



Mineral Resources Limited

ACN 118 549 910

14 October 2009

Company Announcements Office
ASX Limited
Exchange Centre
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Dear Sir / Madam,

Mineral Resources Limited to increase Share Offer and extend Offer periods for Polaris Metals NL (ASX:POL)

The Board of Mineral Resources Limited (**MRL**) (ASX:MIN) has today resolved:

- to **increase the Offer consideration** under its Share Offer for all of the shares in Polaris Metals NL (**Polaris**), by increasing the ratio of MRL Shares offered and introducing a cash component. MRL will now be offering **one (1) MRL Share for every 12 Polaris Shares AND 5 cents cash for every one (1) Polaris Share**.

The increased Share Offer consideration now values each Polaris Share at **\$0.6533 cents per share¹**.

- with the consent of Polaris, to **free the Share Offer from the 50.1% minimum acceptance condition**. Having done so, MRL also advises that upon achieving acceptances of 50.1% under the Share Offer in due course, it intends to free the Share Offer and the Option Offer from all remaining conditions.
- to **extend the period of its Share Offer and Option Offer** by two weeks so that the Offers will now close at 5.00pm (WST/Perth time) on 9 November 2009 (unless further extended or withdrawn).

MRL's increased Share Offer represents **a premium of 118%** to the 30 cents closing price of Polaris Shares on 14 August 2009 (the trading day prior to announcement of the Share Offer).

MRL has been informed by the Board of Polaris that it considers the increased Share Offer to be superior to the offer proposed to be made by Lion-Asia Resources Pte. Ltd., on the terms announced to the ASX on 6 October 2009, and intends to recommend that Polaris shareholders accept the increased Share Offer, in the absence of a superior proposal.

As demonstrated below, the increased offer also represents a substantial premium to the trading prices of Polaris Shares across a wide range of other time periods prior to the announcement of MRL's Offer (**Announcement Date**).

¹ Based on the closing price of MRL Shares on ASX of \$7.24 on 14 October 2009, the completed trading day prior to announcement of the increase.

The underlying value of the revised Share Offer provides Polaris Shareholders with substantial premiums on the Polaris Share Price:

- (a) a **146% premium** over the 1 month volume weighted average closing price for Polaris Shares (using the closing Polaris Share price on 14th August 2009, the last day Polaris Shares were traded before the Announcement Date); and
- (b) a **165% premium** over the 3 month volume weighted average closing price for Polaris Shares (using the closing Polaris Share price on 14th August 2009, the last day Polaris Shares were traded before the Announcement Date)².

MRL Managing Director Peter Wade said: "Mineral Resources now has a relevant interest in 29.19% of Polaris ordinary shares, and we strongly believe our increased offer represents our unwavering desire, upon successful completion of the Offer, to play a meaningful role in rapidly advancing the current Polaris assets towards production."

"On successful completion of the Offer both sets of shareholders will be able to jointly participate in the development of Mineral Resources, a company with a strong reputation, balance sheet, and track record of sustained success across its substantial and profitable portfolio of diverse contracting and commodity processing operations," Mr Wade added.

The MRL Board recognised that the Polaris shareholders, in accepting the MRL improved Offer, will not only retain their exposure to Polaris' assets, but importantly, they will also gain exposure to Mineral Resources' substantial and profitable portfolio of diverse mining services, iron ore and manganese operations. Further they will enjoy the future benefits associated with the Mineral Resources' shareholder dividend policy, which currently provides that a minimum 50% of profits will be distributed to Mineral Resources' shareholders by way of dividends.

MRL will be releasing as soon as is practicable the formal documents required to give effect to the above changes to its Offers, including:

- (a) a formal Notice to Free Offer from Condition (Share Offer);
- (b) a formal Notice of Variation of Takeover Offers; and
- (c) a Second Supplementary Bidder's Statement relating to the above changes to its Offers and also outlining some key information regarding MIN's recent strong performance.

MRL has also agreed with the Board of Polaris to consider in good faith an equitable adjustment to its Offer for Polaris Options based on the improvement to the Share Offer.

MRL encourages all Polaris shareholders and optionholders to consider all information that will be released and sent to them and to **ACCEPT** MRL's Offers.

For the purposes of ASX Listing Rule 3.2, MRL confirms that in respect of the Share Offer:

- (a) at the date of the Offer, MRL (together with its associates) had a relevant interest in 19.9% of Polaris' ordinary shares;
- (b) at the date of this Offer extension, MRL (together with its associates) has a relevant interest in 29.19% of Polaris' ordinary shares.

² Based on the closing price of MRL Shares on ASX of \$7.24 on 14 October 2009, the completed trading day prior to announcement of the increase.

For the purposes of ASX Listing Rule 3.2, MRL confirms that in respect of the Option Offer:

- (a) at the date of the Offer, MRL (together with its associates) had a relevant interest in 0% of Polaris' options;
- (b) at the date of this Offer extension, MRL (together with its associates) has a relevant interest in 27.35% of Polaris' options.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce Goulds', written over a faint horizontal line.

Bruce Goulds
Company Secretary