



Mineral Resources Limited

ABN 33 118 549 910

FOURTH 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 fourth supplementary bidder's statement (**Fourth Supplementary Bidder's Statement**) by Mineral Resources Limited (**MRL**) dated 13 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 Fourth 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 Fourth Supplementary Bidder's Statement was lodged with the ASIC on 13 November 2009. Neither the ASIC nor any of its officers takes any responsibility for the contents of this Fourth Supplementary Bidder's Statement.

This Fourth Supplementary Bidder's Statement supplements, and must be read together with, the Original Bidder's Statement as amended by MRL's first supplementary bidder's statement dated 2 October 2009 (**First Supplementary Bidder's Statement**), MRL's second supplementary bidder's statement dated 16 October 2009 (**Second Supplementary Bidder's Statement**) and MRL's third supplementary bidder's statement dated 5 November 2009 (**Third Supplementary Bidder's Statement**).

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

2. IMPROVING SHARE OFFER

On 11 November 2009, MRL gave notice that it had varied the Share Offer by increasing the consideration so that Polaris Shareholders will now receive **one (1) MRL Share for every 10 Polaris Shares they hold plus 5 cents cash for every one (1) Polaris Share they hold**. This means Polaris Shareholders will receive 1 MRL Share and \$0.50 cash for every 10 Polaris Shares they hold.



The increased offer values your Polaris Shares at **74.7 cents per share**¹.

As demonstrated below, the underlying value of the revised Share Offer provides Polaris Shareholders with substantial premiums on the Polaris Share price across a wide range of time periods prior to the Announcement Date of the Share Offer²:

- (a) a **149% premium** to the 30 cents closing price of Polaris Shares on 14 August 2009 (the last day Polaris Shares were traded before the Announcement Date).
- (b) a **177% premium** over the 1 month volume weighted average price for Polaris Shares to 14th August 2009; and
- (c) a **199% premium** over the 3 month volume weighted average price for Polaris Shares to 14th August 2009.

In accordance with Section 650B(2) of the Corporations Act, Polaris Shareholders who have already accepted the Share Offer will be entitled to receive the increased consideration offered under the revised Share Offer.

3. FREEING SHARE OFFER FROM DEFEATING CONDITIONS

On 11 November 2009, MRL gave notice that the Share Offer, and any takeover contract arising from acceptance of the Share Offer, is freed from the remaining defeating conditions as set out in section 1.10(a)(ii) – (v) of Annexure A to the Bidder's Statement (as amended).

As a result, the Share Offer is now unconditional.

As noted in MRL's update to the ASX on 11 November 2009, the Option Offer has **not** been declared unconditional at this time.

4. POLARIS BOARD RECOMMENDATION

As announced by Polaris to ASX on 11 November 2009 (**Polaris 11 November Announcement**), in response to the matters set out in Sections 2 and 3 of this Fourth Supplementary Bidder's Statement, the Polaris Board has stated that it considers that MRL's revised Share Offer is **superior** to the improved offer proposed to be made by Lion-Asia Resources Pte. Ltd (**Lion**), on the terms announced by Lion to ASX on 16 October 2009 (**Lion-Asia Offer**).

For the reasons set out in the Polaris 11 November Announcement, the Polaris Board stated that it has determined to **reject** the current Lion-Asia Offer and recommends that Polaris shareholders **accept the improved MRL Share Offer**, in the absence of a superior proposal.

¹ Based on the closing price of MRL Shares on ASX of \$6.97 on 10 November 2009, the trading day prior to announcement of the increase.

² Based on the closing price of MRL Shares on ASX of \$6.97 on 10 November 2009, the trading day prior to announcement of the increase.



5. CHANGES TO CAPITAL

As a result of the revised Share Offer consideration, MRL has updated the disclosure set out in section 4.8 of the Original Bidder's Statement (as amended by section 5 of the Second Supplementary Bidder's Statement) regarding the capital structure of MRL assuming completion of the revised Share Offer. Except as otherwise described below, the assumptions set out in section 4.8 of the Original Bidder's Statement and section 5 of the Second Supplementary Bidder's Statement continue to apply.

MRL Shares	Number Assuming 100% Acceptance
MRL Shares on issue	126,214,666
Takeover Consideration	17,649,222
TOTAL	143,863,888

If 100% of Polaris Shareholders as at the date of this Fourth Supplementary Bidder's Statement accept the Share Offer, Polaris Shareholders will become entitled to 12.3% of the issued Share capital of MRL, on an undiluted basis.

If 100% of Polaris Shareholders and Polaris Optionholders as at the date of this Fourth Supplementary Bidder's Statement accept the Share Offer and Option Offer, Polaris Shareholders and Polaris Optionholders will together become entitled to 14.0% of the issued Share capital of MRL, on a fully diluted basis.

Notes:

Since the date of the Original Bidder's Statement, MRL has issued 211,890 MRL Shares as a result of the exercise of MRL employee share options.

Since the date of the Original Bidder's Statement, Polaris has issued 700,000 Polaris Shares as a result of the exercise of Polaris Options.

6. FINANCIAL INFORMATION

Since the date of the Original Bidder's Statement the following additional matters have occurred:

- (a) MRL's share price has improved from the level at the time of the Original Bidders Statement of \$4.71 per share. The closing price on 10 November 2009 was \$6.97 per share;
- (b) Polaris' share price has improved from the level at the time of the Original Bidders Statement of \$0.30 per share. The closing price on 10 November 2009 was \$0.715 per share;

As a result of the above changes, MRL replaces the pro forma balance sheet set out in Section 7.1 of the Original Bidder's Statement (as amended by Annexure A of the Second Supplementary Bidder's Statement) with the balance sheet and assumptions set out in Annexure A to this Fourth Supplementary Bidder's Statement.



7. CONCLUSION

MRL encourages you to consider all information that has either been sent to you or is included in this Fourth Supplementary Bidder's Statement, and to **ACCEPT** MRL's Offers.

On successful completion of the Share 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.

Polaris shareholders, in accepting the MRL improved Share Offer, will retain their exposure to Polaris' assets, gain exposure to Mineral Resources' substantial 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.

If you have any queries about the Offers or require assistance with your acceptance, please contact your financial advisor or call the offer information line on 1800 253 782 (callers within Australia) or +61 3 9415 4285 (callers outside Australia).

8. APPROVAL OF THE FOURTH SUPPLEMENTARY BIDDER'S STATEMENT

This Fourth Supplementary Bidder's Statement is dated 13 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**

**ANNEXURE A – FINANCIAL INFORMATION**

Pro Forma Merged Entity if MRL acquires 100% of Polaris at 30 June 2009

	Mineral Resources Audited Balance Sheet at 30Jun09	Polaris Metals Audited Balance Sheet at 30Jun09	Consolidation Entries	Proforma Consolidated Balance Sheet of the Merged Entity at 30Jun09
	\$'000	\$'000	\$'000	\$'000
<u>Current assets</u>				
Cash and cash equivalents	54,880	4,209	(14,208)	44,881
Trade and other receivables	36,777	411		37,188
Inventories	16,320			16,320
Other financial assets	188			188
Other	659			659
Total current assets	108,824	4,620	(14,208)	99,236
<u>Non current assets</u>				
Trade and other receivables	7			7
Available for sale financial assets	2,405	2,762		5,167
Investments accounted using the equity method	189			189
Other financial assets		241		241
Plant and equipment	157,033	425		157,458
Exploration and evaluation assets		23,498		23,498
Goodwill	10,235		109,300	119,535
Other intangible assets		26		26
Deferred tax assets	10,127			10,127
Total non current assets	179,996	26,952	109,300	316,248
Total assets	288,820	31,572	95,092	415,484
<u>Current liabilities</u>				
Trade and other payables	40,494	754		41,248
Financial lease liabilities	9,829			9,829
Income tax payable	5,000			5,000
Provisions	4,439	119		4,558
Total current liabilities	59,762	873	0	60,635
<u>Non current liabilities</u>				
Trade and other payables	13			13
Financial lease liabilities	11,692			11,692
Secured Loans	45,000			45,000
Provisions	12,698			12,698
Deferred tax liabilities	14,890			14,890
Total non current liabilities	84,293	0	0	84,293
Total liabilities	144,055	873	0	144,928
Net assets	144,765	30,699	95,092	270,556



<u>Equity</u>				
Issued capital	72,782	38,298	92,876	203,956
Reserves	4,456	6,943	(6,943)	4,456
Retained earnings	67,527	(14,542)	9,159	62,144
Total equity	144,765	30,699	95,092	270,556

Assumptions

MRL acquires 100% acceptance of the Polaris Shares and Polaris Options.

MRL is required by Australian equivalent of International Accounting Standards to consolidate Polaris.

Purchase consideration of \$139.999 million consists of:

	\$'000
New MRL Shares for POL Shares at MRL market value on 10 November 2009 of \$6.97	123,015
Cash consideration of \$0.05 per Polaris Share	8,825
New MRL Options for POL Options at fair value	8,159
Total Purchase Consideration	<u>139,999</u>

Assets and liabilities of Polaris represent fair value and will be taken into the books of MRL without alteration.

The balance after eliminating the equity of Polaris on the acquisition date represents the goodwill on the investment.

The after tax impact of expenses of the acquisition of \$5.383 million (including stamp duty) have been expensed in accordance with Australian Accounting Standard AASB3 Business Combinations.

In the event that MRL does not acquire 100% of Polaris but acquires 50.1% or more of Polaris, MRL will still be required to consolidate Polaris in its financial statements, based on the Australian equivalent of International Accounting Standards, taking into account any minority interests.