

RESOURCES AND RESERVES STATEMENT



Resources

Minara's Resources are based on a cut-off grade of 0.8% nickel and depletion of the geological block models using end of period surface surveys.

The Resource classification is based on drill spacing, with the Measured category less than or equal to 50 metres x 50 metres, the Indicated category less than or equal to 100 metres x 100 metres and the Inferred category greater than 100 metres x 100 metres. The changes in Resource position are due to a combination of depletion of material from mining and processing activities and the updating of resources from new resource models in 'Resource Zones' rz19, rz21 and rz23.

Reserves

Minara's Reserves are based on optimisations using US\$16,000 per tonne nickel, US\$8.00/lb cobalt and an exchange rate of 0.75 \$AUD/\$USD. There has been a net increase in the reserve position over 2008 due to changes in the long term view of the nickel price and exchange rate and are net of all mining, milling and stockpiling activities completed during the period.

The Measured and Indicated Mineral Resources include those Mineral Resources modified to produce the Ore Reserves. The process of deriving ore reserves uses the economic value of the ore blocks as the basis for inclusion in the reserve, and is in accordance with the JORC code. The economic value is based on metal grades and projected values, processing and associated operating costs.

The above Resources and Reserves have been prepared in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2004) for public reporting.