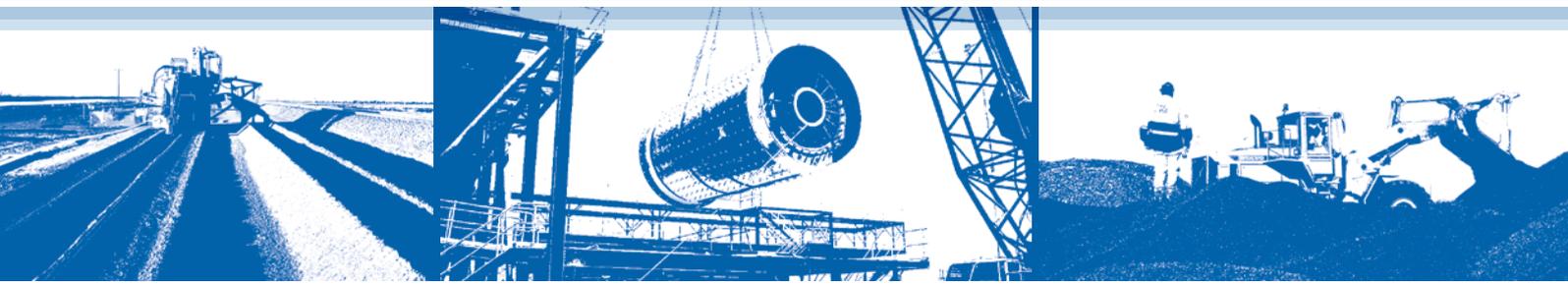




Mineral Resources Limited

ABN 33 118 549 910



**NOTICE OF
ANNUAL GENERAL MEETING
2008**

NOTICE IS HEREBY GIVEN that the THIRD ANNUAL GENERAL MEETING of Mineral Resources Limited will be held at the;

**Parmelia Hilton Hotel, Mill Street, Perth,
on Tuesday, 18 November 2008 at 10.00am.**

BUSINESS:

1. Annual Financial Report

To receive, consider and adopt the financial report of the company and of the economic entity for the year ended 30 June 2008 and the reports by directors and auditors thereon.

2. Remuneration Report

To receive, consider and adopt the remuneration report of the company and of the economic entity for the year ended 30 June 2008.

The following resolution be put as a non-binding ordinary resolution:

"That the remuneration report of the company and of the economic entity for the year ended 30 June 2008 as contained within the director's report and the financial statements of the company be adopted."

3. Dividend

To ratify the interim dividend for 2007/08 of 6.0 cents per share and the final dividend for 2007/08 of 13.35 cents per share as recommended by directors.

The following resolution be put as an ordinary resolution:

"That the interim dividend of 6.0 cents per share, declared by directors on 21 February 2008, paid on 4 April 2008 for all shareholders of record on 14 March 2008 and the final dividend for 2007/08 of 13.35 cents per share, declared by directors on 20 August 2008, payable on 18 November 2008 for all shareholders of record on 22 September 2008 be ratified."

4. To re-elect two (2) directors

a) Chris Ellison

Mr Chris Ellison, a director of the company, retires from office by rotation in accordance with clause 13.2 of the company's constitution and, being eligible, offers himself for re-election.

The following resolution be put as an ordinary resolution:

"That, Mr Chris Ellison, being a director of the company, who retires at this third annual general meeting in accordance with clause 13.2 of the company's constitution, and being eligible, be re-elected."

b) Mark Dutton

Mr Mark Dutton, having been appointed as a director since the last general meeting of members, retires from office in accordance with clause 13.4 of the company's constitution and, being eligible, offers himself for re-election.

The following resolution be put as an ordinary resolution:

"That, Mr Mark Dutton, being a director of the company, who retires at the first general meeting after his appointment in accordance with clause 13.4 of the company's constitution, and being eligible, be re-elected."

5. Granting of unlisted share options to Mr Mark Dutton

The related party provisions of the Corporations Act 2001 (Chapter 2E) requires that the provision of any financial benefit (including granting of share options) to a related party requires shareholder approval unless excepted by the Act. ASX Listing Rule 10.11 also requires the company to seek shareholder approval prior to the issue of securities to a related party. Mr Mark Dutton, a director, is a related party of the company according to the Corporations Act 2001 and the ASX Listing Rules.

The following resolution be put as an ordinary resolution:

“That, for the purpose of Chapter 2E of the Corporations Act 2001 and ASX Listing Rule 10.11, approval is granted for the company to grant Mr Mark Dutton or his associate up to 1,500,000 unlisted share options in the company, to be issued on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

6. Ratification of issue of unlisted share options

On 8 August 2008, the Company announced an agreement to issue up to 15 million unlisted share options to Hancock Prospecting Pty Ltd or its associate to enable the Hancock Prospecting group to become a major investor in Mineral Resources Limited.

Listing rule 7.4 provides that, where a company in general meeting ratifies an issue of equity securities, the issue will be treated as having been made with the approval of the members for the purpose of Listing Rule 7.1, thereby enabling the company to issue further securities, if necessary, without exceeding the 15% limit in 12 months.

The following resolution be put as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the issue of 15,000,000 unlisted share options over ordinary shares in the Company to Hancock Manganese Pty Ltd an associate of Hancock Prospecting Pty Ltd on 27 August 2008 be ratified.”

By order of the Board



BA Goulds
Company Secretary
14 October 2008

PROXIES

Votes at the annual general meeting may be given personally or by proxy, attorney or representative. A shareholder entitled to attend and vote at this meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. A proxy may, but need not be a shareholder of the company. The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorized in writing or, if such appointor is a corporation, either under seal or under hand of an officer or his attorney duly authorized. The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged in person, by post, courier or facsimile and reach the registered office of the company at least 48 hours prior to the meeting. For convenience of shareholders a Proxy Form is enclosed.

Entitlement to Vote

The board have determined that in relation to the Annual General Meeting being convened by this notice, shares will be taken to be held by the persons who are registered holders at 7pm on Thursday, 13 November 2008. Accordingly, share transfers registered after this time will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Memorandum

To enable you to make an informed decision on the business of the meeting, an Explanatory Memorandum has been attached which provides further details on the resolutions proposed for the Annual General Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting of the company. The Directors recommend shareholders read this Explanatory Memorandum in full before making a decision in relation to the resolutions.

Item 2: Remuneration Report

To receive, consider and adopt the remuneration report of the company and of the economic entity for the year ended 30 June 2008.

The remuneration report for the year is set out in the director's report on page 14 of the annual report. Additional information may also be found in Note 24 on page 50 of the annual report.

The board submits the remuneration report to shareholders for consideration and adoption by way of non-binding resolution as required by the Corporations Act. The vote on this report is advisory only and does not bind directors of the company. However, the board will consider the outcome of the vote when reviewing the remuneration policy.

Item 3: Dividend

To ratify the interim dividend for 2007/08 of 6.0 cents per share and the final dividend for 2007/08 of 13.35 cents per share as recommended by directors.

It is the Directors policy to pay a minimum of 50% of annual after tax profits to shareholders by way of dividend. The distribution of dividends is in accordance with this policy.

Item 4: Re-elect Directors

Mr Chris Ellison

Clause 13.2 of the Company's constitution requires that one third of directors (excluding the Managing Director) shall retire from office at each annual general meeting. A retiring Director is eligible for re-election. Mr Chris Ellison, a director of the company, therefore retires from office by rotation and, being eligible, offers himself for re-election.

Mr Mark Dutton

Mark Dutton, having been appointed as a director on 8 November 2007 since the last general meeting of members retires from office in accordance with clause 13.4 of the constitution and, being eligible, offers himself for re-election.

Item 5: Grant unlisted share options to Mr Mark Dutton

On 8 November 2007, Mr Mark Dutton was appointed as a non-executive director of the company.

As a condition of Mr Dutton's appointment the Board has agreed, subject to shareholder approval, to issue him with up to 1,500,000 unlisted share options over ordinary shares of the company subject to meeting specific conditions. The options will be issued in three tranches of 500,000 options on each of the first, second and third anniversaries of Mr Dutton's appointment as a director subject to shareholders having approved the issue and him continuing to hold the office of director of the company.

The options have an exercise price of \$3.50 each and a life of three years.

Item 5 seeks shareholder approval for the grant of up to 1,500,000 options to Mr Dutton or his nominee.

Shareholder approval is required by Chapter 2E of the Corporations Act 2001 and ASX Listing Rule 10.11 as Mr Dutton is a director and a related party of the company.

For the purpose of Chapter 2E of the Corporations Act 2001, the following information is provided:

1. The related party

The related party to whom the proposed resolution would permit financial benefits to be given is Mr Mark Dutton or his nominee,

2. Nature of the benefit

The nature of the financial benefit is the grant of up to 1,500,000 unlisted share option over fully paid ordinary shares in the company in three tranches of 500,000 options for no consideration at each of the first, second and third anniversary of Mr Dutton's appointment as a director of the company as long as he remains a director until that time. The exercise price of the options is \$3.50 each.

3. Directors' recommendation

The board currently consists of the following disinterested directors, Mr Peter Wade (Executive Chairman and Managing Director), Mr Chris Ellison (Executive Director), and Mr Joe Ricciardo (Non-executive Director).

The issue of share options forms part of Mr Dutton's remuneration package under his letter of appointment dated 11 October 2007. The purpose of granting options is to provide Mr Dutton with an incentive for ongoing commitment and effort to the company.

Each disinterested director considers that the number and terms of the options provide adequate incentive in light of Mr Dutton's skills, experience and capacity to make a positive contribution to the company.

The disinterested Directors recommend that shareholders vote in favour of this resolution for the reasons set out above.

4. Conditions of options

For the information of shareholders, the specific conditions under which options are to be issued to Mr Dutton are:

- (i) The Options will be issued at nil consideration;
- (ii) Options will be issued in three tranches of, 500,000 options each, at the end of the first year, the second year and the third year after his date of appointment;
- (iii) The Options will confer no rights to receive any dividend or other payment or interest in, or rights to receive any distribution;
- (iv) If Mr Dutton's engagement as Non Executive Director ceases as a result of death, illness, serious disability or permanent incapacity through ill health, he will be automatically issued the number of Options that he would have otherwise received at the end of the relevant year multiplied by the number of days of service he provided prior to the cessation of his employment and divided by 365 but in all other respects the right to receive the balance of the Options shall cease;
- (v) If Mr Dutton's engagement as Non Executive Director ceases as a result of termination through no fault of his own he will be automatically issued the number of Options that he would have otherwise received at the end of the relevant year multiplied by the number of days of service provided prior to the cessation of his employment and divided by 365 but in all other respects the right to receive the balance of the Options shall cease;
- (vi) If the Company reconstructs its capital in any way, the number of Options to be issued will be reconstructed in the same manner;
- (vii) The options are exercisable at a price of \$3.50 each and will have an exercise period following grant of 3 years;
- (viii) The grant of the Options is subject to approval of the shareholders of the company;
- (ix) In the event that Mr Dutton ceases to be a Non Executive Director prior to the expiry of his 3 year fixed period as a result of resignation or termination he will receive only those entitlements that have accrued up to the date of cessation except as provided otherwise.

5. Director's interest and other remuneration

Remuneration included in Mr Dutton's letter of appointment other than the share options referred to above includes, a cash salary of \$90,000 per annum plus the minimum superannuation contribution payable by the company from time to time under the Superannuation Guarantee (Administration) Act 1992 (or any act which supersedes this act). This amount is presently 9% of his salary. Mr Dutton's salary is fixed during the initial 3 years period of his contract.

No other remuneration is payable to Mr Dutton other than described in this Explanatory Memorandum.

Mr Dutton holds no other interests in the company at the date of this notice of meeting.

6. Valuation

The options have been valued using the Black and Scholes methodology, as recommended in the Accounting Standard AASB 2 "Share Based Payments".

The Black and Scholes methodology calculated the average value of the options in relation to this resolution at \$1.56 each. In calculating the option valuation the following inputs were used:

Exercise price	\$3.50
Underlying security spot price (at date of letter of appointment)	\$4.22
Volatility Rate (during the six months prior to the date of appointment)	40%
Risk free rate	6.5%
Expiry date	3 years from issue

The value is discounted on an assumed probability of the options vesting.

7. Any other information

Directors are not aware of any other information that is reasonably required by shareholders to allow them to make a decision as to whether it is in the best interests of the company to pass the Resolution.

Item 7: Ratification of issue of Unlisted share options

Under ASX listing rule 7.1, listed entities are generally restricted from issuing more than 15% of their issued capital in a 12 month period without shareholder approval. The company has not exceeded the 15% threshold.

Listing rule 7.4 provides that, where a company in general meeting ratifies an issue of equity securities, the issue will be treated as having been made with the approval of the members for the purpose of Listing Rule 7.1, thereby enabling the company to issue further securities, if necessary, without exceeding the 15% limit in 12 months.

Accordingly, shareholders are requested to ratify the issue on 27 August 2008 of 15,000,000 unlisted share options over ordinary shares at an exercise price of \$6.05 per option and a life of up to three years to Hancock Manganese Pty Ltd, an associate of Hancock Prospecting Pty Ltd under an agreement dated 8 August 2008. The options were issued to enable the Hancock Prospecting group to become a major investor in Mineral Resources Limited. The agreement to issue options was announced in conjunction with entering into a mining services agreement between the company and Hancock Prospecting Pty Ltd to develop the Balfour Downs manganese deposit in the East Pilbara region of Western Australia and also explore other potential opportunities together.



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