



ABN 23 060 370 783 Limited

ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

SIGNIFICANT EVENTS

- Record 9,202 tonnes nickel produced
- Steady production profile
- Dividend of 12.5 cents per share paid on 22nd September of \$58 million
- Cash on hand after dividend of \$177 million as at 30th September
- Positive nickel market continues

MURRIN MURRIN OPERATIONS

Production

	Quarter Ended 30 September 2006	Prior Quarter Ended 30 June 2006	Quarter Ended 30 September 2005
Nickel (tonnes)	9,202	6,758	7,094
Cobalt (tonnes)	475	507	476
Minara's Equity (60%)			
Nickel (tonnes)	5,521	4,055	4,256
Cobalt (tonnes)	285	304	286

A record production of 9,202 tonnes of nickel packaged and 475 tonnes of cobalt packaged were achieved at Murrin Murrin for the three months to 30 September 2006. The Company's share is 60%. The previous corresponding three months period saw 6,758 tonnes of nickel packaged and 507 tonnes of cobalt packaged.

Production for the quarter was steady at approximately 100 tonnes per day with no significant interruptions.

The acid demister installed in early July continues to function well and in the scheduled maintenance shut in October 2007, the 1B superheater will be replaced.

Scheduled overhauls of the two acid plant blowers and one of the steam turbines were successfully completed during the period without interruption to the plant's operations.

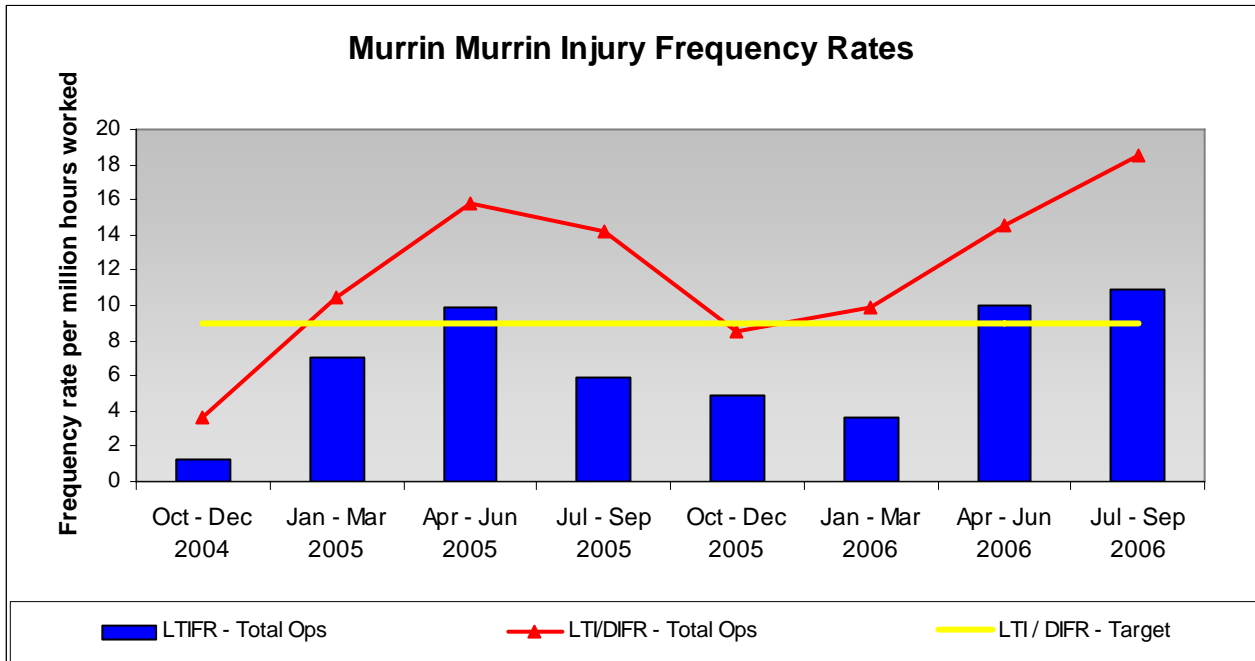
During the period mine output remained steady with good equipment availability and utilisation.

For further information, please contact

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Safety & Health



The lost time injury frequency rate and lost time injury/disabling injury frequency rate increased during the third quarter of 2006. Significant management focus is being placed on safety to improve the situation and reverse the current trends especially with our contractors which are the main contributors to this.

Environment

There were no significant or reportable environmental incidents recorded during the quarter.

Heap Leach

Construction of the 200,000 tpa heap leach demonstration plant continued with two heap leach pads now completed. The stacker reclaimer has arrived on site and is being assembled. All containment ponds have been finished and are currently being lined. The project remains on schedule with project completion due December 2006.

The heap leach project has the potential to deliver a second, independent nickel stream and will further utilise the plant's refining area. The Company anticipates that when operational it will produce approximately 2,000 tonnes of nickel metal and 150 tonnes of cobalt metal per annum by the end of 2007.

CORPORATE/FINANCIAL OPERATIONS

A dividend of 12.5 cents per share approximating \$58 million was paid on 22nd September.

Minara's sales position remains unhedged which has allowed it to take advantage of the continued strong nickel market. As a result, the Company has increased its cash on hand at the end of September, after payment of the dividend, to approximately \$177 million.

Capital

The Grey Mare Bore field construction continues with expected completion in the first quarter 2007. The total cost of the project is expected to be \$70 million.

Exploration

Ongoing exploration activities in the period included the following.

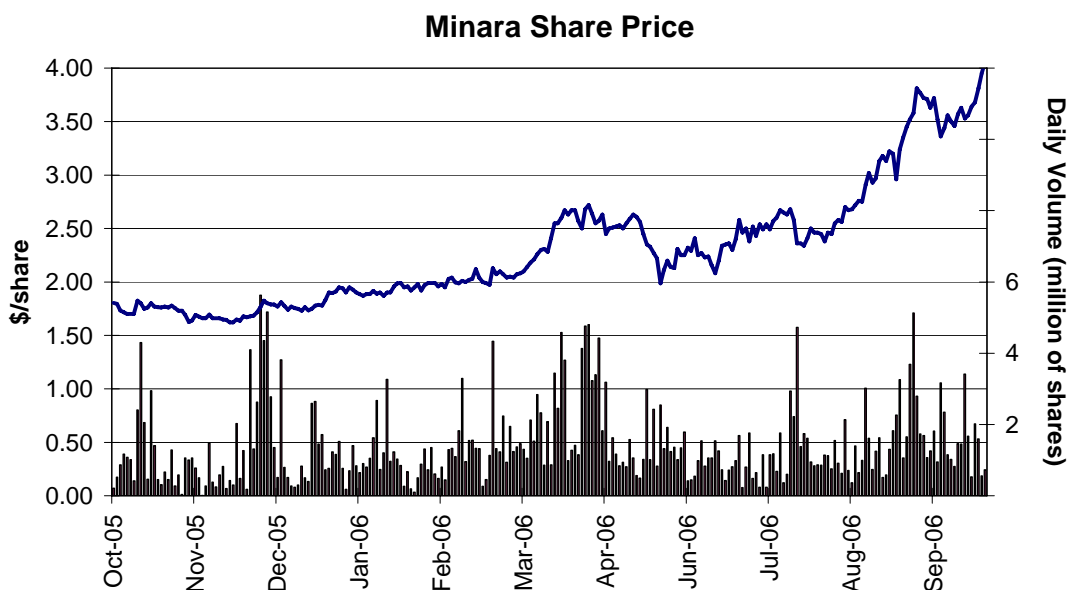
Irwin Hills – Cogleia Well JV (Murrin Murrin JV 60%)

A new indicated and inferred resource was calculated for the project. This has increased the resources to 17.9 million tonnes at 1.07%Ni and 0.13%Co at a 0.8%Ni cut off. Preliminary studies are underway to determine the viability of direct trucking high grade ore to Murrin Murrin.

Bardoc Nickel JV

During the quarter disseminated sulphides located in the western zone were tested for flotation potential. Metallurgical test work and determination of mineral types are in progress.

Share Price



Metal Markets

Commodity Prices	Prices at 30 September 2006	Average For Quarter Ended 30 September 2006	Average For Quarter Ended 30 June 2006	Average For Quarter Ended 30 September 2005
LME Nickel US\$ per tonne	31,500	29,178	20,025	14,567
US\$ per lb	14.29	13.24	9.08	6.61
AUD\$ per tonne	42,220	38,533	26,782	19,175
Cobalt US\$ per lb	16.75	15.21	14.06	12.91
Exchange Rate AUD:USD	0.7461	0.7570	0.7473	0.7601

Nickel

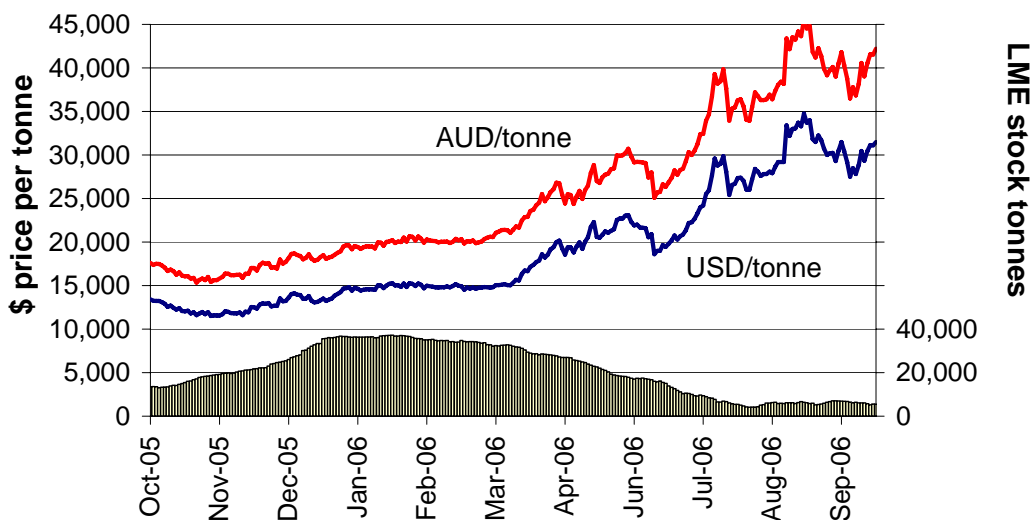
Official LME cash settlement prices continued their increase during the quarter as nickel stocks continued to fall. During the September quarter, the low for the nickel price occurred at the start of the quarter at US\$22,690/t compared to the quarter close at US\$31,500/t. A record high price of US\$34,750/t was set during the quarter.

LME nickel stocks decreased from 9,990 tonnes at the beginning of the quarter to close at 5,460 tonnes.

Cobalt

The cobalt price for 99.3% cobalt increased over the quarter, opening at US\$13.80/lb and ending at US\$16.75/lb due to continuing solid consumer demand.

Daily Nickel Cash Price
London Metal Exchange



CEO's comments

"Production at Murrin Murrin has been steady for the entire quarter and this consistency of production has been positive. Our key focus remains on consolidating our production profile and on extending our planned maintenance regime." Minara Managing Director and CEO Peter Johnston said.

"We are pleased with Murrin Murrin's operational performance during the quarter and this places us well on track for a strong final quarter," Mr Johnston added.

P.B. JOHNSTON

Chief Executive Officer & Managing Director

6 October 2006

ENDS

About Minara

Minara Resources Limited is a leading Australian resources company, based in Perth.

Founded in 1994, Minara Resources (formerly Anaconda Nickel Limited) owns and operates the world-class Murrin Murrin nickel cobalt joint venture project (60% Minara, 40% Glencore International AG) near Leonora in Western Australia's historic northern goldfields region.

Murrin Murrin is a world-class hydrometallurgical project, offering significant environmental benefits compared to traditional smelting processes.

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