

ASX RELEASE

29 October 2008



Minara Rights Issue to raise A\$210 million

Minara Resources Ltd is pleased to announce a renounceable pro rata rights issue to raise approximately A\$210 million before costs. Eligible shareholders will have the opportunity to participate in the rights issue to receive an additional 3 shares for every 2 ordinary shares held in the company at an issue price of \$0.30.

The rights issue is fully underwritten by Minara's major shareholder Glencore International AG.

The issue price represents a 12% discount to the closing share price on 28 October 2008 and a 32% discount to the last five day moving volume weighted average price.

Subject to applicable foreign offer restrictions, the rights issue gives eligible shareholders the opportunity to maintain their investment in the company at a significant discount to the current market price. Eligible shareholders are those holders of shares in the company with a registered address in Australia, New Zealand or Switzerland as at 5.00 pm (AWDT) on the record date, being 10 November 2008.

The company will use the funds raised to repay short term funding, to fund committed capital expenditure and to provide the company with working capital to underpin operations for the next 18 to 24 months.

The decline in the nickel market and the significant increase in the sulphur price have put pressure on Minara's cash flow, resulting in the need to raise additional capital.

"The funds raised will ensure that we continue to meet our production targets and position us to take advantage of improvements in the nickel market which we anticipate in the second half of 2009," Minara's Managing Director Peter Johnston said.

"We are also concentrating on reducing costs in all of our activities and that will contribute to our overall business plan and improve production stability," Mr Johnston added.

Capital Raising Timetable

The following key dates will apply to the rights issue.

Event	Date
Offer announced via ASX	29 October 2008
Offer Document lodged with ASX	29 October 2008
Shares quoted on an "ex" basis	3 November 2008
Rights trading commences	3 November 2008
Record Date	10 November 2008
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	14 November 2008
Rights trading ends	21 November 2008
Closing Date for acceptance and payment	28 November 2008
Issue of New Shares and dispatch of holding statements	5 December 2008
Commencement of trading of New Shares	8 December 2008

Full details of the rights issue will be contained in the Offer Document lodged with the Australian Stock Exchange. This will be despatched to all eligible shareholders accompanied by an entitlement form.



Peter Johnston
Managing Director & CEO

29 October 2008

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