31 December 2008
Nickel Production (tonnes)	8,675	8,698	7,836
Cobalt Production (tonnes)	512	754	506
<b>Minara's Equity (60%)</b>			
Nickel (tonnes)	5,205	5,219	4,702
Cobalt (tonnes)	307	452	304

Total production of 8,675 tonnes of packaged nickel and 512 tonnes of packaged cobalt was achieved at Murrin Murrin for the three months to 31 December 2009. The company's share is 60%. The previous corresponding three month period saw 7,836 tonnes of packaged nickel and 506 tonnes of packaged cobalt produced.

Nickel metal production for the calendar year was 32,977 tonnes and cobalt metal production was 2,350 tonnes. Both represent records for the Murrin Murrin project.

Autoclave feed for the quarter was 738,810 tonnes of ore grading 1.30% nickel.

Two planned maintenance shutdowns are scheduled for January. Currently, the company is part way through the annual 12 day overhaul of the refinery's sintering furnace and a 22 day planned major service of the gas turbine is about to commence. Neither of these planned shutdowns should impact production.

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

## CORPORATE / FINANCIAL

Minara was cash flow positive for the quarter ended 31 December 2009. Cash on hand at 31 December 2009 was \$247.1 million (\$202.1 million 30 September 2009).

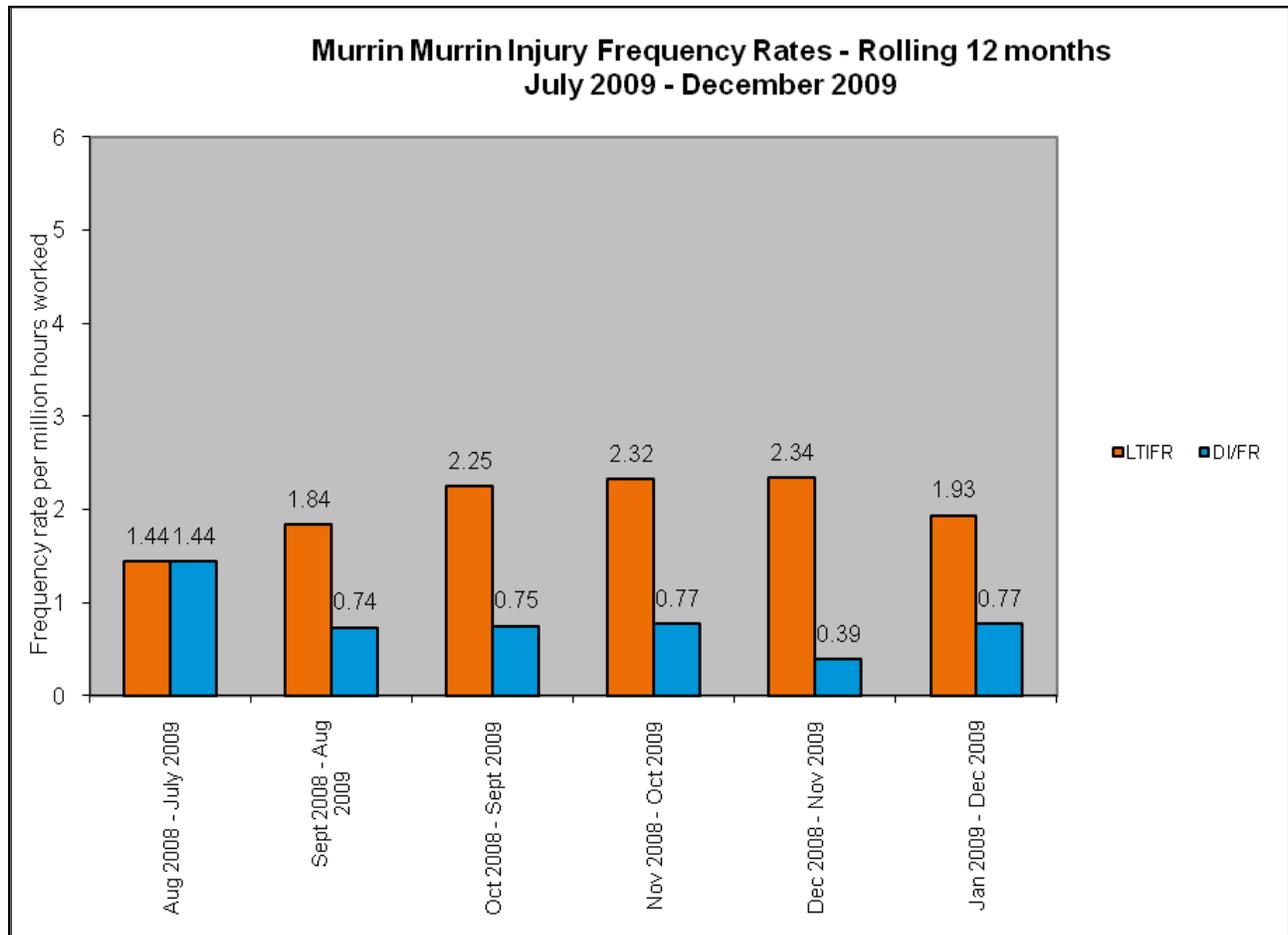
Minara's nickel and cobalt revenue is priced in US dollars, with the majority of input costs denominated in Australian dollars (with the exception of sulphur and some maintenance parts). Consequently, the positive impact on revenue from increased nickel and cobalt metal production is partially offset 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 1.93.

The DI/FR 12 month rolling average is 0.77.



## ENVIRONMENT

There were no reportable environmental incidents for the quarter.

## EXPLORATION

### *Bardoc Nickel Project (Minara Resources 100%)*

Nickel sulphide target review was concluded during the quarter. Drill planning will commence in the March quarter.

### *Weld Range JV (Minara Resources 75%)*

During the quarter, Minara concluded the divestment of its interests in the Weld Range project.

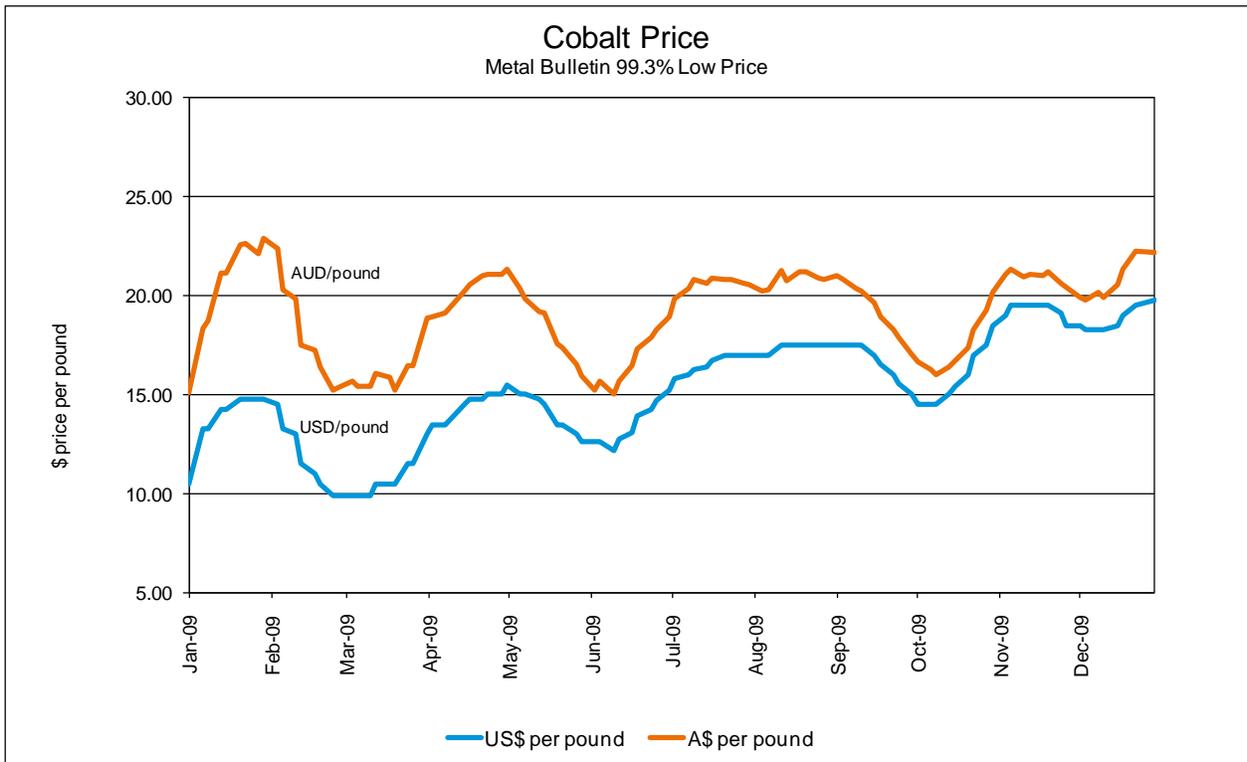
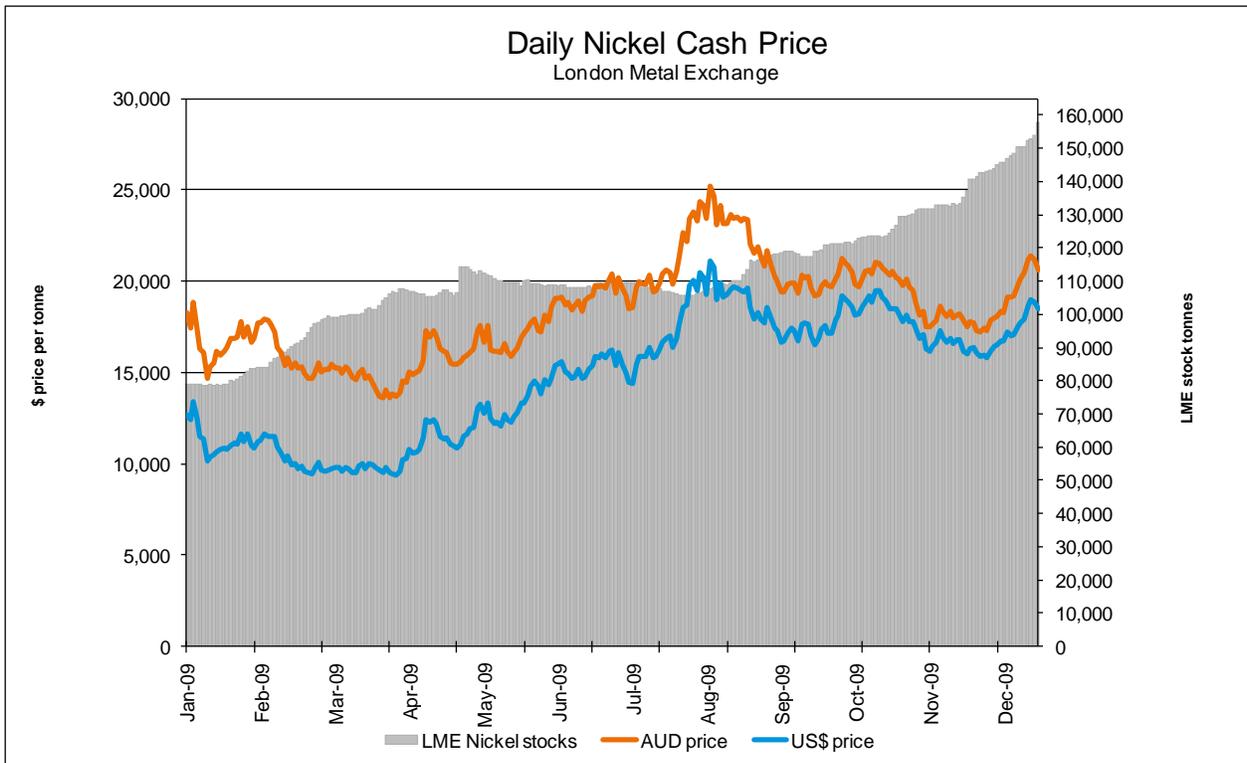
## METAL MARKETS

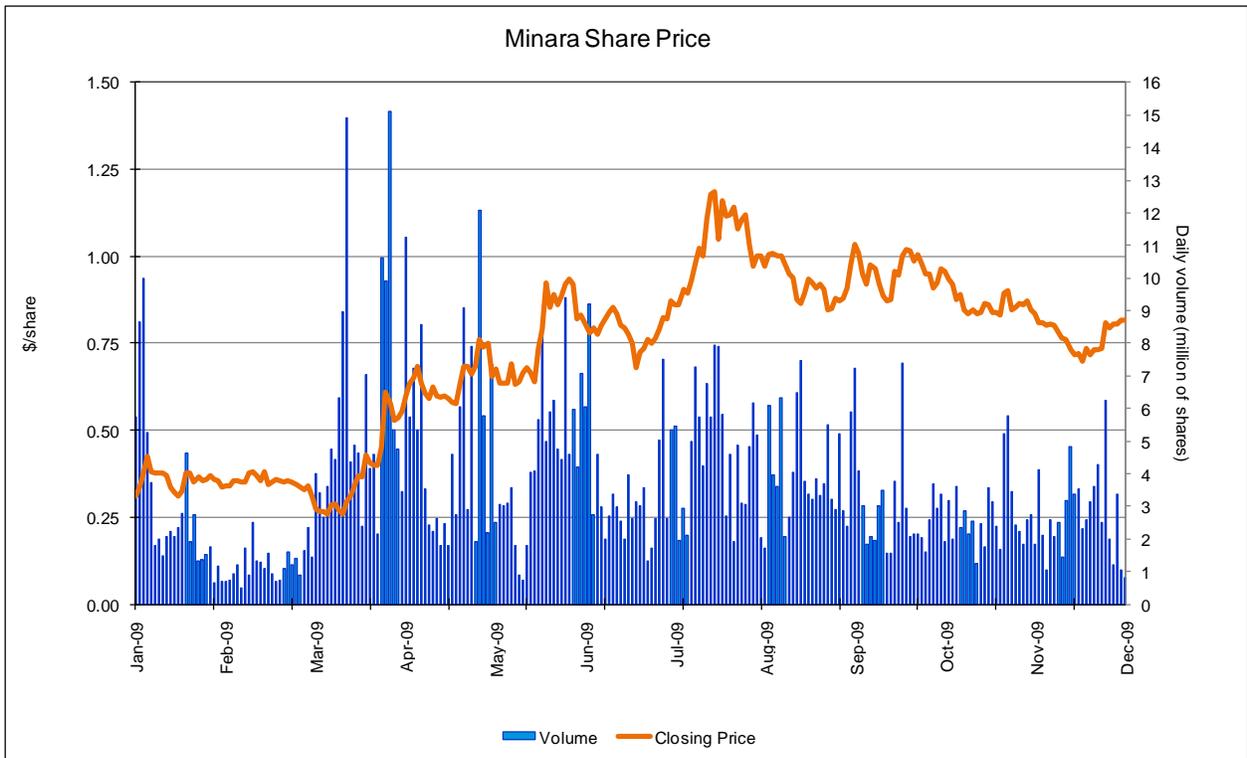
The nickel market remained volatile during the quarter. The nickel spot price opened the reporting period at US\$17,565 per tonne, fell to US\$15,810 per tonne in early December and then recovered to US\$18,840 per tonne on 31 December 2009.

London Metal Exchange (LME) stocks continued to rise throughout the quarter and have exceeded 160,000 tonnes in recent weeks.

The cobalt price increased during the quarter. The price was US\$14.50/lb at the start of the reporting period and closed at US\$19.75/lb.

Commodity Prices	Prices as at 31 December 2009	Average for quarter ending 31 December 2009	Average for quarter ending 31 September 2009	Average for quarter ending 31 December 2008
<b>LME Nickel</b>				
Cash Seller & Settlement				
US\$ per tonne	18,480	17,535	17,614	10,885
US\$ per lb	8.38	7.95	7.99	4.94
AUD\$ per tonne	9.35	19,254	21,153	16,160
<b>Cobalt</b>				
US\$ per lb	19.75	17.88	16.79	19.67
Exchange Rates AUD:USD	0.8969	0.9107	0.8327	0.6736





## CEO'S COMMENTS

"I am pleased to report Murrin Murrin recorded improvements in safety performance during the quarter as well as continuing the improved production platform. As a result of the consistent production profile Minara achieved record production for both nickel and cobalt for the year.

"The nickel market remains volatile. However, we believe the nickel market fundamentals remain sound over the medium term. Murrin Murrin's stable production and our strong cash reserves will enable us to explore growth opportunities.

"Minara's objective for 2010 is to further optimise plant production and to continue to challenge our cost profile."



**Peter Johnston**  
Managing Director and CEO

19 January 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  
[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.