

HALF YEARLY RESULTS

30 June 2008



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

- Gross profit of \$82.3 million and a profit after tax of \$49.2 million
- Stable production achieved despite impact of gas shortages
- Cost pressures have led to deferral of the heap leach expansion project
- Cash on hand at 30 June 2008 of \$66.0 million
- Ongoing nickel market volatility

FINANCIAL

The company recorded a net profit after tax for the half year to 30 June 2008 of \$50.9 million (2007: \$245.9 million).

The company recorded a gross profit of \$82.3 million for the six months to 30 June 2008.

At 30 June 2008, cash on hand totalled \$66.0 million. The company remained debt free with a strong balance sheet.

Minara has experienced a range of cost pressures including escalating prices of inputs such as sulphur and gas, a decline in the nickel price and a very strong Australian dollar.

As a result, the Board has taken a conservative financial management approach and has not declared a dividend for the period.

FINANCIAL RESULTS (\$ MILLION)

	6 Months Ended 30 June 2008	6 Months Ended 30 June 2007
Revenue from operations	284.5	529.9
Gross profit	82.3	354.8
Net profit	50.9	245.9
Net cash flow	(90.4)	131.9

C1 costs of US\$5.24/lb (2007: US\$4.93/lb) were recorded for the six months ended 30 June 2008. These costs have been impacted by the increase in the cost of sulphur which has risen sharply during the period. Minara has long term sulphur supply contracts in place. As previously reported, the company anticipates that the sulphur market will return to a normal price cycle in the second half of 2009.

In response to cost pressures, the company has undertaken a review of all discretionary expenditure and capital programs and the timing thereof. Over the next twelve months the company will embark on a period of consolidation with a focus on optimising and maximising efficiency on a stable production platform.

PRODUCTION

Production at Murrin Murrin for the six months to 30 June 2008 was 15,022 tonnes of nickel packaged and 999 tonnes of cobalt packaged. The company's share is 60%. The previous corresponding six month period saw 14,889 tonnes of nickel packaged and 1,062 tonnes of cobalt packaged.

Nickel production during the period was affected by the significant constraints experienced as a result of the disrupted gas supply from Apache Energy's Varanus facility. The Murrin Murrin plant was non-operational for five days and operated at half to two thirds capacity for the remainder of the month of June.

Full production resumed in early July and production guidance of 31,000 to 35,000 remains unchanged.

MURRIN MURRIN PRODUCTION

	6 Months Ended 30 June 2008	6 Months Ended 30 June 2007
Nickel Production (Tonnes)	15,022	14,889
Cobalt Production (Tonnes)	999	1,062
Minara's share is 60%		

CAPITAL PROGRAM

During the period the company continued to invest in a range of capital projects. This included on-going expenditure on the heap leach project.

The company has reviewed the timing of the expansion of the heap leach project. As a result of the current cost pressures, major capital project expenditure directly related to the heap leach expansion has been deferred. The company will continue to pursue further optimisation in the heap leach circuit and the existing heap leach operation continues to perform at its design capacity.

METAL MARKET

The nickel market volatility continues. Despite this, we believe that the market has a sound foundation for at least the next two to three years.

The cobalt market has remained strong for the period and as Minara is a significant producer of cobalt, this has assisted in offsetting some of our cost pressures.

CEO COMMENT

“Over the six months to 30 June 2008 the plant at Murrin Murrin performed well in a difficult operating environment.

“Minara is proactively engaged in reducing costs and is focused on optimising production in a volatile nickel market”.



Peter Johnston

Managing Director & CEO

7 August 2008

END

Contact

David Pile, Chief Financial Officer
Minara Resources Limited
+ 61 8 9212 8400
www.minara.com.au

or

David Griffiths, Gryphon Management Australia
0419 912 496
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