

15th ANNUAL GENERAL MEETING

9 May 2008



James Campbell, Chairman

Introduction

Good morning ladies and gentlemen and welcome to Minara Resources' 15th **Annual General Meeting**.

In my report to you today I will first provide a brief overview of Minara's activities for the year and then move to the procedural matters. You will have an opportunity to ask questions about the last twelve months' operations and our plans for the future.

Scene setting

2007 was an important year for Minara both in finalising some of the remaining plant issues and perhaps more importantly putting in place and testing our growth strategy initiatives, particularly the heap leach trial.

Our key achievements included:

- a full year profit after tax of \$272.4 million,
- total dividends to shareholders of 40 cents per share,
- completion of the major statutory shutdown in October/ November
- confirmation of our predicted recoveries from the heap leach trials.

As a result of the major shutdown and acid plant problems earlier in the year, nickel production was below the previous year's performance. However, since then plant availability and production has improved. This confirms the Board's decision to invest \$100 million in the plant during the year.

The statutory shutdown was a considerable project for the company during which we completed rectifying many of the legacy design issues associated with the initial plant. Particularly, we have seen an improvement in the acid plant's performance that paves the way for an improved production profile.

During the shut there were an additional 900 people on site. This was a considerable logistical exercise in itself and on behalf of the Board I would like to personally thank Murrin Murrin's management team and staff for a magnificent effort in completing this major capital works program.

The company's safety performance is a key operational objective for Minara. Minara's safety performance improved considerably during the year confirming that we are all pursuing the same objective. It is particularly noteworthy that our safety performance was not impacted by the additional contractors on site during the shut. I trust that this safety performance will continue.

As part of the company's growth strategy we have over a number of years invested considerably in developing the heap leach project. This investment also started delivering results with the heap leach trial achieving scats nickel recovery above our predicted levels after 180 days under leach. It is pleasing to note that the liquor stream from the scats trial has been successfully integrated into the HPAL circuit.

The ore leach trials have also progressed well and we again are achieving nickel recovery above our predicted levels.

As a result of the success of these trials, the Board has given the green light to fully develop heap leach as a second production stream. The "in principle" \$300 million investment will initially see 8,000 to 10,000 tonnes of nickel added to Murrin Murrin's annual production.

Having reviewed my comments from last year, I can confidently state that, with past design issues now having been resolved, Minara is on track for future growth and will continue to benefit from the current strong nickel market.

Financial Results

I will now turn to the financial results for the twelve months to 31 December 2007. During the period, Minara recorded a net profit of \$272.4 million. This profit was down from last year's record and reflects the impact the shutdown had on production and the price of nickel falling from the record highs achieved previously.

Nevertheless Minara ended the year in a strong cash position, with reserves of \$156.7 million. Consolidated shareholder equity was \$702 million after taking into account the final dividend for 2007.

Minara remains unhedged in both currency and commodity and with zero debt we have established a very strong financial platform.

Corporate Governance

The Board's commitment to the highest standards of corporate governance and ethical behaviour underpin all its activities and deliberations.

During the year the company's corporate governance policies were reviewed taking into consideration the principles set out in the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations".

We have worked hard to comply with the Council's principles. (There are a few small exceptions noted in the Corporate Governance Statement in the Annual Report).

People

Minara's people continue to be the most important strength and as I said before because of their hard work and dedication the statutory shutdown was very successful. Furthermore, with the move of Mr Neil Meadows from General Manager Operations to the new project activity it is the 1st time in my 9 years on the Board of Minara that we appointed the replacement from within the company in Wayne Ashworth.

Attracting and retaining people remains a focus and we know we need to ensure our workplace provides a safe and encouraging environment, giving our people the professional challenges and advancement needed in today's market.

The skills shortage continues across all sectors of the Western Australian economy and Minara like our industry peers has experienced the impact across the board.

Future Developments and closing remarks

As set out in the Annual Report I have indicated to the Board that it was not my intention to seek reelection today as a director. I have been a member of this Board for 9 years and its Chairman for the past seven. I have been ably supported by a strong, focused and efficient Board and a management team led by Peter Johnston and thank them all for their support and loyalty. While we have experienced some challenging times, particularly in the early 2000s, I leave the company in the knowledge that my initial belief in the Murrumbidgee project has been vindicated.

I would like to welcome Peter Coates as a member of the Board. Peter has worked extensively in Western Australia in both nickel and iron ore and brings a wealth of experience in the resources industry to Minara's Board.

He has been Non-executive Chairman of Xstrata Australia and is a member of Santos Ltd's Board.

I have been asked to inform you that subject to his election, the Board intends to appoint Peter as my successor as Chairman. I have no doubt that this is a good decision and he will assist in delivering strong results into the future. I wish him every success.

I would also like to mention that during 2007 Cassandra Walsh resigned from the position as Minara's Company Secretary and General Counsel. We thank Cassandra for her contribution. We also welcome Cynthia Sargent who assumes the role of Company Secretary and General Counsel.

Our people continue to meet the challenges put to them, particularly the continuous pressure for higher safety standards, with skill and dedication and I offer my thanks to them all.

Finally I would like to record Minara's appreciation to our Joint Venture partner, Glencore International AG, for their positive approach in supporting the company in the operational and support initiatives at the Murrin Murrin Operations.

Thank you

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