

QUARTERLY REPORT

31 March 2007



ABOUT MINARA

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

Minara owns and operates the Murrin Murrin nickel cobalt joint venture project (60% Minara, 40% Glencore International AG).

The Murrin Murrin operation is located near Leonora in Western Australia's northern goldfields region.

Murrin Murrin is a world-class nickel/cobalt hydrometallurgical project which offers significant environmental benefits compared to traditional smelting processes.



Highlights

- Record fully franked dividend of 45 cents per share paid on 27 March
- 7,291 tonnes nickel of produced
- Steady production profile continues
- Record nickel price high of over \$50,345 per tonne recorded in the quarter

MURRIN MURRIN PRODUCTION

	Quarter Ended 31 March 2007	Prior Quarter Ended 31 December 2006	Quarter Ended 31 March 2006
Nickel Production (Tonnes)	7,291	8,262	7,302
Cobalt Production (Tonnes)	511	616	498
(Minara's share is 60%)	4,374	4,957	4,381
	307	370	299

Total production of 7,291 tonnes of nickel and 511 tonnes of cobalt was achieved at Murrin Murrin for the three months to 31 March 2007. The company's share is 60%. This compares with the previous corresponding three months period of 8,262 tonnes of nickel and 616 tonnes of cobalt produced.

A steady production profile continued throughout the quarter in line with forecasts. However, a loss of approximately eight days of production was due to two unscheduled power related issues. The first was the failure of an electrical transformer due to electrical storms. The second, unrelated to the first, was the failure of a large high voltage circuit breaker. Both electrical issues have been rectified.

There is no change to the annual production guidance of 32,000 to 35,000 tonnes.

A scheduled refinery annual maintenance rebuild was carried out during the quarter which has resulted in a build up of mixed sulphides in the operation. These will be processed during the second quarter.

A second acid demister has been installed, which will further stabilise the acid plant's operations and the overall production profile.

Pre-feasibility studies continue on the various heap leach expansion options.

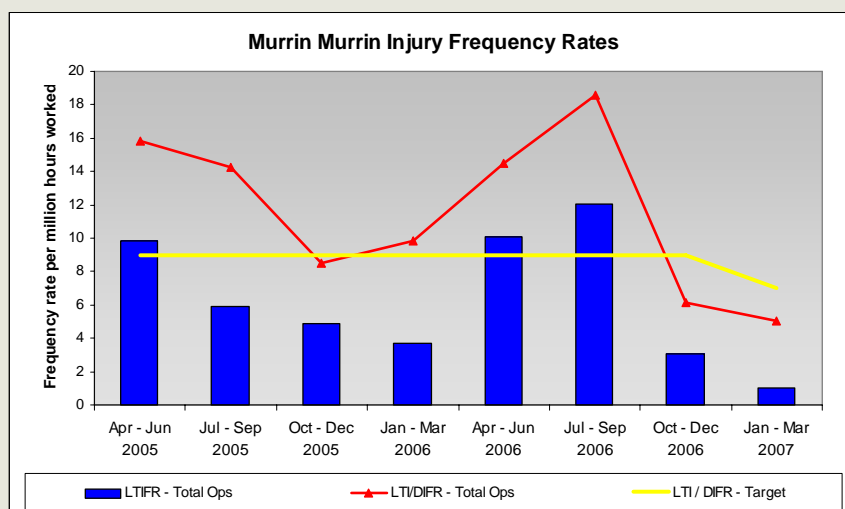
During the period mine output remained steady. Mill feed for the quarter was 829,770 tonnes at 1.33% nickel and 0.099% cobalt.

The continued strength of the nickel market has proved positive for the company. There was strong cash flow in the quarter driven by high nickel and cobalt prices.

HEALTH AND SAFETY

There was an improvement in the safety performance of the plant during the period

and an LTIFR of 1.02 achieved, which is down from 3.06 in the previous quarter (December 2006)



ENVIRONMENT

There were no significant environmental incidents recorded during the quarter.

HEAP LEACH

Development of the heap leach processing plant is progressing well. 75,000 tonnes of ore has been stacked and acid leaching has commenced. It is anticipated that the first nickel will return from the ore stockpiles in or around July/August 2007.

The company expects that the plant will operate at an annualised rate of approximately 2,000 tonnes of nickel metal and 150 tonnes of cobalt metal per annum by the end of 2007.

The heap leach project delivers a second, independent nickel stream and in addition will utilise the plant's spare refining capacity.

CORPORATE

A record fully franked dividend of 45 cents per share approximating \$209.3 million was paid on 27 March 2007.

Minara's sales position remains unhedged in both price and currency which has allowed it to take advantage of the continued strong nickel market.

CAPITAL PROGRAM

The Grey Mare borefield, the company's major capital work other than the heap leach project is nearing completion with commissioning due to commence in April.

EXPLORATION

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

Pilot Scale metallurgical tests commenced in March 2007 and are ongoing. Nickel sulphide targeting on weak off hole TEM conductors in two holes require further follow-up in 2007.

Bardoc Nickel JV (Minara Resources 51%)

During the quarter an IP (Induced Polarity) survey was conducted to better target the Western Zone mineralisation. Further drilling commenced on the Western Zone and results are pending.

Mt Margaret (Murrin Murrin JV 100%)

No further work was completed during the quarter.

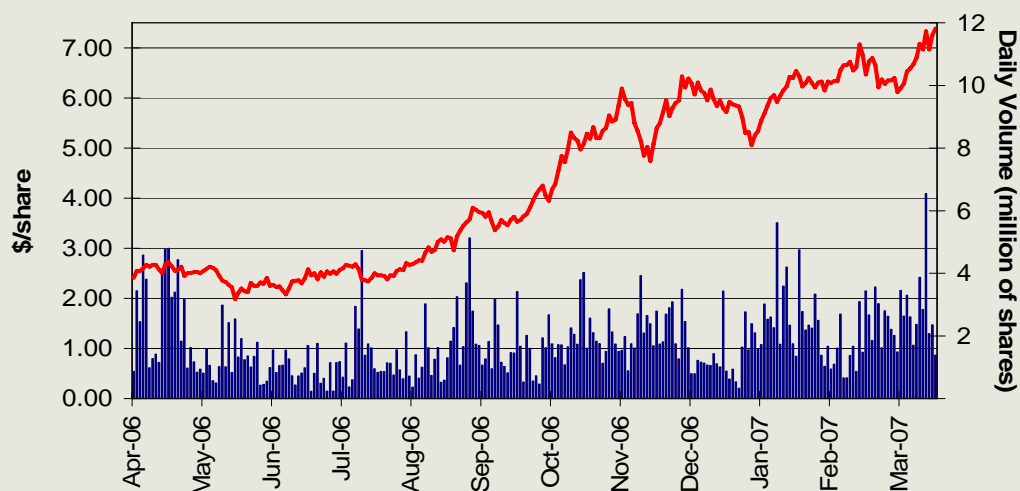
Weid Range JV (Minara Resources 75%)

No further work was completed during the quarter.

Mt Rankin and Collurabbie JVs (Minara Resources earning 70%)

Minara has signed two new Joint Venture agreements with Gryphon Minerals Ltd for the Collurabbie and Mt Rankin projects. Minara has the right to earn in 70% of the nickel minerals and 60% of other minerals by spending an aggregate of \$5.5 million on exploration over four years on the two projects.

Minara Share Price



NICKEL

Official LME nickel prices continued their strong performance throughout the quarter. The nickel price commenced the quarter at US\$32,978/t and closed at US\$45,500/t. A record high price of US\$50,345/t was set during the quarter.

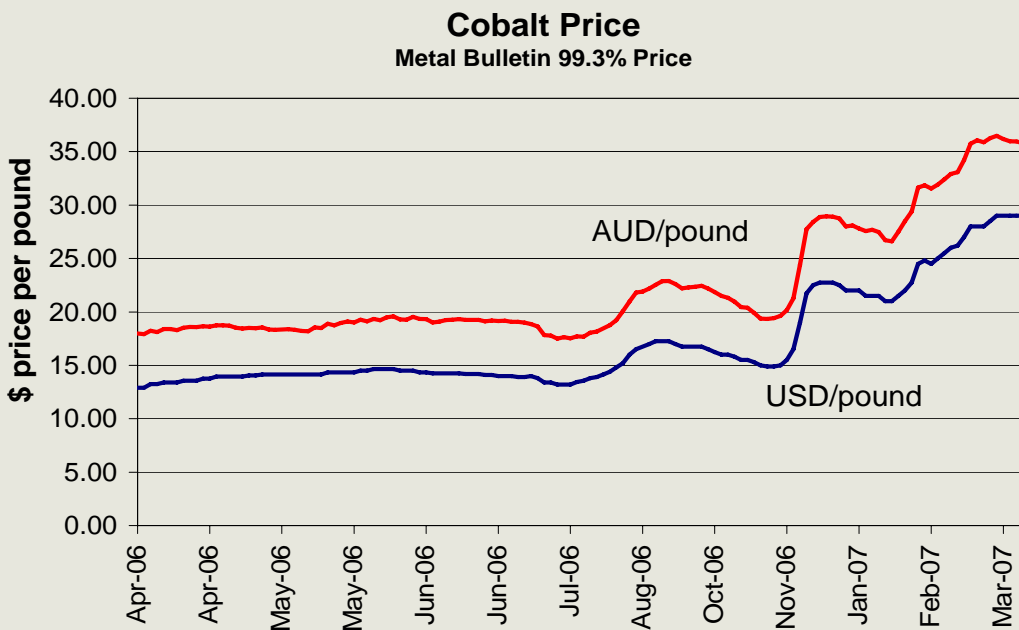
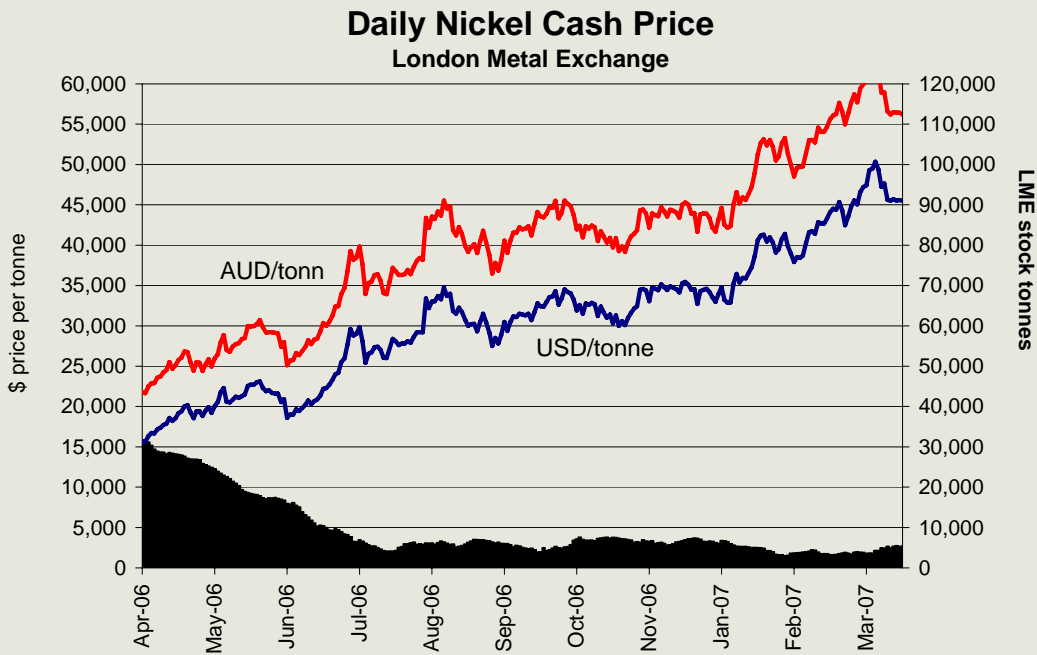
LME nickel stocks decreased from 6,570 tonnes at the beginning of the quarter to close at 5,418 tonnes.

COBALT

The cobalt price for 99.3% cobalt increased over the quarter, opening at US\$22.00/lb and ending at US\$29.00/lb due to continuing solid consumer demand.

METAL MARKETS

Commodity Prices	Prices as at 31 Mar 2007	Average for quarter ending 31 Mar 2007	Average for quarter ending 31 Dec 2006	Average for quarter ending 31 Mar 2006
LME Nickel				
US\$ per tonne	45,500	41,448	33,060	14,811
US\$ per lb	20.63	18.80	14.99	6.72
AUD\$ per tonne	56,145	52,699	42,885	20,054
Cobalt				
US\$ per lb	29.00	25.14	17.99	11.89
Exchange Rates AUD:USD	0.8104	0.7865	0.7709	0.7385



CEO's REPORT

"The highlight for the quarter was the payment of a record 45 cents per share fully franked dividend. This was an outstanding result for our shareholders.

"Production was impacted in the quarter due to two unrelated power outages. Once rectified, production returned to a steady profile. Despite the production interruptions, record nickel prices continued to deliver exceptional returns to Minara.

"During the quarter real progress was made with the heap leach demonstration plant and we have commenced commissioning of the Grey Mare water borefield."

P.B. JOHNSTON

Chief Executive Officer & Managing Director

5 April 2007

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