HALF YEAR REPORT
30 June 2010

MINARA RESOURCES LIMITED
ABN 23 060 370 783

The Directors of Minara Resources Limited announce a gross profit of $55.1 million and a net profit of $39.3 million for the half year period ended 30 June 2010.

A press release covering the results will be released separately.

This Half Year Report is lodged with the Australian Securities Exchange under the Listing Rule 4.2A

ASX CODE: MRE

CONTENTS **PAGE**

MINARA RESOURCES LIMITED
ACN 060 370 783

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Details of the reporting period and the previous corresponding period

The current reporting period is 1 January 2010 to 30 June 2010.

The previous corresponding comparative period is 1 January 2009 to 30 June 2009.

Revenue from ordinary activities	Up 23%	to	$233.7m
Profit from ordinary activities after tax	Up 1,389%	to	$39.3m
Profit for the period attributable to owners of the parent	Up 1,390%	to	$39.7m

Dividends (distributions)
No dividend is payable in relation to this period

The Financial Statements comply with Australian equivalents to the International Financial Reporting Standards (A-IFRS)

NTA Backing	**30 June 2010**	**30 June 2009**
Net tangible asset backing per share	0.78	0.70

Minara Resources Limited's principal activity is a 60% shareholding in, and management of, the Murrin Murrin Nickel/Cobalt Project Joint Venture

Please refer to the commentary included in the Directors' Report for an explanation of results.

This interim financial report is to be read in conjunction with the most recent annual financial report.

MINARA RESOURCES LIMITED
ACN 060 370 783

DIRECTORS' REPORT

The Directors of Minara Resources Limited (**Minara** or the **Company**) present their report, together with the financial report of the Consolidated Entity, being the Company and its controlled entities, for the six month period ended 30 June 2010, together with the auditor's review report thereon.

DIRECTORS

The Directors of the Company serving during the period and at the date of this report are:

Peter Coates AO	Non-executive Director and Chairman
Peter Johnston	Managing Director and Chief Executive Officer
John Morrison	Non-executive Director
Ivan Glasenberg	Non-executive Director
Willy Strothotte	Non-executive Director
Malcolm Macpherson	Non-executive Director
Markus Ocskay	Alternate Non-executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were the operation of the Murrin Murrin Nickel/Cobalt Joint Venture Project (the **Project** or the **MMJV** or **Murrin Murrin**), involving the mining and processing of laterite ore to produce nickel and cobalt, exploration for nickel directly and in joint ventures with third parties.

The Company's wholly owned subsidiary, Murrin Murrin Holdings Pty Ltd, has a 60% interest in the Project. Glencore International AG (through its 100% subsidiary, Glenmurrin Pty Ltd) holds the remaining 40% interest in the Project.

The Company's wholly-owned subsidiary, Murrin Murrin Operations Pty Ltd, is the operator of the Project.

DIVIDENDS

There was no dividend declared or proposed for the half year ended 30 June 2010.

REVIEW OF OPERATIONS AND RESULTS

Financial Results

	Units	**6 Months Ended 30 June 2010**	**6 Months Ended 30 June 2009**
Nickel Sales	tonnes	8,707	9,362
Cobalt Sales	tonnes	605	650
Revenue from operations	$ million	233.7	190.1
Gross profit	$ million	55.1	4.7
Pre tax profit/(loss)	$ million	56.0	(10.3)
Net profit/(loss) after tax	$ million	39.3	(3.1)
Net cash flow	$ million	115.4	(14.8)

The Company recorded a half year consolidated gross profit from ordinary activities of $55.1 million and a profit after tax of $39.3 million for the financial period ended 30 June 2010. These results have been reported under A-IFRS requirements.

The Company receives a provisional payment for all on-specification nickel lots (being LME 99.8% nickel grade), based on the LME cash settlement price for nickel on the day prior to the delivery date of a particular lot. However, nickel sales are not finalised until the third month following the month of delivery using the average LME cash settlement price for the third month after the month of delivery less selling costs. In the Company's financial statements, all sales that have not been finalised at 30 June 2010 (4,282 tonnes nickel) have been valued for revenue recognition purposes at US$19,679 per tonne. At finalisation, if the nickel price varies from the price used for revenue recognition purposes at 30 June 2010, then the variance in revenue relating to those sales will be recognised in that following period.

Capital Return

On 7 July 2010 the directors announced a proposed return of capital to shareholders of 9.5 cents per share, which would result in a total of approximately $111 million to be returned to shareholders.

The Australian Taxation Office issued a Class Ruling in favour of Minara shareholders that no part of the 9.5 cents per share returned to shareholders will be deemed a taxable dividend. As previously announced, the return of capital will reduce the capital gains tax cost base of the shares held in Minara.

Shareholders approved the return of capital at an extraordinary general meeting on 17 August 2010.

The record date for determining the shareholders entitled to participate in the return of capital was 25 August 2010. The return of capital is due to be paid to shareholders on 6 September 2010.

Health & Safety

There were four lost time injuries and 13 disabling injuries reported during the half-year period (1 January 2010 to 30 June 2010).

The lost time injury frequency rate (LTIFR) 12 month rolling average to 30 June 2010 was 2.79 (June 2009: 1.04). The disabling injury frequency rate (DIFR) 12 month rolling average to 30 June 2010 was 4.88 (June 2009: 1.39).

The injury statistics were influenced by an increase in the number of personnel on site during 2010, on average exceeding 2009 workforce numbers by 24 percent month-on-month. The company continues to focus heavily on implementing comprehensive safety initiatives across the business and safety leadership culture.

Environment

There were no environmental incidents reported to the regulatory authorities during the half-year to 30 June 2010.

Operations

Production at Murrin Murrin for the six months to 30 June 2010 was 14,512 tonnes of nickel packaged, and 1,008 tonnes of cobalt packaged. The Company's share is 60%. During the previous corresponding six month period to 30 June 2009, production was 15,604 tonnes of nickel packaged, and 1,084 tonnes of cobalt packaged.

Production during the half-year was impacted by a pipeline failure on 25 May 2010 in one of the four ore-leach autoclave circuits. A comprehensive investigation established the root cause of the failure as a "steam collapse" event. Rectification activities have been completed to address the root cause and prevent further occurrences. The Company has notified a business interruption claim with its insurers in respect of the 25 May 2010 incident.

During the half-year to 30 June 2010 several planned maintenance projects were completed. These included the nickel refinery sinter furnace annual overhaul, a planned line changeover in the mixed sulphide precipitation circuit and a major service of the gas turbine.

Exploration

The Marshall Pool (Mt Margaret) (MMJV 100%) scoping studies assessing the viability of processing a portion of Marshall Pool material at the Murrin Murrin operation continued during the six months to 30 June 2010. These studies are focusing on the upgradability of this significant nickel laterite mineralisation. Initial assessments show that a beneficiated product may be possible for delivery to the Murrin Murrin processing plant as an additional ore feed source. Further studies will occur during the second half of 2010 and will focus on the metallurgical and economic viability of this concept.

Capital Program

During the half-year to 30 June 2010, the Company incurred capital expenditure of $9.0 million. This represents 60% of the capital expenditure incurred by the MMJV.

Major capital expenditure items included:

HDS

During June commissioning of the high density slurry (HDS) project commenced. The project is designed to debottleneck the neutralisation circuit which in turn will enable an increase in ore-leach autoclave throughput. It is expected that the project will be completed in the fourth quarter of 2010. Over $90 million has been invested in this project by the MMJV. The Company's share of this expenditure was $4.7 million for the half-year to 30 June 2010.

In-Pit Tailings Deposition

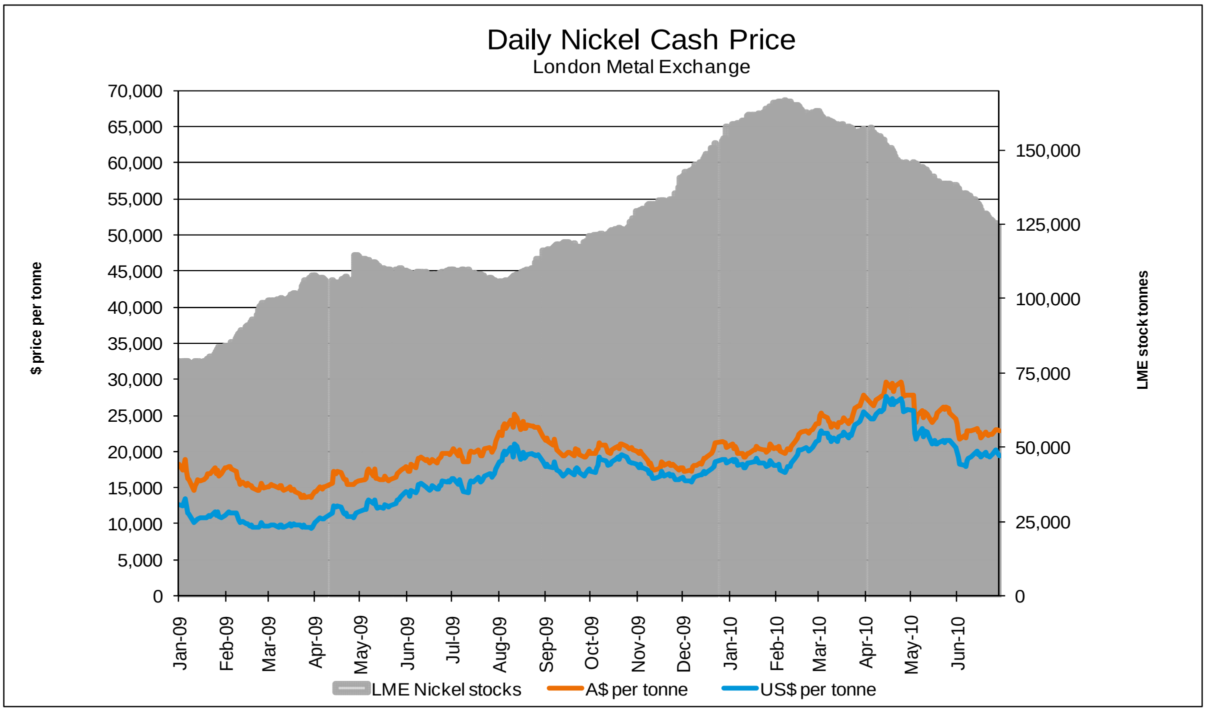
This project delivers operating flexibility via discharging of tailings into completed mining pits to complement the existing tails cells' operation, allowing for improvements in environmental performance, a reduction in cost of tailings disposal along with flexibility provided for the tails cell lift requirements. Stage one continues to operate to design specifications. The schedule for stage two proposes to complete the required construction to bring an additional pit void on-line for in-pit deposition during 2010. The 2010 half-year project cost was $2.1 million (Minara's share).

Sixth Reduction Autoclave

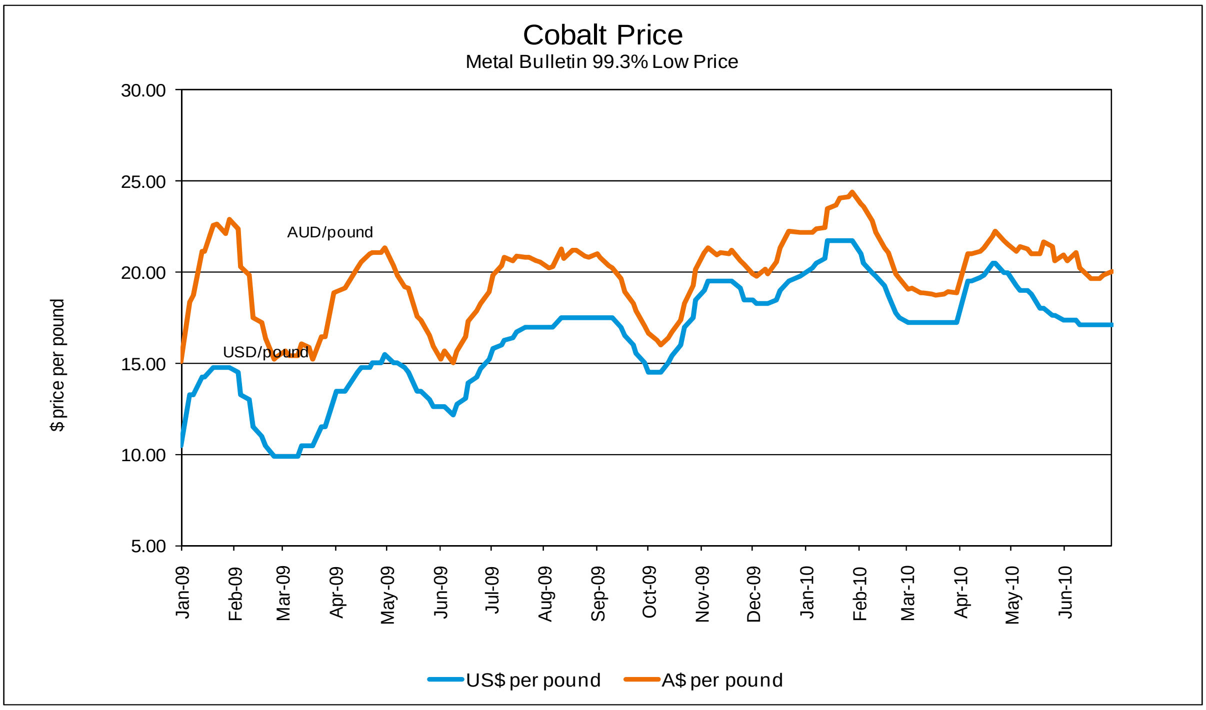
This project will deliver a sixth reduction autoclave unit which will operate in parallel to the existing five reduction vessels in the refinery's nickel circuit. In 2009 the autoclave was delivered to Murrin Murrin and installed on its foundations and long lead items such as valves and agitators were also ordered. Installation and integration activities were completed during the half-year to 30 June 2010. It is expected that the project will be completed in the fourth quarter of 2010. The 2010 half-year project cost was $0.8 million (Minara's share).

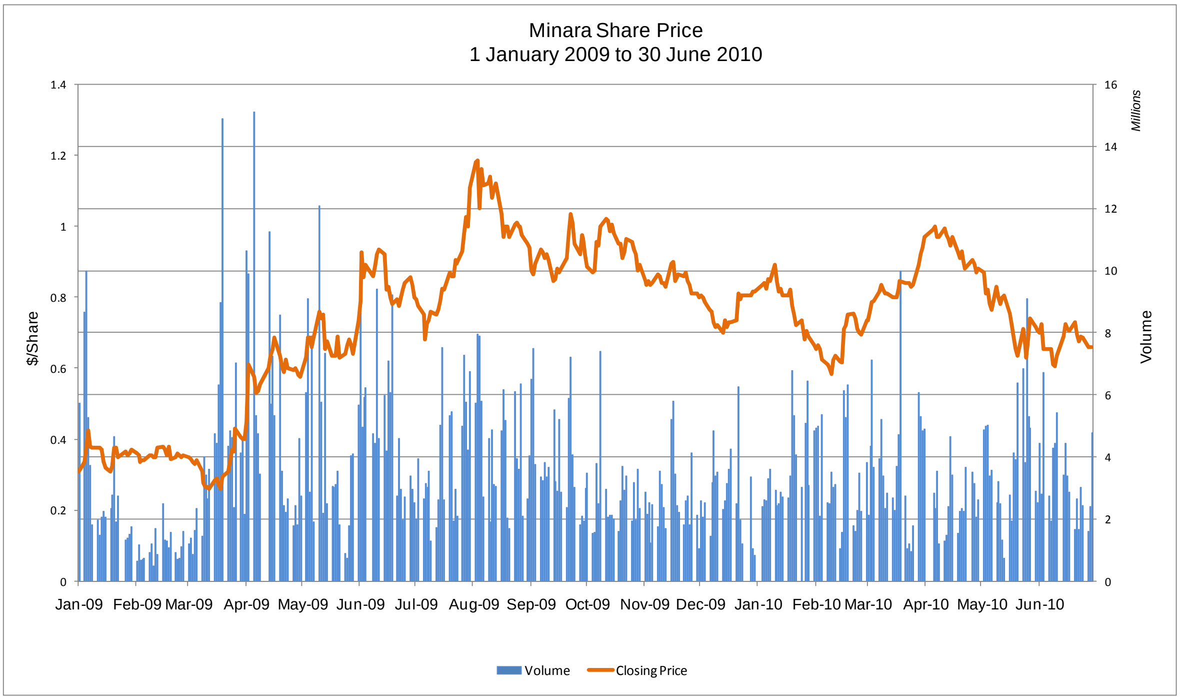
Metal Markets

The nickel market remains volatile. During the half-year period the nickel LME cash settlement price ranged from a low of US$17,035 per tonne to a high of US$27,600 per tonne.



The cobalt price (99.3% LMB) has also varied. During the half-year period it ranged from a low of US$17.10 per lb to a high of US$21.75 per lb.





CORPORATE

At the date of this report, the major shareholder of the Company was Glencore International AG with a 70.63% shareholding. Glencore International AG (through its 100% subsidiary, Glenmurrin Pty Ltd) holds the remaining 40% interest in the Project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as reported, there were no significant changes in the state of affairs of the Company during the period.

EVENTS SUBSEQUENT TO BALANCE DATE

On 10 August the Company announced the purchase by Murrin Murrin Joint Venture of the Mt Lucky manganese tenements near Laverton, Western Australia from Crescent Gold Ltd for $3 million. The purchase comprises two mining leases and one exploration licence.

Other than as stated above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT 2001

The lead auditor's independence declaration as required under section 307C of the Corporation Act 2001 (Cth) is set out on page 7 and forms part of the Director's report for the six months ended 30 June 2010.

ROUNDING OF AMOUNTS

The company is of a kind referred t pom ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, amounts in the financial report have been rounded off to the nearest one thousand, unless otherwise indicated.

Signed in accordance with a resolution of the Directors.

P.B. Johnston.

PR Coates AO
Chairman

PB Johnston
Managing Director and
Chief Executive Officer

Perth, 31st August 2010

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The Board of Directors
Minara Resources Limited
Level 4, 30 The Esplanade
PERTH WA 6000

31 August 2010

Dear Board Members

Minara Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Minara Resources Limited.

As lead audit partner for the review of the financial statements of Minara Resources Limited for the half-year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

MINARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ACN 060 370 783
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Note	Consolidated	
		Jun 2010 **$'000**	**Jun 2009** **$'000**
Revenue from operations	2(a)	233,740	190,112
Cost of production		(178,680)	(185,401)
Gross profit from the sale of product		55,060	4,711
Other revenue	2(b)	7,116	2,855
Finance expenses	2(b)	(1,256)	(1,823)
Other expenses	2(b)	(2,768)	(13,556)
Allowances and writedowns	2(b)	(2,146)	(2,474)
Profit / (Loss) before tax		56,006	(10,287)
Income tax (expense) / income		(16,690)	7,236
Profit / (Loss) for the period		39,316	(3,051)
Total comprehensive income / (loss) for the period		39,316	(3,051)
Profit / (Loss) attributable to:			
Owners of the parent		39,685	(3,076)
Non-controlling interest		(369)	25
		39,316	(3,051)
Total comprehensive income / (loss) attributable to:			
Parent entity interest		39,685	(3,076)
Minority interest		(369)	25
		39,316	(3,051)
Earnings per share:			
Basic (cents per share)		3.30	(0.26)
Diluted (cents per share)		3.28	(0.26)

Notes to the condensed consolidated financial statements are included on pages 12 to 19.

MINARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ACN 060 370 783
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	Consolidated Jun 2010 $'000	Consolidated Dec 2009 $'000
Current assets			
Cash and cash equivalents		362,998	247,142
Trade and other receivables	3	7,647	55,953
Inventories	4	86,031	72,324
Other		2,797	86
Total current assets		459,473	375,505
Non-current assets			
Trade and other receivables	3	1,549	1,223
Inventories	4	126,404	121,436
Property, plant and equipment		431,011	443,633
Mine assets		61,903	69,338
Deferred tax assets		23,345	33,191
Other		1,972	1,140
Total non-current assets		646,184	669,961
Total assets		1,105,657	1,045,466
Current liabilities			
Trade and other payables	5	59,071	48,173
Provisions	6	9,374	8,614
Current tax liabilities		9,039	667
Total current liabilities		77,484	57,454
Non-current liabilities			
Trade and other payables	5	31,237	30,985
Provisions	6	33,887	32,956
Deferred tax liabilities		56,000	57,527
Total non-current liabilities		121,124	121,468
Total liabilities		198,608	178,922
Net assets		907,049	866,544
Equity			
Issued capital		982,444	982,444
Reserves		2,123	934
Accumulated losses		(72,318)	(112,003)
Parent entity interest		912,249	871,375
Minority interest		(5,200)	(4,831)
Total equity		907,049	866,544

Notes to the condensed consolidated financial statements are included on pages 12 to 19.

MINARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ACN 060 370 783
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Consolidated					
2010	**Issued capital $'000**	**Employee benefit reserve $'000**	**Accum. Losses $'000**	**Attributable to owners of the parent $'000**	**Non-controlling interests $'000**	**Total $'000**
Balance at 1 January 2010	**982,444**	**934**	**(112,003)**	**871,375**	**(4,831)**	**866,544**
Profit / (Loss) for the period	-	-	39,685	39,685	(369)	39,316
Total comprehensive income for the period	**-**	**-**	**39,685**	**39,685**	**(369)**	**39,316**
Share based payments	-	1,189	**-**	1,189	**-**	1,189
Balance at 30 June 2010	**982,444**	**2,123**	**(72,318)**	**912,249**	**(5,200)**	**907,049**

	Consolidated					
2009	**Issued capital $'000**	**Employee benefit reserve $'000**	**Accum. Losses $'000**	**Attributable to owners of the parent $'000**	**Non-controlling interests $'000**	**Total $'000**
Balance at 1 January 2009	**980,212**	**182**	**(160,636)**	**819,758**	**(4,733)**	**815,025**
Profit /(Loss) for the period	-	-	(3,076)	(3,076)	25	(3,051)
Total comprehensive income for the period	**-**	**-**	**(3,076)**	**(3,076)**	**25**	**(3,051)**
Balance at 30 June 2009	**980,212**	**182**	**(163,712)**	**816,682**	**(4,708)**	**811,974**

Notes to the condensed consolidated financial statements are included on pages 12 to 19.

MINARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ACN 060 370 783
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Note	Consolidated Jun 2010 $'000	Consolidated Jun 2009 $'000
Cash flows from operating activities			
Receipts from customers		289,929	148,009
Payments to suppliers and employees		(172,336)	(180,875)
Interest received		6,162	2,095
Income taxes received		-	19,474
Net cash provided by / (used in) operating activities	12	123,755	(11,297)
Cash flows from investing activities			
Payments for exploration and evaluation costs		(7)	(11)
Payments for property, plant and equipment		(8,984)	(2,342)
Proceeds from term deposits & bonds		664	2,866
Net cash (used in) / provided by investing activities		(8,327)	513
Cash flows from financing activities			
Reduction of payable due to Amshell Pty Ltd	5(i)	-	(4,048)
Net cash used in financing activities		-	(4,048)
Net increase / (decrease) in cash and cash equivalents		115,428	(14,832)
Cash and cash equivalents at the beginning of the financial period		247,142	142,540
Effects of exchange rate changes on the balance of cash held in foreign currencies (i)		428	(490)
Cash and cash equivalents at the end of the financial period	12	362,998	127,218

Notes to the condensed consolidated financial statements are included on pages 12 to 19.

(i) The translation rate for the A$:US$ exchange rate was 0.8523 at 30 June 2010 (0.8114 at 30 June 2009).

MINARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ACN 060 370 783

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2010

1. Significant Accounting Policies

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared under the historical cost basis. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2009 annual financial report for the financial year ended 31 December 2009.

The Company is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, amounts in the directors' report and half-year financial report have been rounded off to the nearest one thousand dollars, unless otherwise indicated.

(c) Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. Initial application of these Standards and Interpretations did not have a material impact on the Group's accounting policies and amounts reported for the current or prior periods.

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2009, except for the impact of the adoption of the Standards and Interpretations described below:

AASB 101 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009). The revised Standard has introduced a number of terminology changes and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Company.

At the date of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards is not expected to have any material impact on the financial report of the Group and the Company

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 3 Business Combinations (2008)	1 July 2009	31 December 2010
AASB 127 Consolidated and Separate Financial Statements	1 July 2009	31 December 2010
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	1 July 2009	31 December 2010
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process	1 July 2009	31 December 2010
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	1 July 2009	31 December 2010
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process	1 July 2009	31 December 2010
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process	1 January 2010	31 December 2010
AASB 2009-7 Amendments to Australian Accounting Standards	1 July 2009	31 December 2010
AASB Interpretation 17 Distributions of Non-Cash Assets to Owners	1 July 2009	31 December 2010
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 Distributions of Non-Cash Assets to Owners	1 July 2009	31 December 2010

		Consolidated	
		Jun 2010 $'000	Jun 2009 $'000
2 Profit from operations			
(a) Revenue			
Revenue from operations consisted of the following items:			
Sales revenue			
Revenue from sale of product	- Nickel (i)	213,429	170,170
	- Cobalt	29,880	28,197
	- Other	1,129	564
Sales discounts, commission and freight charges		(10,698)	(8,819)
		233,740	190,112

(i) As at 30 June 2010, 4,282 metric tonnes (MT) (2009: 4,676MT) nickel sales for the second quarter were provisionally priced for revenue recognition purposes at US$19,679/MT (2009: US$15,291/MT), with final pricing to occur in the third quarter of 2010.

(b) Profit / (loss) before tax

Profit / (loss) for the period has been arrived at after crediting/(charging) the following items;

	Jun 2010 $'000	Jun 2009 $'000
Other revenue		
Interest revenue - bank deposits	6,162	2,095
Ore royalty (i)	815	581
Other	139	179
	7,116	2,855

(i) Ore royalty represents royalties, that do not eliminate on consolidation, received in respect of ore processed by the Murrin Murrin Joint Venture from tenements owned by Murrin Murrin East Pty Ltd (60%) and Amshell Pty Ltd (40%). These tenements, known as the Abednego Tenements, are located in the Murrin North area.

	Jun 2010 $'000	Jun 2009 $'000
Finance Expenses		
Unwinding of discount relating to the provision for rehabilitation	(1,256)	(1,823)
	(1,256)	(1,823)

	Consolidated	
	Jun 2010 $'000	**Jun 2009 $'000**
2 Profit from operations (cont'd)		
(b) Profit / (loss) before tax (cont'd)		
Other expenses		
Corporate	(4,427)	(4,291)
Murrin Murrin administration and other	(1,422)	(3,247)
Net foreign exchange gains / (losses) (i)	3,081	(6,018)
	(2,768)	(13,556)
Allowances and write downs		
Inventory price adjustments	(2,073)	(2,462)
Feasibility studies expensed	(65)	-
Exploration expenses	(8)	(12)
	(2,146)	(2,474)

(i) Foreign exchange gains / (losses) are generated on the receipt of sales revenue when booking the receipt against the debtor and on translation of monetary balances denominated in foreign currencies.

	Consolidated	
	Jun 2010 $'000	**Dec 2009 $'000**
3 Trade and other receivables		
Current		
Trade receivables (i)	-	48,242
Term deposits	3,224	3,888
Other receivables	3,218	3,206
Receivables from controlled entities	1,205	617
	7,647	55,953
Non-Current		
Other receivables	1,549	1,223
	1,549	1,223

(i) Trade receivables represent amounts owed to the consolidated entity from the sale of finished product to Glencore International AG under nickel and cobalt off-take agreements of Nil (2009: $48,241,521). All sales under the off-take agreements are on normal commercial terms and conditions. Refer to note 5 for further information regarding sales of finished product to Glencore International AG.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2010

	Consolidated	
	Jun 2010 $'000	**Dec 2009 $'000**
4 Inventories		
Current		
Raw materials - at cost	66,149	52,526
Raw materials write down	(9,542)	(7,839)
Raw materials written down	56,607	44,687
Ore stocks – at cost	11,231	10,107
Work in progress - at cost	11,864	13,153
Finished goods - at cost	6,329	4,377
	86,031	72,324
Non-Current		
Ore stocks (i)	126,404	122,322
Ore stocks written down (i)	-	(886)
	126,404	121,436
Total Inventory	212,435	193,760
(i) Reconciliation of non-current ore stocks		
Ore stocks - at cost	122,216	117,248
Ore stocks - net realisable value	4,188	4,188
	126,404	121,436

	Consolidated	
	Jun 2010	**Dec 2009**
5 Trade and other payables	**$'000**	**$'000**
Current		
Trade payables & accruals (i)	56,343	46,577
Other payables	2,728	1,596
	59,071	48,173

(i) Trade payables includes amounts owed by the consolidated entity from the sale of finished product to Glencore International AG under nickel and cobalt off-take agreements of $5,262,672 (2009: Nil). All sales under the off-take agreements are on normal commercial terms and conditions.

	Consolidated	
	Jun 2010 $'000	**Dec 2009 $'000**
Non-Current		
Other payables (i)	31,237	30,985
	31,237	30,985

(i) Includes an amount of $22,049,145 (2009: $22,049,145) payable to Amshell Pty Limited, a subsidiary of Glencore International AG, and relates to the acquisition of Abednego Nickel Pty Limited in 1999. This is payable over the life of the Abednego Tenements (currently planned at approximately 10 years) in line with ore delivered to the Murrin Murrin Joint Venture.

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2010

6 Provisions

	Consolidated Jun 2010 $’000	Consolidated Dec 2009 $’000
Current		
Employee benefits	8,333	7,714
Provision for rehabilitation	1,041	900
	9,374	8,614
Non-Current		
Employee benefits	1,205	1,168
Provision for rehabilitation	32,683	31,788
	33,887	32,956

7 Dividends

Fully paid ordinary shares	Cents per Share	Jun 2010 $’000	Jun 2009 $’000
Final dividend:			
Fully franked	-	-	-
		-	-
Adjusted franking account balance		5,377	6,470

8 Commitments for expenditure

	Consolidated	
(a) Capital expenditure commitments	**Jun 2010 $'000**	**Dec 2009 $'000**
Capital expenditure requisitioned but not provided and payable at balance date is:		
Plant and equipment		
Not longer than 1 year	12,347	2,154
Longer than 1 year but not longer than 5 years	-	-
Longer than 5 years	-	-
	12,347	2,154

(b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the Company and the consolidated entity are required to perform minimum exploration work to meet the minimum expenditure requirements specified by the State Government of Western Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times These obligations may be avoided if the Company elects to no longer hold the subject tenements. The commitments not provided for and payable at balance date are:

	Consolidated	
	Jun 2010 $'000	**Dec 2009 $'000**
Not longer than 1 year	4,289	4,276
Longer than 1 year but not longer than 5 years	16,463	17,113
Longer than 5 years	98,174	104,610
	118,926	125,999

	Consolidated	
(c) Other Commitments	**Jun 2010 $'000**	**Dec 2009 $'000**
Other commitments relating to property and access agreements not provided and payable at balance date are:		
Not longer than 1 year	378	67
Longer than 1 year but not longer than 5 years	7,566	7,566
Longer than 5 years	27,985	27,985
	35,929	35,618

The Joint Venture has commitments relating to camp facilities, handling facilities, grade control drilling and calcrete mining and processing, maintenance contracts and industrial gas supply which predominantly relate to the earnings of revenue in the ordinary course of business.

9 Contingent liabilities and contingent assets

Certain claims arising out of the operations have been made by or against certain controlled entities in the ordinary course of business, some of which involve litigation or arbitration. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

On 6 September 2005, Minara was served with a writ and statement of claim by persons claiming to represent the Wutha Native Title Claimant Group (Wutha) alleging breaches of an agreement entered into with Anaconda Nickel Ltd on 6 September 1996. On 10 August 2010 Wutha lodged a schedule of loss and damages claiming $62 million. Minara believes the claim is unfounded, grossly inflated and without merit. Minara continues to vigorously defend the proceedings.

10 Operating segments

The Group has one reportable segment, as described below. For the purposes of AASB 8, the Group has identified the CEO as it Chief Operating Decision Maker (CODM). The CEO reviews internal management reports on a monthly basis. The following summary describes the operations in the Group's reportable segments;

- Nickel mining: includes the mining, processing and refining of nickel lateritic ore to produce LME grade nickel briquettes.

Given the Group has one reporting segment, operating results and financial information are not separately disclosed in this note.

Geographical segments
The Group operates in one geographical location, being Western Australia.

Major Customer
Revenues from the Group's main customer represents 100% of the Group's total revenue.

11 Subsequent events

Capital Return

On 7 July 2010 the directors announced a proposed return of capital to shareholders of 9.5 cents per share, which would result in a total of $111 million to be returned to shareholders.

The Australian Taxation Office issued a Class Ruling in favour of the Company's shareholders that no part of the 9.5 cents per share returned to shareholders will be deemed a taxable dividend. As previously announced, the return of capital will reduce the capital gains tax cost base of the shares held in the Company.

Shareholders approved the return of capital at an extraordinary general meeting on 17 August 2010.

The record date for determining the shareholders entitled to participate in the return of capital was 25 August 2010. The return of capital is due to be paid to shareholders on 6 September 2010.

Purchase of Mt Lucky manganese tenements
On 10 August the Company announced the purchase by Murrin Murrin Joint Venture of the Mt Lucky manganese tenements near Laverton, Western Australia for $3 million. The purchase comprises two mining leases and one exploration licence.

Other than mentioned above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

12 Notes to the cash flow statement

	Consolidated	
	Jun 2010 $'000	Jun 2009 $'000
(a) Reconciliation of cash and cash equivalents		
Cash and cash equivalents	362,998	127,218

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments.

	Jun 2010 $'000	Jun 2009 $'000
(b) Reconciliation of profit / (loss) for the period to net cash flows from operating activities		
Profit / (loss) for the period	39,316	(3,051)
Adjusted for the following items:		
Exploration costs expensed	7	11
Share based payments	1,190	-
Non-cash interest and other cost of finance paid	1,256	1,823
Depreciation and amortisation	28,785	21,401
Amortisation of rehabilitation asset	192	458
Unrealised foreign exchange (gains)/losses	(427)	489
Write-off of property, plant & equipment	63	-
Inventory price adjustments	2,073	2,462
Accrual for native title	354	396
Ore royalty accrual	(815)	(581)
Movement in deferred tax balances	16,690	12,238
Changes in net assets and liabilities:		
(Increases) / decreases in assets:		
Receivables	53,397	(36,780)
Inventory	(20,748)	(5,382)
Other assets	(3,774)	(2,340)
Increases / (decreases) in liabilities:		
Trade creditors	4,731	913
Related parties	1,384	(3,217)
Provisions	81	(137)
Net cash provided by / (used in) from operating activities	123,755	(11,297)

(c) Non Cash Financing and Investment Activities

There were no non-cash financing and investing activities undertaken by the consolidated entity during the financial period.

MINARA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ACN 060 370 783

DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 30 JUNE 2010

In the opinion of the Directors of Minara Resources Limited:

(a) there are reasonable grounds to believe that Minara Resources Limited will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001* .

On behalf of the Directors

P Coates AO	**PB Johnston**
Chairman	**Managing Director and**
	Chief Executive Officer

Perth, 31st August 2010

Deloitte.

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Independent Auditor's Review Report to the members of Minara Resources Limited

We have reviewed the accompanying half-year financial report of Minara Resources Limited, which comprises the condensed statement of financial position as at 30 June 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Minara Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Minara Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants
Perth, 31 August 2010