



M I N A R A
R E S O U R C E S



ANNUAL GENERAL MEETING

Peter Johnston Chief Executive Officer

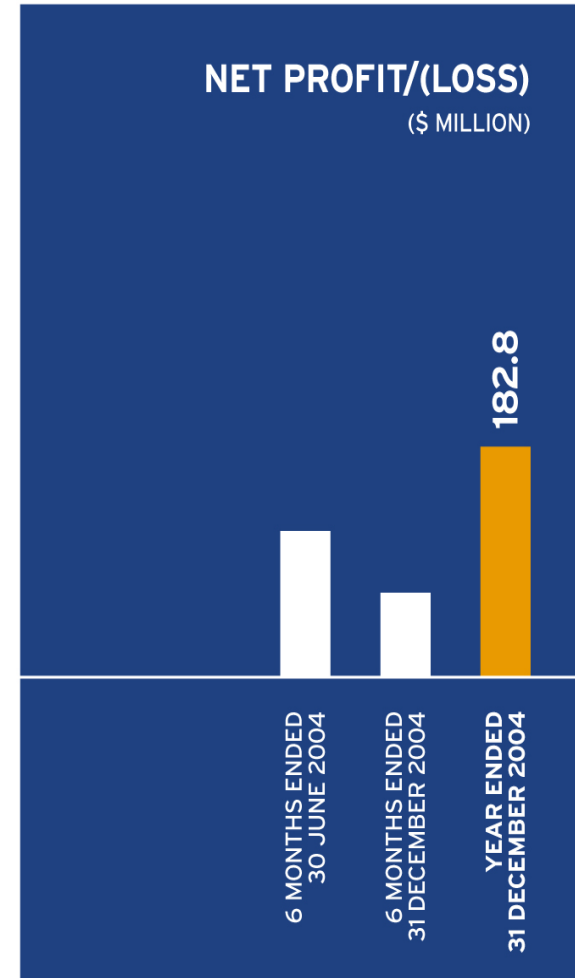
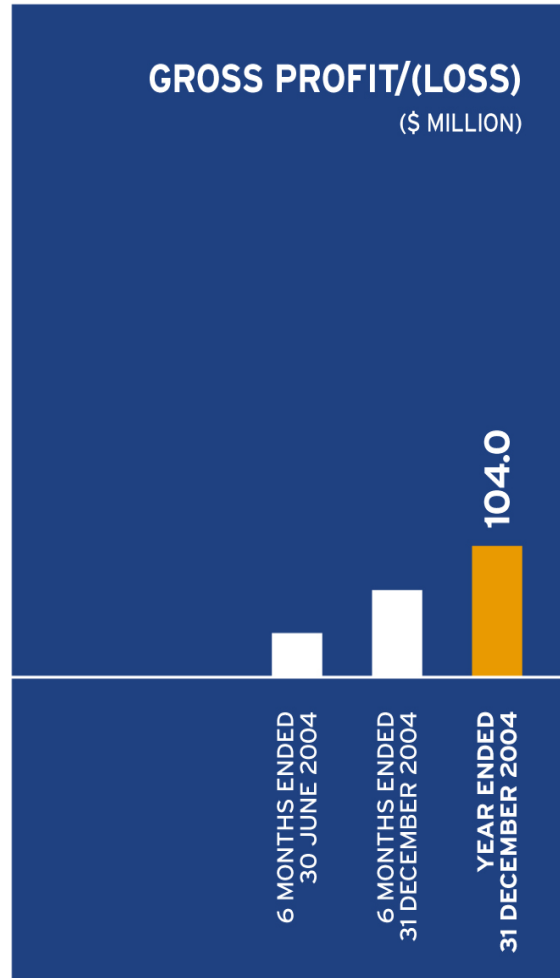
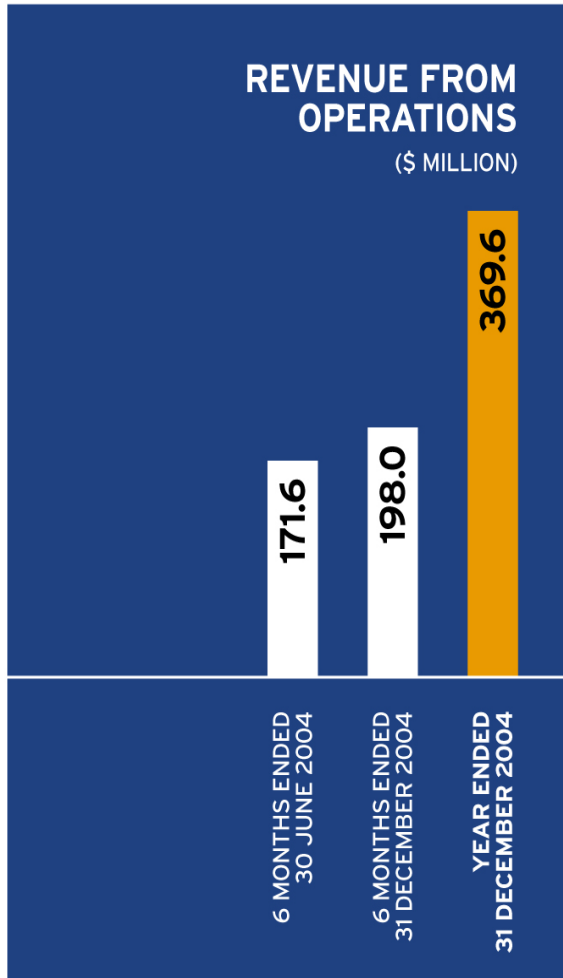
18 May 2005

Significant Achievements



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

Financials



Operating Stability



- ❖ **Health and safety initiatives**
 - **LTIFR**
 - **Risk management strategies**
- ❖ **Environmental performance**
- ❖ **Employee initiatives**
 - **New AWA**
 - **Roster changes**
 - **Site allowances**
 - **Employee share plan**

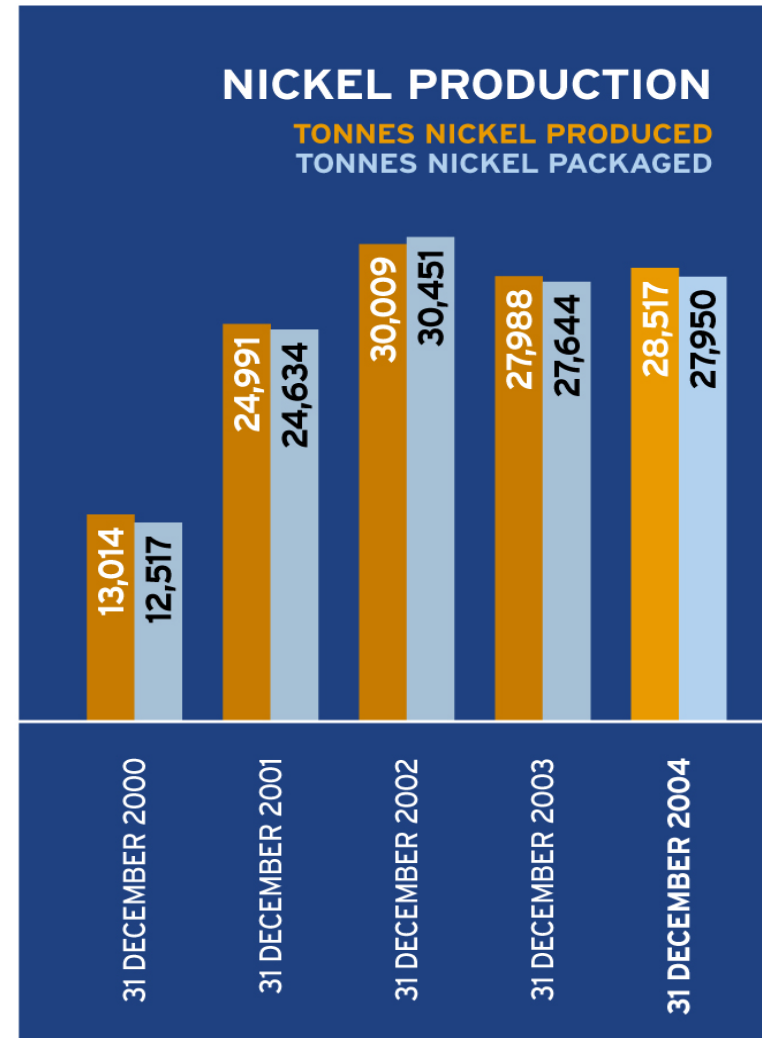
Operations Progress



- ❖ **Business Improvement Program – commenced**
- ❖ **Murrin Murrin South development – finished**
- ❖ **Processing of WMC oxide – commenced**
- ❖ **Contracts for new fleet awarded – delivery underway**
- ❖ **Completion of new mine workshop**

Murrin Murrin Production

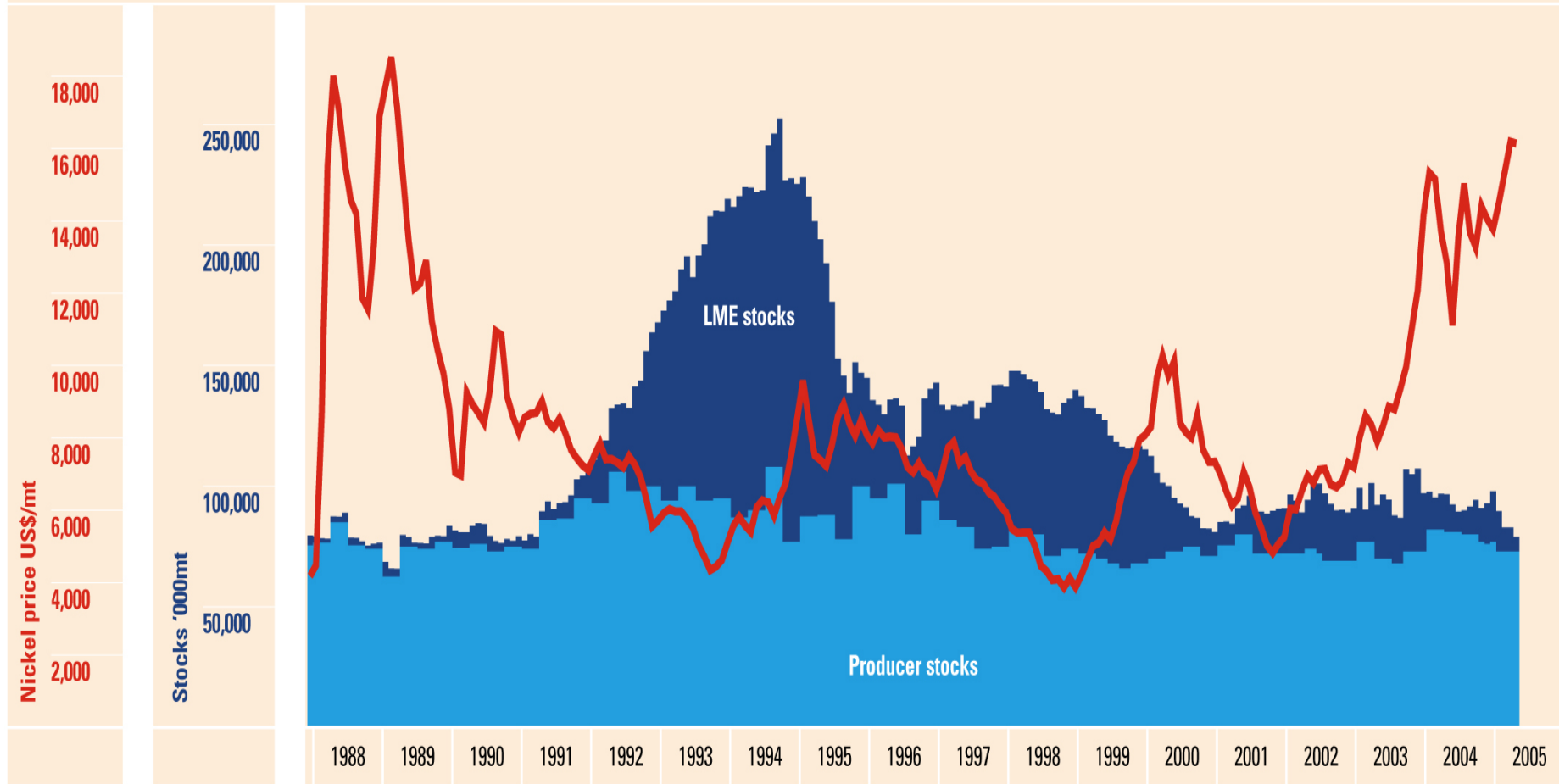
- ❖ Production for six months 15,732 tonnes nickel and 1,085 tonnes cobalt
- ❖ Major shutdown successfully completed
- ❖ Refurbishment of acid plant
- ❖ Maintenance program to improve plant reliability
- ❖ Next maintenance shutdown November 2007 (statutory)



- ❖ Minara's share is 60%

Nickel price and stocks history

NICKEL PRICE VS STOCKS (DECEMBER 1987 TO APRIL 2005)



Future



- ❖ **Increasing production levels**
- ❖ **Improving plant maintenance**
- ❖ **Expansion options study - July/August**
- ❖ **Exploration potential**

Summary



- ❖ **Safety improvement**
- ❖ **Improving plant performance**
- ❖ **Maintenance remains biggest challenge**
- ❖ **Maiden dividend & capital return**
- ❖ **Strong balance sheet**
- ❖ **Dynamic future**

12th ANNUAL GENERAL MEETING

18 May 2005

Peter Johnston, MD & CEO

CEO to be introduced by Chairman

Slide 1 – Main slide

Thank you, James.

Good morning ladies and gentlemen. I am delighted to be with you today.

As James noted we have changed our reporting date to 31 December. I will be reporting on Minara's operational and financial performance over the last six months. However, I will also give some year-on-year comparisons to give you an indication of our annualised performance to the end of 2004. This will be the basis for our annual reporting in future years.

Before I move to the more detailed information I would like to briefly touch on some of the key themes and events for the half year.

Slide 2 – Significant achievements

Whilst Murrin Murrin has continued to experience challenges, Minara as a company is consolidating its position as a major player in the nickel industry. We remain focussed on improving plant production. Our biggest challenge is maintenance and our principal objective in this area is to move Murrin Murrin from a breakdown maintenance regime to a structured, planned maintenance environment.

Our people continue to grow with the company and a greater sense of teamwork and ownership is emerging and I am pleased that our people continue to focus on safety as one of our core values.

Slide 3 – Financials

Net profit for the 2004 calendar year was \$182.8 million and cash from operations increased to \$118 million. We ended the year on a strong note with \$103 million cash on hand after paying the capital return of \$92.7 million in November.

Overall this performance and our strong balance sheet leave the company well placed to move forward.

We paid our maiden dividend, returning 5 cents per share to our shareholders. Even after this dividend we have over \$100 million cash at end of March.

The achievements over the past six months reflect moderate and sustained growth. For me this is a very positive outcome as it shows we as a company and our performance are maturing. We have dealt with most of the major issues in our business and as we move forward we will be able to focus on longer term time horizons and strategies to grow Minara.

Slide 4 – Operating Stability

Whilst it may seem that we are solely focussed on plant, maintenance and operational issues nothing could be further from the truth.

In fact there are a range of very important day to day functions that complement our core function as a leading nickel and cobalt producer. These include obviously the health and safety of our people, our impact on our local and global environment and our role in the community.

Working with our workforce, in the six months we identified three high risk areas – occupational hygiene, hazard risk management and the company's safety culture. We have developed a series of strategies to address and mitigate these risks. These strategies are now being rolled out through out the company and its operations.

Our environmental commitment is not only to our footprint at Murrin Murrin where we met all our statutory environmental reporting requirements during the period. Also we are focussed on reducing our emissions and I am pleased to announce that during the six months we operated well within our dust and noise licence limits and there were no serious reportable incidents.

Turning to our people, Minara's aim is to engender an inclusive work environment and we encourage individualism and recognise and reward performance. During the period we invited our people to develop a set of agreed values which, having been introduced, enable them to understand their individual contribution to the company's successes.

We also successfully negotiated and implemented new Australian Workplace Agreements, changes to rosters, increased site allowances and launched our employee share plan.

Slide 5 – Operations Progress

In our quest to improve the company's operations we commenced an 18 month Business Improvement Program with three main objectives: to improve plant throughput; to assist in delivering overall plant efficiencies; and to reduce costs.

This is a collaborative process including management, employees and consultants. The program will be progressively implemented throughout the entire plant over the next two months.

Benefits are expected to accrue from the second half of the year, and as all employees are expected to participate it should assist in us achieving our KPIs and budgeted throughput.

We have also completed a number of projects including the development of Murrin Murrin South, the purchase of a new mining fleet, and construction of a new mine workshop. The processing of WMC oxide material is also of significant benefit to both companies.

Slide 6 – Murrin Murrin Production

Plant performance and reliability continues to be the focus of our operational activities. As you will know from previous reports we have made significant advances and improvements in this area. However, the plant still does not meet our expectations, particularly in terms of reliable and steady production levels.

Production for the six months to 31 December 2004 was 15,732 tonnes of nickel and 1,085 tonnes of cobalt. As previously reported these results were impacted by issues with one of the acid plant blowers, which restricted acid production.

We followed that with another record production of 8,162 tonnes in the March 2005 quarter. This was achieved despite some maintenance issues continuing to affect plant performance. All reported maintenance issues have now been resolved.

Our major statutory plant shut down took place in April this year and was completed last week. The \$19 million shutdown came in on budget and featured the refurbishment of the acid plant and replacement of the 1B superheater shell and addressed a number of maintenance issues. We also completed the statutory inspections of a large number of pressure vessels.

The welding work in the H₂S plant to repair damaged vessels has now been completed, however it did take several days longer than anticipated. We have been producing at a 50% rate at the refinery and ramping up the plant to full production rates is anticipated by the weekend. The next shut down will not now be required until the last quarter 2007 which is two and a half years from today. The previous shut downs were at a two year interval.

We look forward to seeing a steady improvement in our plant throughput and performance over the next few months as we see the benefits accruing from these initiatives.

Slide 7 – metal markets

Nickel

Nickel prices remain strong. LME stocks are still at historic low levels with China remaining the dominant factor in the nickel market.

World supply continues to grow modestly – the market will remain tight until three new major projects commence – Inco's Canadian Voisey's Bay, BHP Billiton's Ravensthorpe laterite project and Inco's Goro project. These projects will progressively come on stream over the next three to five years however they all will take some time to reach full production. In addition they will be offset by a decline in production from some of the older nickel operations.

The net outcome, given the still strong demand for nickel, is the market remaining tight for some time to come.

Cobalt

The cobalt market experienced some price fluctuations during the year. The price peaked at US\$25/lb last year but declined to as low as US\$15/lb. This was primarily as a result of an additional supply coming on stream.

However there has been an increase in demand driven particularly in batteries and the aerospace industry. We believe that the cobalt market will remain reasonable for the next six to 12 months.

Slide 8 - Future

Our focus remains on consistent performance from our plant. We are looking to consolidate our position in the market place and to steadily increase our production levels to achieve budgeted throughput.

We are conducting a pre-feasibility study for a fifth autoclave which gives us the potential for a 10,000tpa expansion. The study will not be finalised until July/August this year. At the same time we are investigating a number of lower cost expansion alternatives. Obviously we will not move ahead with any project until we have fully evaluated all available options.

We continue to investigate exploration potential on our own tenements and in Joint Ventures. Exploration is focused on nickel sulphides and laterites.

We will continue to use our capacity at the back end of the plant with third-party feed where appropriate and possible.

By improving plant performance and by examining a number of growth opportunities our objective is to achieve a better return to you our shareholders.

Slide 9 – Summary

The six months to 31 December were satisfying in a number of areas and challenging in others. We delivered a capital return to you our shareholders and paid our maiden dividend. Our balance sheet remains strong.

Production at the plant continued to grow; whilst simultaneously overcoming many maintenance issues.

I am nevertheless pleased with our progress and more importantly we have the experience and technical expertise to take the business to the next level of production performance.

We as a company believe that we are entering into a period of growing operational certainty and stability which will enable us to develop longer-term strategies to not only improve our current performance, but to grow and expand into a market that is demanding our product.

I believe that the initiatives we have outlined today will deliver greater returns to our shareholders.

I would like to extend my thanks to the Board for their support, to our management and employees for their dedication and hard work over the past year and to our suppliers and you, our shareholders, for your continuing support. Thank you.