



## Minara Presentation

**Peter Johnston**  
Managing Director and CEO

June 2005

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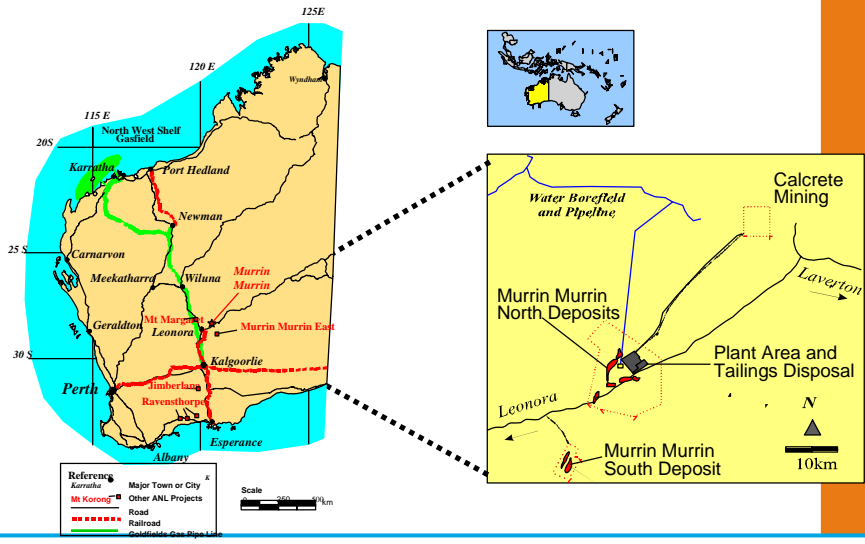
## History

- ❖ **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**

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# Murrin Murrin Location



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# Murrin Murrin Facility



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## Autoclaves



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## Resources / Reserves

**RESERVE 2004: 142mt @ 1.10% Ni and 0.087% Co**

**Resource: 316million tonnes @0.99% Nickel  
and 0.063% Cobalt**

**40 plus years mine life at nameplate capacity**

**5 plus years of 1.3% Ni headgrade**

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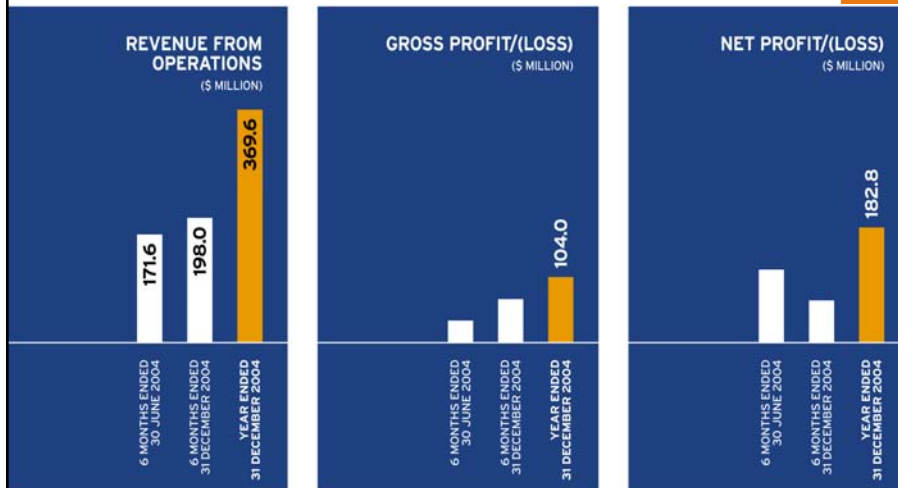
## Significant Achievements

- ❖ Safety: LTIFR decrease from 2.42 to 2.21
- ❖ Profit for 2004 A\$182.8 million
- ❖ Capital return of A\$92.7 million
- ❖ Maiden dividend of 5 cents per share
- ❖ Cash on hand of A\$103 million
- ❖ Steady production improvement
- ❖ Successful completion of shutdown

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## Financials



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## Financial Position

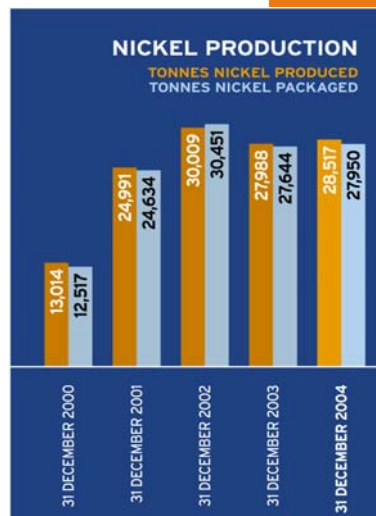
- ❖ Sound profit - A\$183 million
- ❖ Zero debt
- ❖ Unhedged – currency or commodity
- ❖ Strong cash flow
- ❖ Capital return and maiden dividend
- ❖ Strong balance sheet for growth

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## Murrin Murrin Production

- ❖ Production for six months Dec 2004 15,732 tonnes Ni and 1,085 tonnes Co
- ❖ Production for Q1 2005 8,163 tonnes Ni and 579 tonnes Co (record production)
- ❖ Maintenance program to improve plant reliability
- ❖ Next maintenance shut-down November 2007 (statutory)



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- ❖ Minara's share is 60%



## Shutdown Work Completed

- ❖ New lubrication system installed - mill
- ❖ Site wide Statutory inspections completed
- ❖ Gas utilities plant – overhauled and improved
- ❖ Sulphur pits – extensive overhaul
- ❖ Acid plant – maintenance completed
- ❖ Hydrogen sulphide plant – train split completed
- ❖ Next shutdown – December 2007

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## Superheater



Before



After

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## Production disruption

- ❖ Small sulphur fire in hydrogen sulphide plant
- ❖ Totally confined – no plant damage, no injuries
- ❖ Welding failure in new heater tube bundle
- ❖ Repairs completed
- ❖ Majority of production loss due to time in cleaning, purging, reheating

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## Heater Tube Bundle



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## Operations Progress

- ❖ Production profile – steady improvement
- ❖ Business Improvement Program – commenced
- ❖ Murrin Murrin South development – finished
- ❖ Processing of WMC oxide ore – commenced
- ❖ New mining fleet – delivery commenced
- ❖ No new technical issues
- ❖ Planned maintenance – improving profile

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## Excavator

Hitachi EX1900  
Weight 186,500kg  
Bucket 25-30t  
12.5cmts



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## Growth

- ❖ Debottlenecking program commenced
- ❖ Additional higher grade feed – residue / oxide
  - other 3rd party feed
- ❖ 5th autoclave - small expansion options
- ❖ Exploration program - Mt Margaret and Weld Range
- ❖ Joint venture exploration programs commenced
  - Laterites
  - Sulphides
- ❖ Acquisition of SoG nickel assets

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## Market

- ❖ Strong demand for nickel
- ❖ Low LME stocks
- ❖ Low producer stocks
- ❖ Limited new capacity - Voisey's Bay 2005/6
  - Goro 2007-2010
  - BHPB Ravensthorpe 2007-2010
- ❖ Price volatility – big issue
- ❖ Outlook positive

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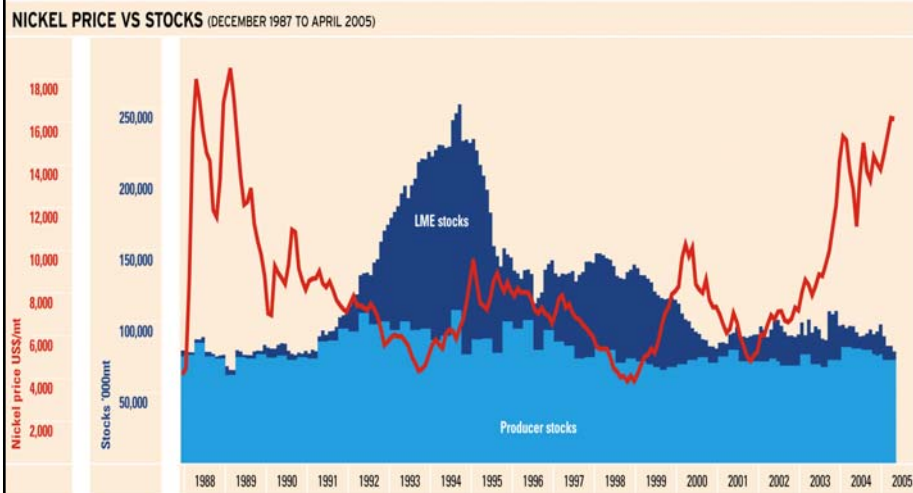
# Nickel Briquettes



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# Nickel price and stocks history

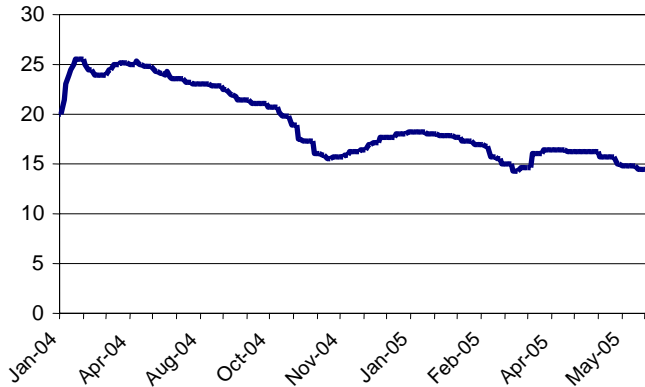


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# Cobalt Price

US\$ price per tonne Metal Bulletin 99.3% Price

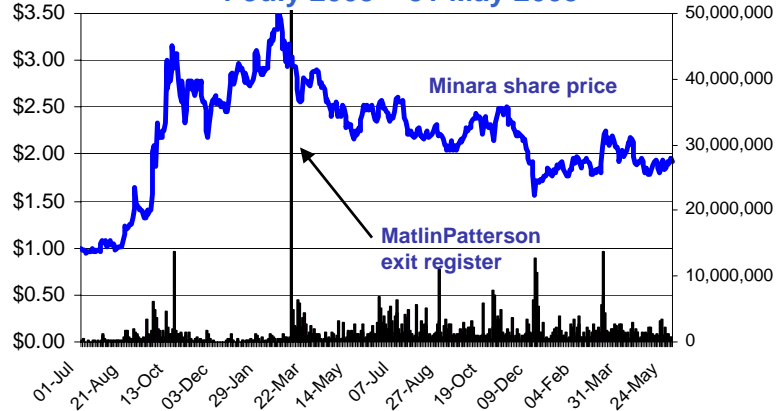


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# Minara Share Price

MRE share price MRE share price 1 July 2003 – 31 May 2005 Daily trade



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## **In Conclusion**

- ❖ **Strong financial position**
- ❖ **Improving operating performance**
- ❖ **No new technical issues**
- ❖ **Maintenance program - key next 12 months**
- ❖ **Maiden capital return (20 cents)  
and dividend (5 cents) - total A\$115 million**
- ❖ **Growth opportunities - focus on Murrin Murrin**
  - exploration
  - Joint Ventures