

16th ANNUAL GENERAL MEETING

30 April 2009



Peter Coates, Chairman

Introduction

Good morning ladies and gentlemen and welcome to Minara Resources' 16th **Annual General Meeting**.

In my report to you today I will provide a brief overview of Minara's activities in what has been a very challenging year for our company and the resources industry generally.

We will then move to procedural matters and you will have an opportunity to ask us questions about the last 12 months' operations and our plans for the future.

Scene Setting

Following the maintenance and capital works conducted in 2007, 2008 began as a year full of promise for Minara. The nickel market was strong, our financial position was sound, and we looked to developing a range of growth initiatives – in particular, the commercialisation and expansion of our heap leach production.

Unfortunately, as the year progressed, extreme pressures were placed upon our business as a result of increased input costs, gas supply interruption, falling metals markets and – by year end – the global financial crisis and consequent world recession.

The rapid change in external market conditions required an immediate change in direction for Minara. In the second half of the year, we shifted our business focus from capital expansion to a “back to basics” philosophy, with an emphasis on capital conservation, cost minimisation and productivity improvement. We immediately reviewed our capital works program and ceased projects not specifically related to ensuring plant reliability.

I have been extremely pleased with the way that management and all of the Minara team have responded to this crisis. I believe that our rapid and aggressive response with both our equity raising and “back to basics” program have set the platform for this company to move forward during the difficult period when many of our peers are falling by the wayside.

There is no doubt that the intensity of effort and pressure on management to perform are far higher than during “good times”. The disciplines we imposed during this period and the culture we have established in the organisation will be with us for many years to come.

There have been no “sacred cows” – a wage freeze has been implemented across the organisation and includes directors’ fees and management salaries. The company’s Short Term Incentive Scheme has been suspended as well.

In addition to the rapid change in market conditions, Minara also endured the impact of the Varanus Island gas incident. Following the incident, the Murrin Murrin plant was non-operational for five days in early June and it operated at partial capacity into early July.

In 2008 we announced the Board’s approval of significant additional expenditure for the expansion of our heap leach operations following the success of the pilot project. However this – along with our other capital projects – has been indefinitely suspended until global market conditions stabilise. In the meantime, we will continue to optimise our current heap leach operations.

The challenging environment of 2008 has not diminished Minara’s efforts in the areas of occupational health, safety and the environment, and our support for the communities in which we operate.

The company's safety performance is a key operational objective for Minara. The focus on continued improvement in overall safety performance had positive results in 2008 and it is the company's goal that this safety performance will continue.

Environmental performance remains strong for the company. There were no environmental incidents reported in 2008 and in September Minara was presented with the prestigious Golden Gecko Award by the Western Australian Government for outstanding environmental achievement in the area of waste landform management at Murrin Murrin.

Our commitment to social responsibility includes both community consultation and support. A milestone event for 2008 was the distribution of the Minara Community Foundation's inaugural commitment of \$250,000 to a number of organisations and projects in the northern goldfields.

Capital Raising

Despite the change to our business direction late in the year, the cash demands of our remnant capital projects and the tightening debt market made it clear that new equity was required. To that end, we announced a fully underwritten renounceable rights issue in October. We were delighted that approximately three-quarters of our shareholders followed their rights.

The rights issue was fully underwritten by Glencore International AG, our major shareholder, who as a consequence of the rights issue increased its shareholding to 70.6%. The success of the rights issue – and Glencore's willingness to underwrite it – has allowed Minara to retire short term debt and provide additional security for asset protection into the future. This allows us to more confidently face the challenges of the potentially difficult and volatile global market conditions ahead, and to be well placed to take advantage of the inevitable world recovery.

Financial Results

I will now turn to the financial results for the 12 months to 31 December 2008. During the period, Minara recorded a net loss after tax of \$19.8 million. In the circumstances, the Board felt that it was not appropriate to declare a dividend in respect of the 2008 financial year.

Despite the understandably disappointing financial results for 2008, Minara has ended the year in a strong cash position as a result of the successful rights issue. We finished the year debt-free with cash reserves of \$142.5 million.

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".

Unless noted in the Corporate Government Statement in the Annual Report, we complied with the Council's principles.

People

As one of the largest single site employers in Western Australia, we continue to recognise that people are one of our greatest strengths.

Unfortunately, in response to changing market conditions in 2008, cost minimisation strategies dictated a reduction in the number of contractors and some permanent staff employed by the company. Where possible, Minara provided affected personnel with internal redeployments.

I thank all our employees and contractors who showed understanding and patience during this difficult time.

Despite employment market changes, it remains a corporate imperative that we continue to attract and retain people with the technical skills and necessary expertise to deliver across all aspects of our business.

Future Developments

My first year as Minara's Chairman has been challenging as we have faced and responded to the pressures of market conditions. Tough decisions have been made and I believe that Minara's board and management have worked together to place the company in a sound position given our current operating environment.

Minara recognised the seriousness of the market downturn early. As a result of the rapid and necessary adoption of cost minimisation strategies, unlike many of our competitors, Minara is debt-free with substantial cash reserves.

For 2009 we will maintain our "back to basics" focus and continue to consolidate our production profile. I believe that Minara is well placed to capitalise on the inevitable recovery of world commodity markets and resume the delivery of strong shareholder returns.

Conclusion

I would like to record Minara's appreciation for our Joint Venture partner, Glencore International AG, for its ongoing support of our operations and particularly for its invaluable role in the recent rights issue.

Minara's Board of Directors have been a pleasure to work with throughout my first year as Chairman, providing their individual expertise and support as together we faced the challenges of 2008 and I thank them for their commitment and counsel.

Finally, I would like to thank Minara's management team and all employees for their hard work, commitment, patience and understanding. The professionalism of our workforce gives me every confidence in our ability to maximise our business within the current environment.

Thank you

Contact

David Griffiths, Gryphon Management Australia
0419 912 496
www.gryphon.net.au

or

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