

MINARA RESOURCES LIMITED
ABN 23 060 370 783



NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY MEMORANDUM

DATE AND TIME OF MEETING

Friday, 9 May 2008
9.30am WST

PLACE OF MEETING

SHERATON PERTH HOTEL
207 ADELAIDE TERRACE
PERTH, WESTERN AUSTRALIA

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on + 61 8 9212 8400.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of shareholders of Minara Resources Limited ABN 23 060 370 783 (**Minara** or **Company**) will be held at **Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia** on **Friday, 9 May 2008**, commencing at **9.30am**.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting (**Notice**) describes the various matters to be considered.

Unless the context otherwise requires, capitalised terms used in this Notice have the same meaning given to them in the Glossary of Terms in Schedule 3 to the Explanatory Memorandum.

AGENDA

FINANCIAL REPORTS

To receive and consider the annual Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2007.

The Company's Annual Report has been sent to Shareholders (other than those who do not wish to receive it). A copy of the Annual Report is available on the Company's website at www.minara.com.au.

RESOLUTIONS

1. Re-election and election of Directors

To consider and, if thought fit, to pass the following resolutions as separate **ordinary resolutions**:

- 1.1 *That Mr Malcolm Macpherson, who retires in accordance with Article 12.7 of the Company's constitution and being eligible offers himself for re-election, be elected as a Director of the Company.*
- 1.2 *That Mr Peter Roland Coates, who retires in accordance with Article 12.7 of the Company's constitution and being eligible offers himself for election, be elected as a Director of the Company.*

2. Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That the Remuneration Report for the Company and its controlled entities for the year ended 31 December 2007 be adopted.

The vote on this resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is contained in the Company's 2007 Annual Report.

3. Adoption of a New Constitution

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

That with effect from the date of passing this resolution and in accordance with section 136 of the Corporations Act, the regulations contained in the printed document produced to this Meeting and signed by the Chairman for identification purposes are hereby approved and adopted as the constitution of the Company in substitution for, and to the exclusion of, the existing constitution of the Company.

4. Approval of grant of Performance Rights to Peter Johnston

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant to the Company's Managing Director and Chief Executive Officer, Mr Peter Johnston, performance rights entitling Mr Johnston to acquire up to 390,000 shares in the capital of the Company, as soon as practicable after 1 January 2009, as part of Mr Johnston's remuneration for 2009, on the terms set out in the Explanatory Memorandum (**Performance Rights**).*

In accordance with Listing Rule 14.11 the Company will disregard any votes cast on the resolution by Peter Johnston and by an associate of Peter Johnston. However, the Company need not disregard a vote if it is cast by Peter Johnston as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by Peter Johnston as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

Proxy Instructions

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) which is attached to this Notice or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company's share registry, **Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Facsimile: +61 8 9323 2033** or to the Company's registered office at Level 4, 30 The Esplanade, Perth, Western Australia, facsimile number +61 8 9212 8420, at least 48 hours prior to the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act 2001. The proxy may, but need not, be a Shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Computershare Investor Services, before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representative are available at www.computershare.com or on request by contacting Computershare Investor Services on +61 1300 557 010.

Voting Entitlement

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at the close of business on **Wednesday, 7 May 2008**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company, the Annual Report and the Remuneration Report.

Mr Ross Jerrard of Deloitte Touche Tohmatsu Limited, as the auditor responsible for preparing the auditor's report from the year end 31 December 2007, or his representative, will attend the Meeting. The Chairman will allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions, please submit any questions you may have on the Shareholders Questions form and return the form in person or by mail to the Company Secretary at Level 4, 30 The Esplanade, Perth WA 6000, Australia or by fax to +61 8 9212 8420 so that it is received by **Friday, 2 May 2008**.

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor, received in writing by **Friday, 2 May 2008**, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 31 December 2007. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

BY ORDER OF THE BOARD



CYNTHIA SARGENT
Company Secretary
2 April 2008

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Minara Resources Limited in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia on Friday, 9 May 2008 at 9.30am WST.

This Explanatory Memorandum is an important document and should be read carefully, in full, by all Shareholders. Shareholders are strongly advised to consult their legal or financial advisers if they require further advice in connection with the matters contained in this Explanatory Memorandum.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

Unless the context otherwise requires, capitalised terms used in this Explanatory Memorandum have the same meaning given to them in the Glossary of Terms set out at Schedule 3.

1. Re-election and Election of Directors

1.1 Malcolm Macpherson – BSc (Canterbury), Cert.Acctg, FAICD, FAusIMM, FTSE , Age 63 Non Executive Director

Mr Malcolm Macpherson is required to retire under the director rotation provisions of Article 12.7 of the Company's Constitution. Mr Macpherson, being eligible, has offered himself for re-election as a Director. Mr Macpherson was appointed to the Board in April 2002.

Mr Macpherson is the chairman of the Risk Management and Compliance Committee and a member of the Audit Committee and the Remuneration and Nominations Committee.

Before joining the Board, Mr Macpherson was Managing Director & Chief Executive Officer of Iluka Resources Limited, a major West Australian resources Company. In addition to his previous board appointments, Mr Macpherson served as Senior Vice President of the Minerals Council of Australia in 2000 and as President of the Chamber of Minerals & Energy (WA) from 1990 to 1994.

Mr Macpherson is also a director of Portman Limited and Titanium Corporation Inc.

1.2 Peter Roland Coates – BSc (Mining Engineering), Age 62 Non Executive Director

Mr Peter Roland Coates was appointed to the Board with effect from 1 April 2008 and is required by the Company's Constitution to retire at the Meeting. Mr Coates, being eligible, seeks to be elected as a Director of the Company, in accordance with Article 12.7 of the Company's Constitution.

Mr Coates has more than 40 years experience in the resources industry.

Mr Coates previously held the position of Chief Executive of Xstrata plc's global coal business, Xstrata Coal, since its inception as Glencore Coal in 1994, throughout its transition to Enx Resources in 2001 and subsequent acquisition by Xstrata plc in 2002. Since that time, Xstrata Coal has grown to become the world's leading exporter of thermal coal and a significant producer of coking coal, with more than 30 operations across South Africa, Australia and the Americas. Mr Coates retired as Chief Executive Officer of Xstrata Coal in December 2007.

In addition to his considerable coal industry experience, Mr Coates has occupied senior positions in other commodities including nickel, iron ore and bauxite.

Mr Coates is the immediate past Chairman of the Minerals Council of Australia and a past Chairman of the NSW Minerals Council and the Australia Coal Association. He was a director of these and other industry bodies during his role as Chief Executive. He was also a member of the APEC 2007 Business Consultative Group and the Prime Minister's Emissions Trading Task Group.

Mr Coates is a current member of the Business Council of Australia.

1.3 Retirement of Mr James Campbell

Mr James Campbell will be retiring as a Director and as the Chairman of the Company at the conclusion of the Meeting.

Mr Campbell will not be seeking re-election at the Meeting.

The Board wishes to thank Mr Campbell for his contributions to the Company.

2. Approval of Remuneration Report

The Company's Remuneration Report for the year ended 31 December 2007 is set out in the Company's 2007 Annual Report.

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to vote at the Company's Annual General Meeting. In accordance with section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will have the opportunity at the Meeting to ask questions in relation to the Remuneration Report.

3. Approval of a New Constitution

Resolution 3 seeks the approval of Shareholders to adopt a new Constitution for the Company. The Company's present Constitution is no longer entirely consistent with provisions of the Corporations Act and the Listing Rules.

In the interests of certainty of operation, a new updated Constitution is proposed for adoption by members.

A copy of the proposed new Constitution will be sent to any member upon request. A copy of the new Constitution will also be available for inspection at the Company's registered office during normal business hours and available for inspection prior to the Meeting.

Resolution 3 is a special resolution and, as such, requires the approval of 75% of the votes cast by members.

The Constitution contains the internal rules of the Company and defines matters such as the rights attaching to Shares and the rights, duties and powers of the Company's Shareholders and Directors.

A summary of the more significant clauses in the Constitution and related provisions of the Corporations Act and Listing Rules is set out in Schedule 1.

4. Approval of grant of Performance Rights to Peter Johnston

Introduction

Shareholder approval is sought for grant to the Company's Managing Director and Chief Executive Officer, Mr Peter Johnston, performance rights to acquire up to 390,000 Options, as soon as practicable after 1 January 2009, as part of Mr Johnston's remuneration for 2009 and pursuant to the Company's Long Term Incentive Scheme (as it applies to Mr Johnston) (**Performance Rights**).

The grant of the Performance Rights is subject to the Board's approval of Mr Johnston's remuneration package for 2009 (to be determined in early 2009).

The Performance Rights are similar to those performance rights previously granted to Mr Johnston with Shareholder approval. For the purposes of the requirements of the Listing Rules, the grant of the Performance Rights is being put to Shareholders for their approval.

The Performance Rights will not be granted before 1 January 2009 and will be granted at the time Mr Johnston's remuneration for 2009 is determined by the Board. At the time of determining the number of Performance Rights to be granted to Mr Johnston (such number not to exceed 390,000), the Board will consider the reasonableness of the proposed grant in light of circumstances, including the share price and market remuneration position, applying at the time of the proposed grant.

This Explanatory Memorandum sets out the terms and conditions of the Performance Rights to be granted to Peter Johnston and the terms and conditions of the Performance Rights.

Reasons for grant of Performance Rights

The purpose of the grant of the Performance Rights is to provide Mr Johnston with a strong incentive by aligning his rewards with the Company's strategic plan, which focuses on seeking improved performance, the growth of the Company and ultimately, better returns for Shareholders.

The Board considers that the proposed grant of the Performance Rights to Mr Johnston will encourage him to ensure that the Company performs well for all Shareholders through long-term growth and increasing Shareholder value.

The Board considers that there will be great need for the services of Mr Johnston in the future, particularly given his expertise and experience in the mining and resources industry, in order to develop and implement the Company's strategic plan.

The Directors have considered the corporate governance issues relevant to executive compensation arrangements, including the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations".

Having taken advice from a remuneration consultant with particular expertise in the field of senior executive remuneration packages, the Board has formed the view that the grant of the Performance Rights to Mr Johnston on the terms and conditions set out in this Explanatory Memorandum is appropriate and that the value and quantum of the Performance Rights are not excessive nor unusual for a company of Minara's size.

The Board also considers that the proposed grant of Performance Rights to Mr Johnston constitutes reasonable remuneration within the meaning of section 211 of the Corporations Act and therefore Shareholder approval is not required for the giving of the financial benefit to Mr Johnston, constituted by the grant of the Performance Rights.

For these reasons, the Directors consider that the proposed grant of the Performance Rights to Mr Johnston constitutes reasonable and fair remuneration and, accordingly, recommend to Shareholders that they approve Resolution 4.

Key details of the Performance Rights

Key details of the Performance Rights that may be granted by the Company to Mr Peter Johnston are set out below:

- Subject to the Board's approval of Mr Johnston's remuneration package for 2009, Mr Johnston will be granted up to 390,000 Performance Rights on the terms and conditions of the Company's Long Term Incentive Scheme (as it applies to Mr Johnston), a summary of which is contained in Schedule 2.

- Mr Johnston will not be entitled to exercise any granted Performance Rights unless the relevant performance hurdles have been met and the Performance Rights have vested.
- The vesting of Performance Rights will depend on the performance of the Company in comparison to its peer group of 25 comparator resource companies as measured by the Company's Total Shareholder Return (TSR) over the period 1 January 2009 to 31 December 2010.
- TSR is defined as 'share growth plus all other returns or payments to Shareholders, i.e. dividends' and is essentially a measure of the average movement in Shareholder return over the period 1 January 2009 to 31 December 2010.
- TSR is measured by an independent third party.
- The following table lists the performance targets that apply and the weighting given to their achievement in determining the number of Shares that may be acquired by Mr Johnston.

Company Performance	Below 50th Percentile	Ranking at or above 50th Percentile	Ranking at or above 60th Percentile	Ranking at or above 70th Percentile
TSR	Nil	50%	70%	100%

- No cash consideration is payable by Mr Johnston for the grant of the Performance Rights.
- Each granted Performance Right that vests may be automatically exercised into one Share. It is anticipated that Shares will be issued in respect of vested Performance Rights in the first quarter of 2011.
- No amount is payable for the issue of a Share on the exercise of a granted Performance Right.
- In the event of any reorganisation of the capital of the Company, the Performance Rights shall be reorganised in accordance with the Listing Rules of ASX in force at the time of any reorganisation and as appropriate to the type of reorganisation proposed.
- The Performance Rights do not confer the holder the right to participate in any new issues of securities by the Company unless they vest and are exercised prior to the record date for the purposes of determining entitlements to new issues of securities.
- The Performance Rights do not confer any right to a change in the exercise price or in the number of underlying securities over which they can be exercised in the event of a pro rata issue of securities to Shareholders.
- The Performance Rights are personal and not transferable. They will not be eligible for quotation on ASX.
- Shares issued pursuant to the exercise of vested Performance Rights will rank equally with the then issued fully paid ordinary shares of the Company.
- The Company will apply to ASX for official quotation of all Shares issued on the exercise of vested Performance Rights.

Details of Mr Johnston's executive employment agreement

Details of Mr Johnston's executive employment agreement are set out in the Remuneration Report.

Mr Johnston's remuneration for 2008 includes:

- fixed annual remuneration of \$1.865 million (including salary, superannuation, car allowance, other benefits and applicable taxes);
- on-target bonus of \$500,000; and
- 390,000 Performance Rights approved at the 2007 Annual General Meeting (LTI Value \$1.423 million).

Mr Johnston's interests in Company securities

Mr Johnston has an interest in the following securities in the Company which were acquired by him prior to the date of the Notice and, assuming Resolution 4 is approved by Shareholders, will be entitled to the following securities:

Recipient	Minara Shares currently held by Peter Johnston	Performance Rights and Options currently held by Peter Johnston	Proposed Performance Rights
Peter Johnston	1,504,000	entitlement to acquire up to 780,000 Shares pursuant to performance rights approved by Shareholders at the 2007 Annual General Meeting	entitlement to acquire up to 390,000 Shares subject to the grant and vesting of up to 390,000 Performance Rights

Value of Performance Rights

The highest, lowest sale and last available prices for Shares on the ASX during the 12 months immediately preceding the date of the Notice and the respective dates of those sale prices were:

Highest: \$9.53 per Minara Share on 22 May 2007

Lowest: \$4.54 per Minara Share on 22 January 2008

Last: \$5.99 per Minara Share on 1 April 2008 (being the last available ASX trading day prior to printing of this Notice).

BDO Consultants (WA) Pty Ltd (**BDO**) has provided the Company with an indicative valuation for the Performance Rights prepared as at 19 March 2008 in accordance with the principles of AASB 2 and based on certain assumptions. The valuation utilised the Black Scholes and Binomial option valuation methodologies and took into account the following factors:

- exercise price of the Performance Rights;
- life of the Performance Rights;
- current Share price;
- expected volatility of the Company's Share price;
- expected Dividends; and
- risk-free interest rate.

In BDO's opinion, each Performance Right is valued at \$6.00.

BDO also conducted a sensitivity analysis as part of its valuation. BDO examined the effect on the value of each Performance Right of an increase or decrease in the share price by 10% between 19 March 2008 and the date of the actual grant of the Performance Rights, should Shareholders approve the grant.

A 10% increase in the Share price to \$6.60 per Share would result in an increase in the value of each Performance Right from \$6.00 to \$6.60, and a 10% decrease in the value of the Share price to \$5.45 would result in a decrease in the value of each Performance Right from \$6.00 to \$5.45.

The following assumptions were made in respect of the BDO valuation:

Item	Note	Performance Rights
Underlying security spot price	1	\$6.00
Exercise price		\$0.00
Dividend rate	2	-
Standard deviation of returns (annualised)	3	55.00%
Risk free rate	4	6.00%
Valuation date		1 January 2009
Expiration date		1 January 2011
Expiration period (years)		2
Black Scholes valuation (per security)		\$6.00
Binomial valuation (per security)		\$6.00

Notes:

1. The underlying security spot price used for the purposes of this valuation is based on the closing price of the security on the ASX on 19 March 2008.
2. The Company's Share price is "ex-dividend". If dividend payments were forecast, the value of the Performance Rights would be reduced.
3. The anticipated standard deviation over the life of the Performance Rights is based on the Company's historical data sourced from Bloomberg.
4. The risk free rate is the Commonwealth Government securities rate with a maturity date approximating that of the expiration period of the Performance Rights. (Source: Reserve Bank of Australia)

Listing Rule 10.14

Listing Rule 10.14 provides, in essence, that the approval of shareholders by ordinary resolution is required before any of the following persons can acquire securities under an employee incentive scheme:

- (a) a director;
- (b) an Associate of a director; or
- (c) a person whose relationship with the company or a related party is, in ASX's opinion, such that approval should be obtained.

Mr Johnston is a Director of the Company for the purpose of Listing Rule 10.14. Accordingly, in order for Mr Johnston to acquire a beneficial interest in the Performance Rights (which occurs upon vesting of the Performance Rights in accordance with the terms set out in this Explanatory Memorandum), the Company must obtain Shareholder approval pursuant to Listing Rule 10.14.

Listing Rule disclosure requirements

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting for the purposes of Listing Rule 10.14.

In accordance with the requirements of the Listing Rules, the following information is provided to Shareholders in relation to Resolution 4:

- (a) The maximum number of Performance Rights that may be issued by the Company to Mr Peter Johnston for whom approval is required is 390,000 Performance Rights. If all 390,000 Performance Rights are granted and exercised by Mr Johnston, then he will be entitled to 390,000 Shares.
- (b) The Performance Rights are to be granted for no cash consideration. Shares issued on the exercise of vested Performance Rights will be issued for no cash consideration and therefore no funds will be raised by the issue of Performance Rights or Shares to Mr Johnston.
- (c) If the grant of the Performance Rights by the Company to Peter Johnston is approved by Shareholders pursuant to Resolution 4, the Performance Rights will be granted to Peter Johnston no later than 12 months after the date of the Annual General Meeting.
- (d) Mr Johnston is the only Director entitled to participate in the Long Term Incentive Scheme.
- (e) Since the Annual General Meeting held on 26 May 2006 at which Shareholders approved the grant of performance rights (options) to Mr Johnston, the following rights to securities have been granted to Mr Johnston under the Long Term Incentive Scheme:
 - (i) rights to acquire 504,000 Options (which have since been exercised to 504,000 Shares); and
 - (ii) rights to acquire up to 160,069 Options (which have since lapsed and are not able to be exercised), being the Options referred to in Resolution 4 of the Company's 2006 Notice of Annual General Meeting; and
 - (iii) rights to acquire up to 780,000 Options, being the Options referred to in Resolution 3 of the Company's 2007 Notice of Annual General Meeting.

No other securities or rights to securities under the Long Term Incentive Scheme have been granted to or acquired by Mr Johnston or any other Director (or an associate of a Director) since the 2007 Annual General Meeting.

- (f) If approval is given pursuant to Resolution 4, approval of the issue is not required for the purposes of Listing Rule 7.1.

Voting exclusion statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by Peter Johnston and by an associate of Peter Johnston. However, the Company need not disregard a vote if it is cast by Peter Johnston as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by Peter Johnston chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Accordingly, Peter Johnston and associates of Peter Johnston may not vote on Resolution 4.

Directors' recommendation

All Directors, other than Mr Johnston, recommend that Shareholders vote in favour of Resolution 4 for the reasons set out above. Mr Johnston makes no recommendation in light of his personal interest in this Resolution.

The Directors do not have an interest in the outcome of Resolution 4 except as Shareholders of the Company. As set out in the proxy form, the Chairman intends to vote all undirected proxies in favour of all Resolutions to be considered at this Meeting.

SCHEDULE 1

Summary of New Constitution

The provisions of the proposed new Constitution are summarised below. A copy of the proposed new Constitution is available from the Company on request.

Issue of shares

The issue of shares and options by the Company is under the control of the Directors, subject to the Corporations Act, the Listing Rules, ASTC Operating Rules (together **Applicable Law**) and any rights attached to any special class of shares.

Transfer of shares

A shareholder may transfer one or more shares the shareholder holds by a proper ASTC transfer, an instrument of transfer in compliance with the Constitution or any other method permitted by the Applicable Law. Except as permitted by the Listing Rules or by ASX, a shareholder must not dispose of restricted securities during the escrow period for these securities.

Subject to the ASTC Operating Rules, a person transferring a share remains the registered holder of that share until the transfer for that share is registered and the name of the person to whom the share is being transferred is entered in the Register of Members as the holder of that share.

The Company may refuse to register a transfer of shares in the circumstances permitted or required under the Applicable Law. The Company will not charge any fee for registering a transfer of shares.

Subject to the Applicable Law, the Company may not issue certificates for Shares, or cancel existing certificates for Shares without issuing any replacement certificate, if the Directors so resolve. The Company must issue to each shareholder, in accordance with the Applicable Law, statements of the holdings of shares registered in the shareholder's name.

Alterations of share capital

Shares may be converted or cancelled with shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Applicable Law.

Buy backs

The Company may buy back shares in itself on terms and at such times determined by the Directors subject to the Applicable Law.

Disposal of less than a marketable parcel

The Constitution contains provisions enabling the Company to procure the disposal of shares where the shareholder holds less than a marketable parcel of shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

Variation of class rights

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of the shares in that class.

Reduction of capital

The provisions of the Constitution relating to reduction of capital are consistent with the Applicable Law requirements which must be satisfied by the Company in undertaking a reduction of capital.

Liens

In the event that the Company issues partly paid shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares.

Forfeiture of shares

The Company may forfeit and sell a share of a member by a resolution of Directors where that member has failed to pay a call or instalment on that share. The Directors must provide the member with notice of an intention to forfeit the shares.

Meetings of members

Directors may call a meeting of shareholders whenever they think fit subject to the provisions of the Corporations Act. Shareholders may call a meeting as provided by the Corporations Act. The Constitution contains provisions prescribing the content requirements of notices of meetings of shareholders and all shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of shareholders is 2 eligible voters.

Voting of members

Resolutions of shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll, each eligible shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

Proxies

An eligible shareholder may appoint a proxy to attend and vote at the meeting on the shareholder's behalf. The Constitution contains provisions specifying the form and manner of lodgement of proxy instruments. A shareholder which is a corporation may appoint an individual to act as its representative.

Directors

Unless changed by the Company in general meeting, the minimum number of directors is 3 and the maximum is 10.

The existing Directors and the Company in general meeting may appoint a new Director to fill a casual vacancy. Any such Director may retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director). No Director, other than the Managing Director, may hold office no later than the third annual general meeting after his or her appointment or election without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed Director must be received by the Company in a stipulated period prior to the meeting.

Powers of Directors

The business of the Company is to be managed by or under the direction of the Directors.

Remuneration of Directors

The total fees payable to non-executive Directors must not exceed the aggregate fixed sum determined by members in general meeting and must not be by way of commission on, or percentage of, profits or operating revenue.

The Constitution makes provision for the Directors to be paid reasonable travelling and other expenses in performance of their duties and for retirement benefits to be paid to Directors.

The remuneration of executive Directors must not be by way of commission on, or percentage of, operating revenue.

Indemnity and insurance

The Constitution obliges the Company, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officers in that capacity and in relation to costs and expenses incurred by the person in successfully defending civil or criminal proceedings in his or her capacity as an officer of the Company.

To the extent permitted by the law the Company may also pay the premium in any insurance policy for any person who is or has been an officer against a liability incurred by that person in his or her capacity as an officer of the Company.

Winding up

Subject to any rights attaching to shares, if the Company is wound up, shareholders may participate in surplus assets and profits of the Company in proportion to the amount credited as paid up on the shares held by them.

Execution of documents

In accordance with the Corporations Act, the execution of documents by the Company without the use of the Company's seal is permitted.

Dividends

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately to the amounts paid up on the shares. The Company is not required to pay any interest on dividends.

Proportional Takeovers

A proportional takeover bid is one in which the offeror offers only to buy a specified proportion of each shareholders' shares.

The Constitution provides for shareholder approval of any proportional takeover bid for the Company's shares. Subject to the Corporations Act, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite shareholder approval has been obtained.

To comply with the Corporation Act, the proportional takeover provisions must be renewed by members in general meetings at least every 3 years to remain in place.

SCHEDULE 2

Summary of Long Term Incentive Scheme (as applicable to Mr Peter Johnston)

- Equity-based reward scheme designed to link executive performance to Shareholder returns.
- Granted to selected members of the management team only from time to time.
- Allocation is determined in line with competitive market practice.
- Performance conditions are applied as appropriate.
- Performance Rights which do not satisfy the vesting conditions will automatically expire.
- Subject to the satisfaction of performance conditions, the participants are entitled to exercise Performance Rights, for nil consideration.
- For each Performance Right exercised, the participant will be issued with one fully paid ordinary share in the Company.
- The Performance Rights do not confer all the benefits of share ownership including dividend or voting entitlements prior to vesting.

SCHEDULE 3

Glossary of Terms

Annual Report	means the annual report of the Company for the year ended 31 December 2007.
ASX	means the ASX Limited.
Board	means the board of directors of the Company.
Chairman	means the chairman of the Board.
Company or Minara	means Minara Resources Limited ABN 23 060 370 783.
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this document in its entirety.
Listing Rules	means the Listing Rules of ASX.
Managing Director	means the managing director of the Company, Mr Peter Johnston.
Meeting	means the Annual General Meeting of shareholders of the Company convened by this Notice.
Notice	means the Notice of Annual General Meeting which accompanies this Explanatory Memorandum.
New Constitution	means the new constitution of the Company proposed for adoption pursuant to Resolution 3.
Option	means an option to subscribe for a Share.
Performance Rights	means the performance rights proposed to be granted to the Managing Director pursuant to Resolution 4.
Remuneration Report	means the remuneration report of the Company for the year ended 31 December 2007 contained in the Annual Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to this Explanatory Memorandum.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of fully paid ordinary shares in the Company.
WST	means Western Standard Time of Perth, Western Australia.

SHAREHOLDER QUESTIONS

The Company welcomes your questions regarding the Company, the Annual Report or any matter relating to the Notice of Annual General Meeting. If you wish to have a question answered at the Annual General Meeting, please complete this form and return it in the reply paid envelope provided, or send it by facsimile to + 61 8 9212 8420 by **close of business on Friday, 2 May 2008**.

The Board will endeavour to address as many as possible of the more frequently raised shareholder matters during the course of the Meeting. If time does not permit us to address all raised issues at the meeting, we will respond, if appropriate, to you directly.

Shareholders will be able to access the Chairman's and the Managing Director's Meeting addresses on the Company's internet site at www.minara.com.au after the Meeting.

Please complete the following details:

Shareholder name:

Address:

.....

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Shareholder number:

Question(s):

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Signature:..... **Date:**

TO LODGE A PROXY FORM:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Facsimile 61 8 9323 2033

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 9.30AM (WST) WEDNESDAY 7 MAY 2008**

 <p>YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT: www.minara.com.au</p>	
<input checked="" type="checkbox"/> Access your annual report <input checked="" type="checkbox"/> Review and update your securityholding	<p>YOUR SECURE ONLINE ACCESS INFORMATION</p> <p>SRN/HIN: _____</p> <p>POST CODE: _____</p> <p>! FOR SECURITY REASONS IT IS IMPORTANT THAT YOU KEEP YOUR SRN/HIN CONFIDENTIAL.</p>

HOW TO COMPLETE THIS PROXY FORM *Please read these notes prior to completion of the voting form.*

VOTES ON ITEMS OF BUSINESS

Voting 100% of your holding. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Voting a portion of your holding. You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

A proxy need not be a securityholder of the Company.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.


If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at www.computershare.com.

LODGEMENT OF A PROXY FORM. This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 9.30am (WST), Friday 9 May 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of Minara Resources Limited hereby appoint

the Chairman of the Meeting OR

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Minara Resources Limited to be held at Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia on Friday 9 May 2008 at 9.30am (WST) and at any adjournment of that meeting.

IMPORTANT: FOR ITEM 4 BELOW If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 4 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 4.

STEP 2 ITEMS OF BUSINESS

PLEASE NOTE: If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

	For	Against	Abstain
Item 1.1 Re-election of Mr Malcolm Macpherson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 1.2 Election of Mr Peter Roland Coates as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Adoption of a New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Approval of Grant of Performance Rights to Peter Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Change of name and/or address. If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. *Please note, you cannot change ownership of your securities using this form.*

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