

Minara Resources Limited
ABN 23 060 370 783
Level 4/30 The Esplanade
Perth WA 6000
PO Box Z5523 St George's Tce Perth WA 6831
Tel: 61 8 9212 8400
Fax: 61 8 9212 8401
Web: www.minara.com.au



31 October 2008

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir/Madam

Letters to Shareholders

Attached are copies of letters to be dispatched to Minara Resources Limited shareholders today in respect of the renounceable Rights Issue announced on 29 October 2008.

Yours faithfully

A handwritten signature in black ink that reads "P. B. Johnston .".

Peter Johnston
Managing Director & CEO

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31 October 2008

[Insert shareholder address]

Dear Shareholder

Renounceable Rights Issue

Minara Resources Limited ACN 060 370 783 (the **Company**) is pleased to announce an opportunity for holders of shares in the Company (**Shareholders**) with a registered address in Australia, New Zealand or Switzerland (**Eligible Shareholders**) as at 5.00 pm (AWDT) on 10 November 2008 (**Record Date**) to participate in a fully underwritten, renounceable pro rata rights issue (**Rights Issue** or **Offer**).

Pursuant to the Rights Issue, the Company will issue up to 700,680,000 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.30 each, to raise approximately \$210 million (before costs). The New Shares will be offered on the basis of 3 New Shares for every 2 fully paid ordinary shares (**Shares**) held in the capital of the Company as at the Record Date (**Entitlement**).

The New Shares will be fully paid and will rank equally with the Company's existing issued Shares. The Company will make an application to the Australian Securities Exchange Limited (**ASX**) for official quotation of the New Shares.

The rights to subscribe for the New Shares in accordance with an Entitlement under the Offer (**Rights**) will be renounceable, which means that Eligible Shareholders who do not wish to take up all or some of their Entitlement may sell or transfer their Rights. In determining Entitlements, any fractional entitlements have been rounded up to the nearest whole number of Shares. It is expected that the New Shares will be entered into uncertificated holdings and holding statements despatched on 5 December 2008.

An Offer Document, a copy of which was lodged with the ASX on 29 October 2008, will be sent to all Eligible Shareholders, together with an Entitlement and Acceptance Form, on 14 November 2008. A copy of the Offer Document is also available on the ASX website (<http://www.asx.com.au>). Full details of the terms and conditions of the Rights Issue are contained in the Offer Document.

Pursuant to the ASX Listing Rules (**Listing Rules**), the Company is required to provide you with certain information before proceeding with the Rights Issue. This notice contains all the information required by Appendix 3B of the Listing Rules.

The number of issued Shares at the date of this notice and the total number of issued Shares at the close of the Offer are as follows:

- Number of Shares currently on issue and quoted on ASX: 467,113,164
- Maximum number of New Shares to be issued under the Offer: 700,680,000
- Maximum number of Shares on issue upon completion of the Offer: 1,167,793,164



There are currently no securities in the Company which are not quoted on the ASX. The Rights Issue is being fully underwritten by Glencore International AG (**Glencore**). Subject to the terms of the underwriting agreement between Glencore and the Company, Glencore will subscribe for all New Shares that are not taken up under the Rights Issue.

The Company will use the proceeds raised by the Offer to repay short term funding to Glencore, to fund committed capital expenditure, for working capital and funding for ongoing operations and to meet Offer costs. Further details are set out in section 1.3 of the Offer Document.

Please note that Shareholders at the Record Date that have a registered address outside Australia, New Zealand or Switzerland (**Excluded Shareholders**) will not be eligible to participate in the Offer. In compliance with Listing Rule 7.7.1 and sections 708AA (including section 9A(3)(c)) and 615 of the Corporations Act 2001 (Cth), the Company will appoint an ASIC-approved nominee to sell the Rights to which Excluded Shareholders would otherwise have been entitled. The net proceeds of the sale of those Rights (if any) will then be forwarded as soon as practicable to Excluded Shareholders. This sale process is described in the Offer Document.

Eligible Shareholders may:

- take up all their Entitlement;
- allow all or part of their Entitlement to lapse;
- sell all of their Entitlement as Rights on the ASX;
- take up part of their Entitlement and sell the balance on the ASX;
- take up part of their Entitlement and allow the balance to lapse; or
- transfer all or part of their Rights to another person other than on the ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of the Shares.

Eligible Shareholders should refer to section 2 of the Offer Document and the Entitlement and Acceptance Form accompanying the Offer Document to determine how to deal with their Rights. **The Rights may have a value.** Rights which are not accepted, traded or transferred will lapse and Eligible Shareholders will receive no benefit.

If you wish to take up all or some of your Entitlement you must complete the Entitlement and Acceptance Form (for the number of New Shares you wish to take up) in accordance with the instructions set out on the reverse of that form and arrange for payment of the application money (in respect of that part of your Entitlement you intend to take up) in accordance with that form and also section 2.7 of the Offer Document by 5.00 pm (AWDT) on 28 November 2008 (**Closing Date**).

If you wish to sell all or part of your Rights on the ASX, you must complete the section on the reverse of the Entitlement and Acceptance Form entitled 'Instructions to your Stockbroker' and lodge the completed Entitlement and Acceptance Form with your stockbroker (together with a cheque for the application money in respect of the part, if any, of your Entitlement you intend to take up). Rights trading on the ASX commences on 3 November 2008 and sale of your Rights must be completed by 21 November 2008 when Rights trading ceases. If you are taking up part of your Entitlement your stockbroker will need to ensure that the Entitlement and Acceptance Form and application money reach the Company's share registry by no later than 5.00 pm (AWDT) on the Closing Date.

You may elect to transfer all or part of your Rights to another person (other than someone who would be an Excluded Shareholder or would otherwise be restricted from acquiring or exercising Rights) otherwise than on the ASX by completing and forwarding a standard renunciation form (obtainable from your stockbroker or the Company's share registry) together with your Entitlement and Acceptance Form completed by the transferor and transferee to the Company's share registry so that it is received no later



than 5.00pm (AWDT) on the Closing Date and arrange for payment of the amount of the Application Money in accordance with the Entitlement and Acceptance Form and also section 2.7 of the Offer Document.

As required under the Listing Rules, the Company informs you that no Shareholder approval is required for the Rights Issue and, therefore, no Shareholder approval will be sought.

It is proposed that the Rights Issue be conducted according to the following indicative table:

Event	Date
Rights Issue / 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 to identify Shareholders entitled to participate in issue	10 November 2008
Offer Document and Entitlement and Acceptance Forms despatched 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 despatch of holding statements	5 December 2008
Commencement of trading of New Shares	8 December 2008

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and the Listing Rules, the Directors of the Company, in conjunction with the underwriter, reserve the right to vary these dates, including the Closing Date, without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, application money will be returned without interest.

Before taking up Entitlements under the Rights Issue, Eligible Shareholders should read all the information set out in the Offer Document, including the summary risk factors in section 3 of the Offer Document. If you have any queries, please consult your professional adviser.

For further information on your Entitlement to the Rights Issue, or how to deal with the Rights Issue, please contact the Company's share registry, Computershare Investor Services Pty Limited by telephone on 1300 733 707 (within Australia) or +61 3 9415 4820 (outside Australia) or by facsimile on +61 3 9473 2500, the Company Secretary by telephone on +61 8 9212 8400 or consult your professional adviser.

Yours faithfully

A handwritten signature in black ink, appearing to read "Peter Coates", with a small flourish at the end.

Peter Coates
Chairman

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31 October 2008

[Insert shareholder address]

Dear Shareholder

Renounceable Rights Issue

As you may be aware, Minara Resources Limited ACN 060 370 783 (the **Company**) is currently undertaking a fully underwritten renounceable pro rata rights issue (**Rights Issue** or **Offer**). The Company expects that the Rights Issue will close on 28 November 2008.

The underwritten Rights Issue is only open to existing holders of shares in the Company with a registered address in Australia, New Zealand or Switzerland (**Eligible Shareholders**) as at 5.00 pm (AWDT) on 10 November 2008 (**Record Date**). Pursuant to the Rights Issue, the Company will issue up to 700,680,000 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.30 each, to raise approximately \$210 million (before costs). The New Shares will be offered on the basis of 3 New Shares for every 2 fully paid ordinary shares held in the capital of the Company as at the Record Date (**Entitlement**).

In accordance with ASX Listing Rule 7.7.1 and sections 708AA (including section 9A(3)(c)) and 615 of the Corporations Act 2001 (Cth), the Company has determined that it would be unreasonable to extend the Offer to those shareholders that, at the Record Date, have a registered address in a place outside of Australia, New Zealand or Switzerland (**Excluded Shareholders**). Accordingly, the Company wishes to advise that it will not be extending the Offer to you.

In compliance with ASX Listing Rule 7.7.1 and sections 708AA (including section 9A(3)(c)) and 615 of the Corporations Act 2001 (Cth), the Company will appoint a nominee approved by the Australian Securities and Investments Commission (the **Nominee**) to arrange for the sale of the rights to which Excluded Shareholders would otherwise have been entitled under the Rights Issue (**Rights**). The Company will transfer the Rights of the Excluded Shareholders to the Nominee who will direct the net proceeds (if any) to the Company or other party upon its instruction to facilitate pro rata payments to the Excluded Shareholders. The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Rights may be sold and the manner in which any sale is made. Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the Company. Any proceeds of the sale will be distributed to Excluded Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Neither the Company nor the Nominee will be liable for any failure to sell Rights or to sell Rights at any particular price. If, in the reasonable opinion of the Nominee, there is no viable market for the Rights of Excluded Shareholders, or a surplus over the expenses of the sale cannot be obtained for the Rights that would have been offered to the Excluded Shareholders, then those Rights will be allowed to lapse and the New Shares relating to those Rights will form part of the shortfall to be dealt with under the terms of the underwriting agreement between the Company and the underwriter, Glencore International AG.



Please note that it is possible, even if the Nominee sells the Rights, that no net proceeds will be available for distribution to Excluded Shareholders after the costs of the sale have been deducted. We will inform you in due course of the outcome of the sale of your Rights.

Should you have any queries please contact the Company's share registry, Computershare Investor Services Pty Limited by telephone on 1300 733 707 (within Australia) or +61 3 9415 4820 (outside Australia) or by facsimile on +61 3 9473 2500, the Company Secretary by telephone on +61 8 9212 8400 or consult your professional adviser.

Yours faithfully

A handwritten signature in blue ink, which appears to read "Peter Coates". The signature is written in a cursive style and is positioned to the left of the printed name and title.

Peter Coates
Chairman