



Mineral Resources Limited

ABN 33 118 549 910

THIRD SUPPLEMENTARY BIDDER'S STATEMENT

by Mineral Resources Limited (ACN 118 549 910) in respect of the Offers to acquire all of the ordinary shares and options in Polaris Metals NL (ACN 085 223 570)

1. INTRODUCTION

This document is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) by Mineral Resources Limited (**MRL**) dated 5 November 2009 under section 643 of the Corporations Act in relation to the off-market takeover offers by MRL to acquire all of the issued shares and options in Polaris Metals NL (**Polaris**) as set out in MRL's bidder's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 17 September 2009 (**Original Bidder's Statement**).

This Third Supplementary Bidder's Statement has been prepared by MRL to ensure that full information has been provided to Polaris Shareholders and Optionholders in respect of the Offers made by MRL.

A copy of this Third Supplementary Bidder's Statement was lodged with the ASIC on 5 November 2009. Neither the ASIC nor any of its officers takes any responsibility for the contents of this Third Supplementary Bidder's Statement.

This Third Supplementary Bidder's Statement supplements, and must be read together with, the Original Bidder's Statement, MRL's first supplementary bidder's statement dated 2 October 2009 (**First Supplementary Bidder's Statement**) and MRL's second supplementary bidder's statement dated 16 October 2009 (**Second Supplementary Bidder's Statement**).

Unless the context otherwise requires, defined terms in the Original Bidder's Statement have the same meaning in this Third Supplementary Bidder's Statement. This Third Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Original Bidder's Statement, the First Supplementary Bidder's Statement and the Second Supplementary Bidder's Statement.

2. EXTENSION OF SHARE OFFER PERIOD AND OPTION OFFER PERIOD

MRL's Offers were due to close at 5.00pm (WST/Perth time) on 9 November 2009.

On 30 October 2009, MRL gave notice that it had extended the period of its Offers by two weeks so that the Offers will now close at 5.00pm (WST/Perth time) on 25 November 2009 (unless further extended or withdrawn).



3. CHANGE IN POLARIS BOARD RECOMMENDATION

Polaris announced to the ASX on 19 October 2009 that the Polaris' board considers the value provided by the \$0.70 per share cash bid by Lion-Asia Resources Pte Ltd to be superior to MRL's improved offers as announced to the ASX on 15 October 2009. The Polaris board recommended that Polaris security holders do nothing, and should not accept MRL's Offers, pending the release of Lion-Asia's bidder's statement.

The board of MRL reiterates that MRL's improved Share Offer, unlike Lion-Asia's proposed offer, will provide Polaris shareholders with the opportunity to participate in MRL, a company with a strong reputation and balance sheet, a track record of sustained success across its substantial and profitable portfolio of diverse contracting and commodity processing operations, and a current policy of distributing at least 50% of profits as dividends.

4. AGREEMENT WITH REED RESOURCES

MRL announced to the ASX on 27 October 2009 that it has entered into an agreement with Reed Resources Ltd in relation to the Mt Marion Lithium Project. Under the agreement, MRL will conduct a feasibility study with a view to subsequently building, owning and operating processing facilities, funding development costs and operating open pits at the project.

Subject to a decision to mine and obtaining all necessary approvals, first shipment of product, at a production rate of 17,000 tonnes per month of +6.5% Li₂O concentrate, is expected to commence from third quarter 2010. MRL will earn an entitlement to 40% of net profit from operations at the project. Reed Resources retains the right to the remaining 60% of net profit and a right to purchase all Spodumene produced from the project at fair market value.

5. INTENTIONS REGARDING POLARIS' IRON ORE PROJECTS

The Original Bidder's Statement is amended in relation to MRL's intentions for Polaris' iron ore projects as follows:

- (a) In Item 5 of Section 1 on page 4, after the words "*The Polaris' Yilgarn Iron Ore Project (YIOP) is currently in the development stage and MRL, in the event if acquires more than 50.1% of Polaris' Shares,*", the following words are deleted "*intends to seek commencement of site works and production within 12 months of the takeover being completed. This is approximately 12 months earlier than forecast by Polaris*" and are replaced with the words "*intends to assess the scope for fast tracking Polaris' timetable for site works and production*"; and
- (b) subclause 6.3(e)(i) on page 27 is amended by deleting "*, with total production goals of 3 to 5 million tonnes per annum within 2 years*".



6. SHARE SALE FACILITY

The Share Sale Facility provided for in the Bidder's Statement and the Sale Offer is modified such that a Polaris Shareholder is only entitled to elect to use the Sale Facility where they would otherwise be offered, on acceptance of the Share Offer, an "unmarketable parcel" of MRL Shares as that term is defined in ASIC Class Order 00/343, being MRL Shares with a total value of less than \$500 based on the highest closing price for MRL Shares on the ASX during the Share Offer Period.

All references to the Sale Facility in the Bidder's Statement and the Share Offer, and its availability to Polaris Shareholders, are varied accordingly.

7. PREMIUM FIGURES IN ORIGINAL BIDDER'S STATEMENT

MRL notes that the premium statistics given in the Chairman's letter (page 3 of the Original Bidder's Statement) and Section 1 (page 3) of the Original Bidder's Statement are based upon the 5 day Volume Weighted Average Closing Price of MRL Shares to 14 August 2009, the last trading date prior to announcement of the Offers (20 August 2009).

8. CORRECTION

The reference, in clause 1.6(a)(xiii) of Annexure 1 of the Original Bidder's Statement, to clause 1.6(a)(x), is replaced with a reference to clause 1.6(a)(xii).

9. APPROVAL OF THE THIRD SUPPLEMENTARY BIDDER'S STATEMENT

This Third Supplementary Bidder's Statement is dated 5 November 2009 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of MRL.

Signed for and on behalf of

Mineral Resources Limited

**Mr Bruce Goulds
Company Secretary**