



Minara Presentation

Peter Johnston

Managing Director and CEO

February 2006

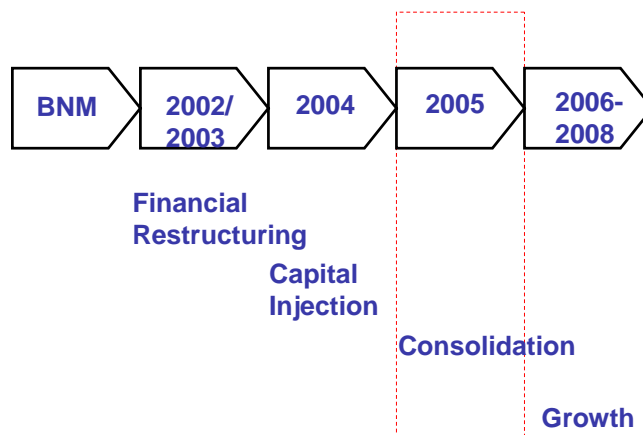


Agenda

- ❖ **Achievements in 2005**
- ❖ **Financial performance**
- ❖ **Challenges/opportunities for 2006**
- ❖ **Growth**
- ❖ **Summary**



The journey 2005 – A year of Consolidation



Minara Timeline



3

Significant Achievements in 2005

- ❖ Mining fleet purchased and delivered
- ❖ Completed statutory shutdown
- ❖ Split the H₂S plant
- ❖ Initiated business improvement plan
- ❖ Settled legacy issues – Glencore writ
- ❖ Improved production trends



4

Financial Position

- ❖ Full year Net Profit - \$43.0 million
- ❖ \$72m cash on hand
- ❖ Unhedged – currency or commodity
- ❖ Minimal Debt (mining fleet)
- ❖ Strong cash flow
- ❖ Dividend maintained
- ❖ Accounts IFRS compliant



5

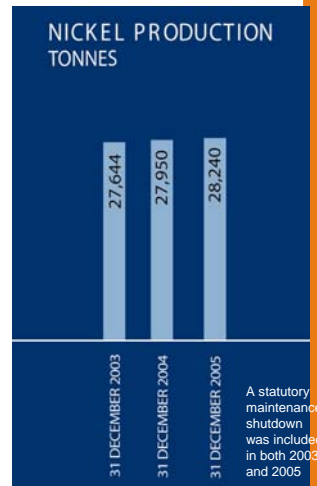
2005 Financial Performance



6

Murrin Murrin Production

- ❖ 2005 Production 28,240 tonnes Nickel and 1,750 tonnes Cobalt
- ❖ Production reduced due to statutory shutdown & acid spill
- ❖ Improving production profile
- ❖ Record production in December



❖ Minara's share is 60%



Challenges for 2006

- ❖ Consistent production
- ❖ Utilities - acid plant
 - hydrogen sulphide plant
- ❖ Costs
 - labour
 - materials
 - lead times
- ❖ Maintenance
- ❖ Turnover

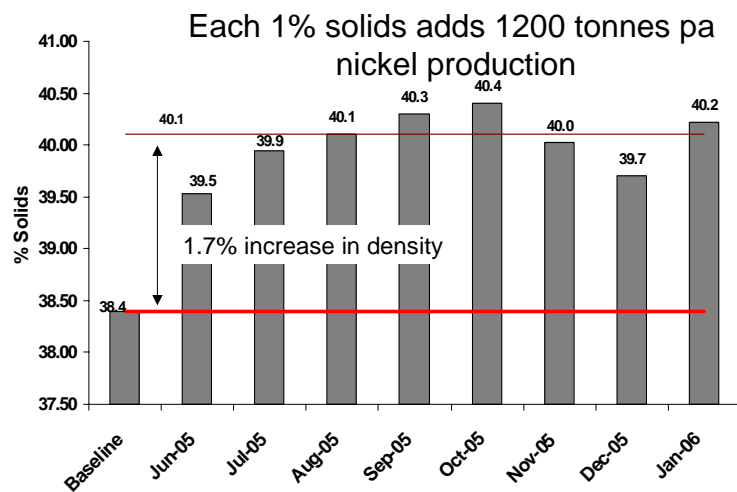


Operations

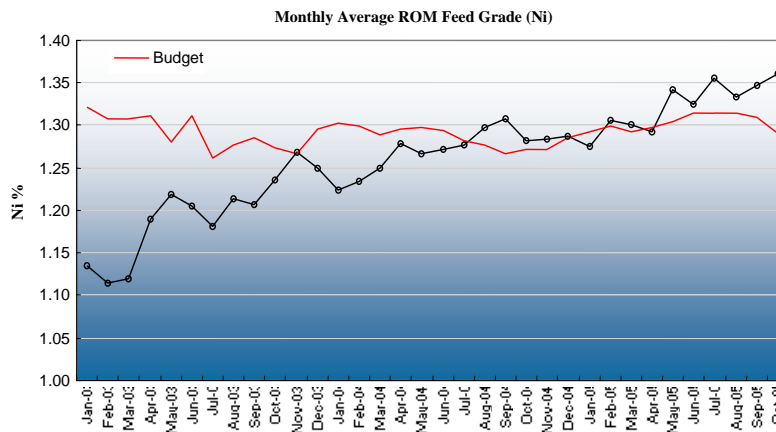
- ❖ **Production profile improving**
 - mining
 - plant uptime
 - feed density
 - autoclave availability
 - refinery efficiency
- ❖ **Maintenance focus on H2S and acid plants**
- ❖ **No new technical issues**
- ❖ **Record short term production - Aug, Sep, Oct
- Dec**



Business Improvement – Ore Leach



Process Improvement - Nickel In Ore

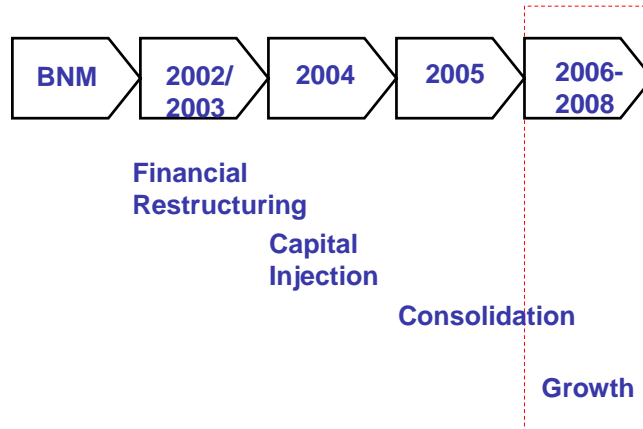


Cost Containment – industry wide issue

- ❖ **Focus on volume**
 - 70% of costs are fixed
- ❖ **Business Improvement Program**
 - Focus on scheduled maintenance
 - Shutdown management
 - Contractor management
- ❖ **Focus on Labour**
 - New rosters
 - Traineeships/apprenticeships/graduates
 - New pay structure
- ❖ **Capital Management**
 - Tight control with significant hurdle rates



The journey 2006-08 – Growth



Minara Timeline



13

Heap Leach

- ❖ Culmination of 5 years R&D
- ❖ Additional \$12m R&D investment over next 2 years
- ❖ \$25m investment in demonstration plant
- ❖ Initially treat scats then ore
- ❖ Low risk, known technology
- ❖ Low capital cost, low operating cost
- ❖ Synergies with current plant



14

Exploration

- ❖ Focus on sulphide nickel
- ❖ Three joint ventures
 - ◆ Bardoc, Windarra, Irwin Hills/Coglia
- ❖ Fourth opportunity under consideration
- ❖ Own projects:
 - ◆ Marshall Pool - Existing laterite resource, possible sulphides
 - ◆ Weld Range - Nickel/copper/PgE prospect



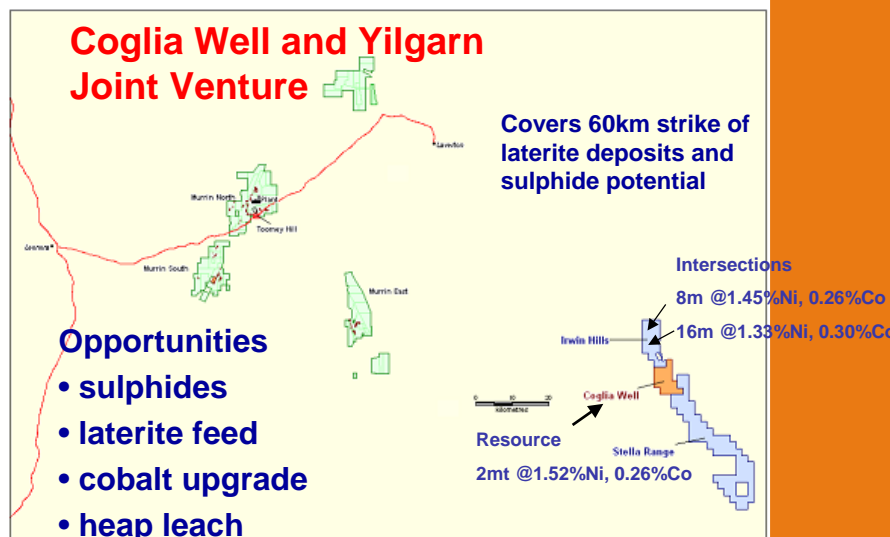
Exploration

Coglia Well and Yilgarn Joint Venture

Covers 60km strike of
laterite deposits and
sulphide potential

Opportunities

- sulphides
- laterite feed
- cobalt upgrade
- heap leach



Current opportunities

- ❖ **Operating HPAL plant**
 - ◆ 3rd party residues/ oxides/ sulphides
- ❖ **Unused refining capacity**
 - ◆ nickel up to 60,000tpa
 - ◆ cobalt up to 5,000tpa
- ❖ **Unused acid plant capacity**
- ❖ **Exploration**
- ❖ **Heap leach**
 - ◆ Scats/ore Murrin Murrin
 - ◆ Marshall Pool



17



Summary



Conclusion

- ❖ **Healthy balance sheet**
- ❖ **Improving HPAL production**
- ❖ **Second production stream from heap leach**
- ❖ **Nickel market fundamentals remain sound 2006-08**
- ❖ **Improving returns for shareholders**
Dividend: 5c/sh, total payout last 15 months: 35c/sh
- ❖ **Growth options positive**
Improving production at Murrin Murrin
Heap leach
Exploration, including JV's



19



About Minara

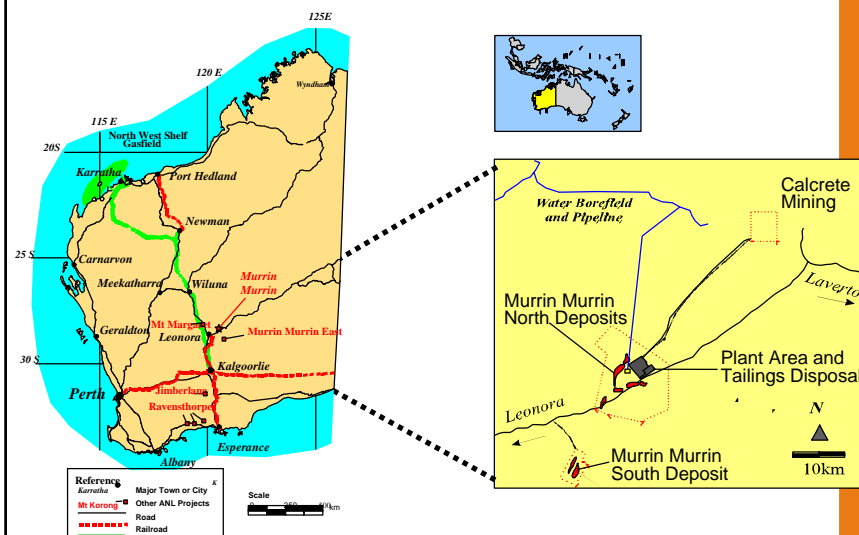


History

- ❖ Founded in 1994, previously known as Anaconda Nickel Ltd
- ❖ Debt restructure and recapitalisation in 2002/2003
- ❖ Name changed in Dec 03 to Minara Resources Ltd
- ❖ Minara will be the world's 10th largest nickel producer at Murrin Murrin
- ❖ Murrin Murrin is a 60/40 Joint Venture between Minara and Glencore International AG
- ❖ At capacity Murrin Murrin will produce 40,000 TPA Nickel, 2,500 TPA Cobalt before any expansion



Murrin Murrin Location



Murrin Murrin Facility



Murrin Murrin - Resources/Reserves

RESERVES:

2005: 145mt @ 1.09% Ni and 0.087% Co

(2004: 140mt)

**Resources: 334million tonnes @ 0.99% Nickel
and 0.064% Cobalt**

40 plus years mine life at nameplate capacity

**Recent acquisitions at Coggia Well/Irwin Hills being
drilled out to determine resource**



Minara Overall Resource Position

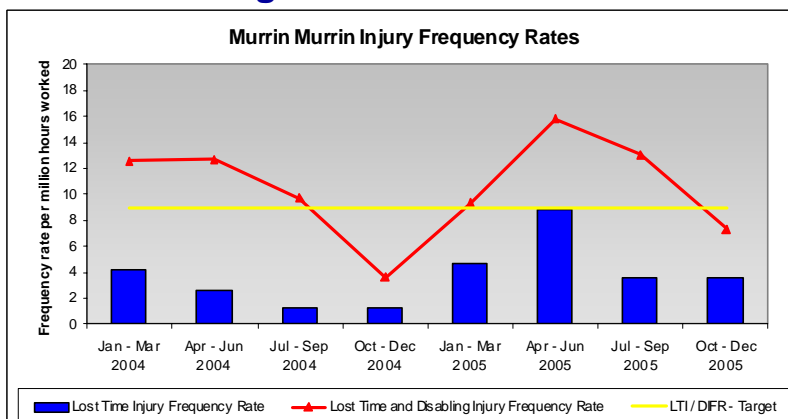
- ❖ Murrin Murrin 334mt @ 0.99% Ni
- ❖ Marshall Pool 321mt @ 0.69% Ni
- ❖ Weld Range 329mt @ 0.75% Ni
- ❖ Irwin Hills/Coglia 23mt @ 0.7% Ni

TOTAL 1,010 mt for 8.1mt contained nickel



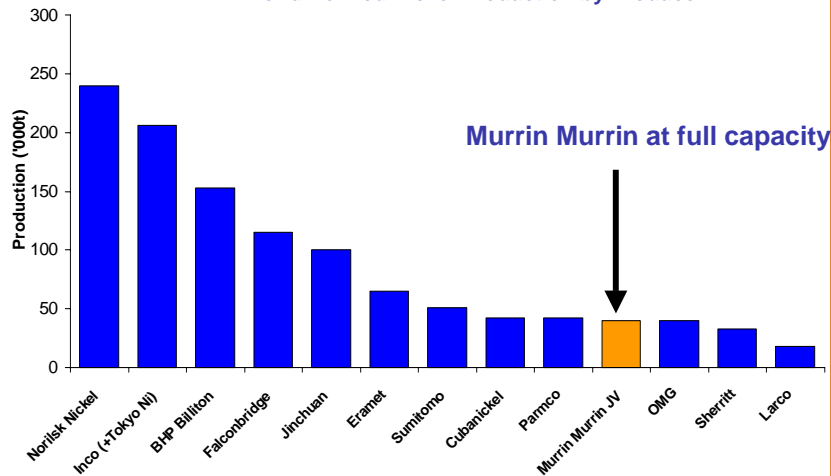
Improvement in safety

- ❖ better than industry norm
- ❖ continuing focus on “lead” indicators



Minara's Murrin Murrin 10th largest nickel producer in the world

World Refined Nickel Production by Producer



Source: AME; Macquarie Research



27

Laterite Nickel Supply - lessons

- ❖ Require strong technical base
- ❖ Capital intensive
- ❖ Infrastructure important
- ❖ Maintenance intensive
- ❖ Volume and grade dependent
- ❖ Minimum 5-8 years development
- ❖ Alternative leaching options emerging
 - ❖ Atmospheric
 - ❖ Heap leach

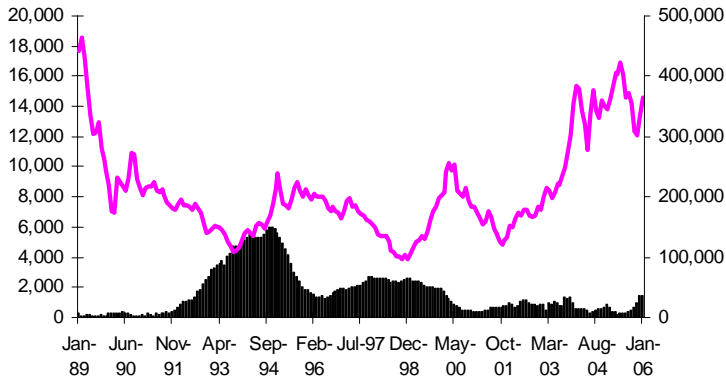


28

Nickel price and stocks history

Nickel price
US\$/tonne

LME stocks
tonnes

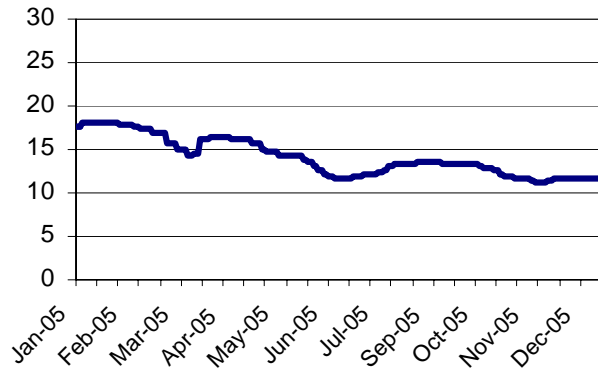


29

Cobalt Price

Metal Bulletin 99.3% Price

US\$ /mt



30

Minara Share Price

