

QUARTERLY REPORT

31 December 2007



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

- Successful completion of \$100 million shut
- Acid plant now achieving name plate capacity
- Scats heap leach achieved 75% recovery after 180 days, above expected rates
- Continued good performance from autoclave circuit

MURRIN MURRIN OPERATIONS

	Quarter Ended 31 December 2007	Prior Quarter Ended 30 September 2007	Quarter Ended 31 December 2006
Nickel Production (tonnes)	6,020	6,676	8,262
Cobalt Production (tonnes)	380	442	616
Minara's Equity (60%)			
Nickel (tonnes)	3,612	4,006	4,957
Cobalt (tonnes)	228	265	370

Total production of 6,020 tonnes of packaged nickel and 380 tonnes of packaged cobalt was achieved at Murrin Murrin for the three months to 31 December 2007. The company's share is 60%. The previous corresponding three month period saw 6,676 tonnes of packaged nickel and 442 tonnes of packaged cobalt produced.

The quarter's activities saw the successful completion of the largest and most comprehensive shutdown in the project's history. The shutdown covered a seven week period with a total cost of approximately \$100 million in capital and maintenance.

Following the shutdown the plant recommenced operations in accordance with plans. As a result, Murrin Murrin is anticipating significant improvement in overall plant performance and flexibility in 2008.

In addition to completing the statutory maintenance, the major focus of the shut was the refurbishment of the acid plant. This included the replacement of the superheater, the installation of new blowers, the installation of new storage capacity and the replacement of a large heat exchange unit.

Other significant activities in the shut included the replacement of the H₂S reactors, the upgrade of the Distributed Control System and the installation of an emergency shut down system for the acid plant. As a result of the work done during the shutdown, the acid plant is now able to operate at its design capacity of 4,500 tonnes of acid per day.

Production for the quarter was lower than forecast due to worse than expected deterioration of the acid plant prior to commencement of the shut. In addition, production in December was impacted by several maintenance issues including a severe electrical storm. All issues have been successfully resolved.

The previously reported descaling of the reduction autoclaves in the refinery was successfully completed in December. This has enabled the refinery to operate at full capacity since the end of the quarter and commence packaging the mixed sulphide inventories.

The annual planned refinery sinter furnace overhaul will take place over two weeks during January. During this period the operation will build up an inventory of nickel powder which will be processed once the furnace overhaul is completed.

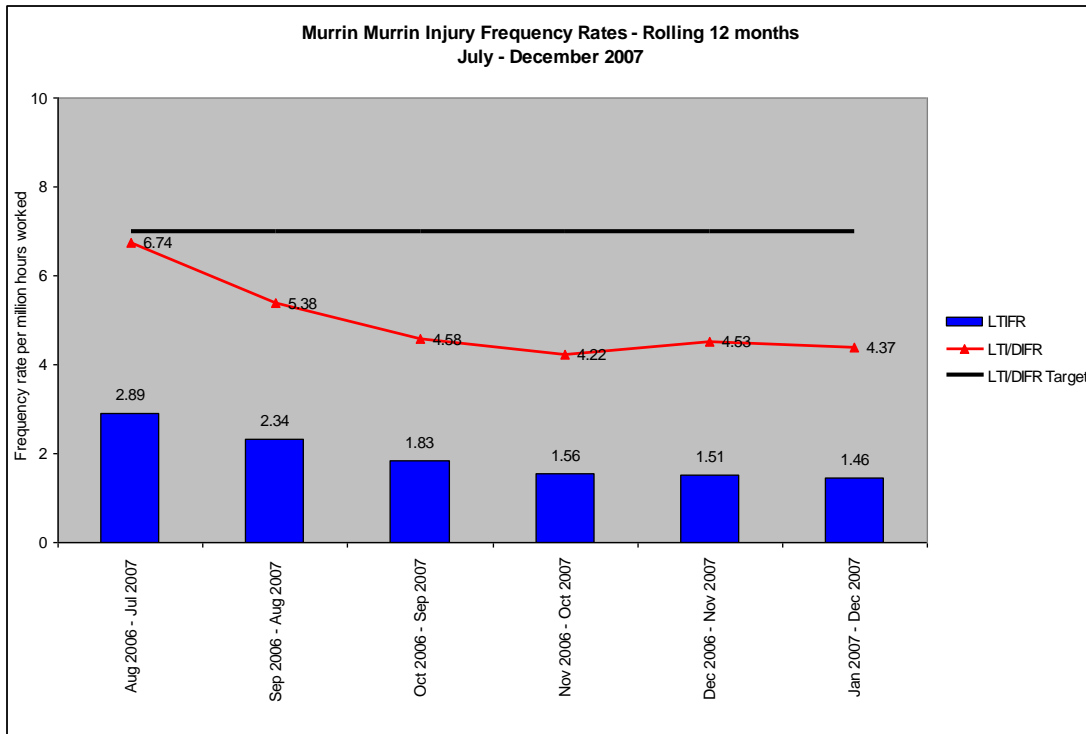
Since the end of the quarter, production has been consistent. This is largely due to acid plant stability as a result of the significant capital investment undertaken to remove remaining known design legacy issues, as well as continuing consistent front end plant performance.

During the period mine output remained steady. Autoclave feed for the quarter was 385,021 tonnes grading 1.37%Ni.

Minara’s sales position remains unhedged in both currency and price which has allowed the company to take advantage of the continued strength of the nickel and cobalt markets.

HEALTH AND SAFETY

The LTI/DIFR 12 month rolling average for the past 6 months (July – December) has decreased from 6.74 to 4.37. The LTIFR 12 month rolling average for the past 6 months has also decreased from 2.89 in July to 1.46.



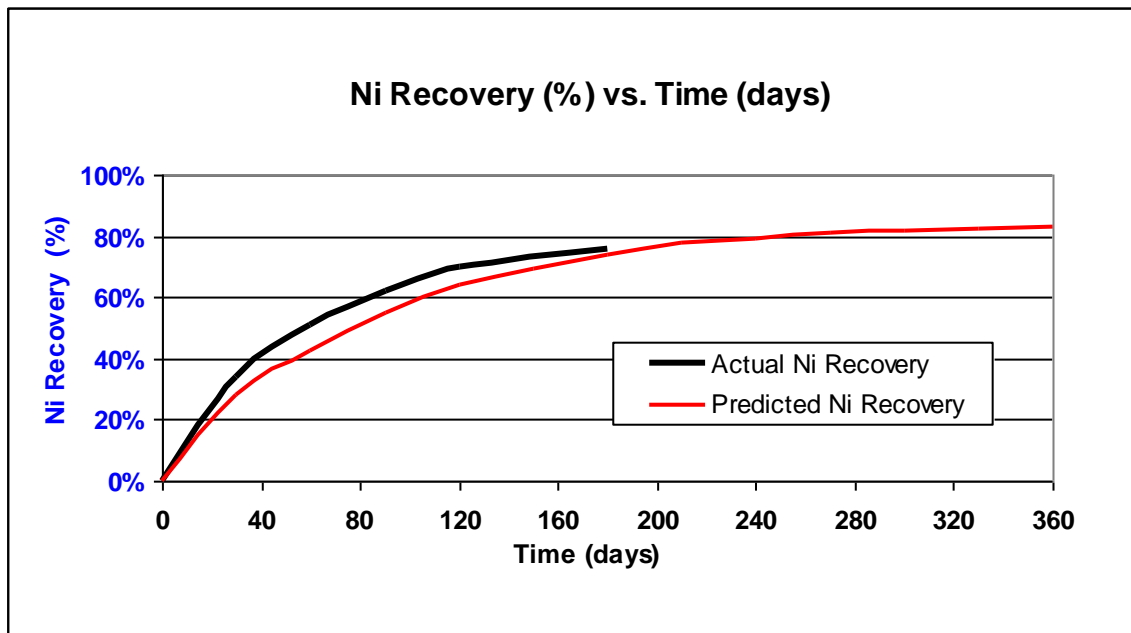
ENVIRONMENT

During the quarter there was one reportable incident recorded in the acid plant which was successfully remediated.

HEAP LEACH

The heap leach trial continued successfully throughout the period with the scats nickel recovery achieving a rate of 75% after 180 days. This is above the expected recovery rate, as shown in the chart below. In addition, leaching of ore on pad 3 is progressing well and is on or above the anticipated recovery curve.

Construction of eight leaching pads is now complete and stacking has commenced on pad 4. The heap leach solution has been successfully integrated into the existing process plant and is now close to its design capacity.



EXPLORATION

Minara has a \$10.6 million exploration budget allocated for the current year. This includes expenditure allocated for the Murrin Murrin JV.

Mt Rankin and Collurabbie JVs (Minara Resources earning 70%)

A ground magnetic program was progressed during the quarter at the Mt Rankin project in which Minara is in joint venture with Gryphon Minerals Ltd. This program is expected to be completed in the first quarter of 2008. The first four ground-electro magnetic (EM) conductors at Collurabbie have been drill tested with four holes completing the program. Sulphides have been intersected and assays are expected in the next quarter. An aeromagnetic survey will commence during the first quarter of 2008. Minara has the right to earn 70% of the nickel minerals and 60% of other minerals by spending an aggregate of \$5.5 million on exploration over four years on the two projects.

Irwin Hills – Cogleia Well JV (Murrin Murrin JV 60%)

No exploration was conducted this quarter.

Bardoc Nickel JV (Minara Resources 51%)

No exploration was conducted this quarter. The JV is considering options for further development of the project.

Mt Margaret (Murrin Murrin JV 100%)

No exploration was conducted this quarter.

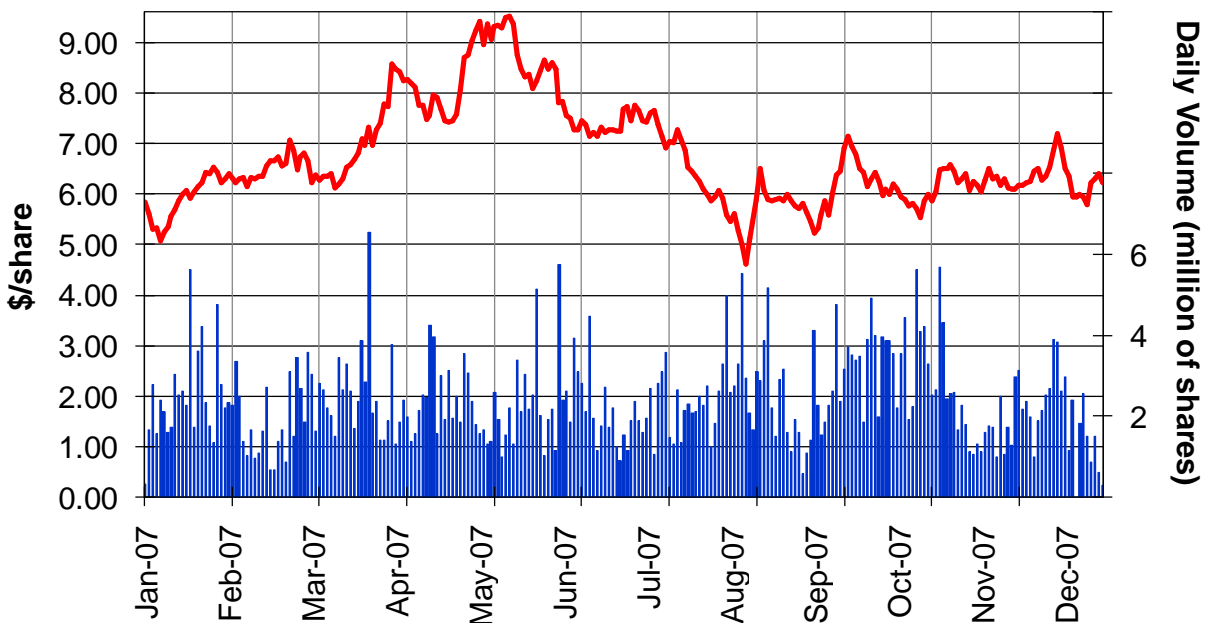
Weld Range JV (Minara Resources 75%)

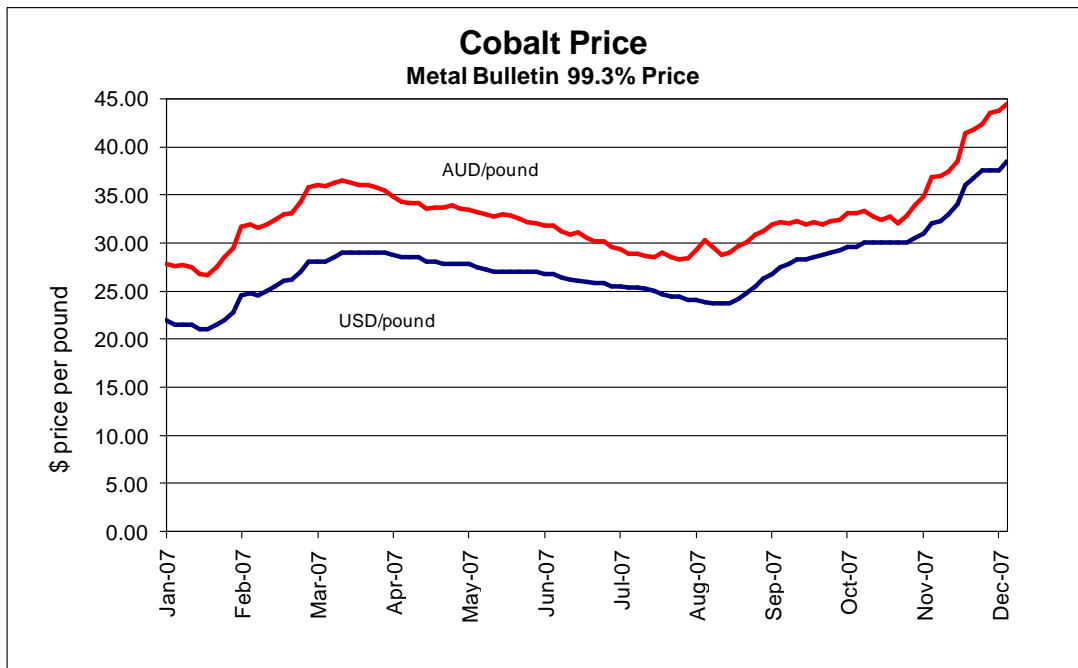
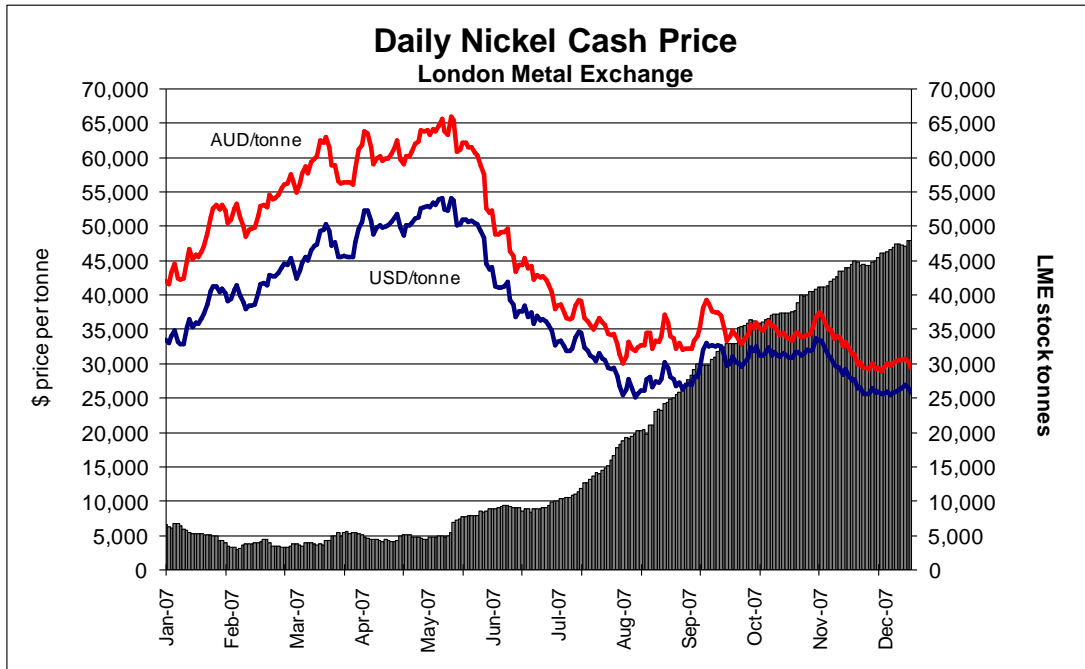
No exploration was conducted this quarter.

METAL MARKETS

Commodity Prices	Prices as at 31 December 2007	Average for quarter ending 31 December 2007	Average for quarter ending 30 September 2007	Average for quarter ending 31 December 2006
LME Nickel				
US\$ per tonne	25,805	29,453	30,226	33,060
US\$ per lb	11.70	13.36	13.71	14.99
AUD\$ per tonne	29,404	33,097	35,669	42,885
Cobalt				
US\$ per lb	38.50	32.13	25.36	17.99
Exchange Rates AUD:USD	0.8776	0.8899	0.8474	0.7709

Minara Share Price





CEO'S COMMENTS

The successful completion of the shut is a major achievement for Murrin Murrin. As a result of the investment Minara has made in the plant over the last few years, including the most recent \$100 million capital works and maintenance program, all major legacy issues have been resolved and we are confident that we will achieve a consistent production profile throughout 2008.

Particularly significant is the investment we have made in the acid plant which has previously constrained production. The acid plant has now reached its nameplate capacity of 4,500 tonnes of acid per day enabling us to pursue our heap leach growth potential.



PB JOHNSTON

Managing Director & CEO

10 January 2008

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