

THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.



Mineral Resources Limited

ABN 33 118 549 910

BIDDER'S STATEMENT

**in relation to a recommended Offer by Mineral Resources Limited
to acquire ALL of your Shares in**

MESA MINERALS LIMITED

(ABN 38 009 113 160)

Consideration offered is:

One MRL Share for every 70.6 Mesa Shares you own.

The Board of Mesa Minerals Limited, in the absence of a superior proposal, unanimously recommends that Mesa Shareholders accept the Offer and have agreed that they will accept the Offer in respect of their own holdings.

Legal adviser to MRL

STEINPREIS PAGANIN
Lawyers & Consultants 

IMPORTANT INFORMATION

Bidder's Statement

This document is the Bidder's Statement from Mineral Resources Limited (ABN 33 118 549 910) (**MRL**) to Mesa Minerals Limited (ABN 38 009 113 160) (**Mesa**) in relation to an off-market bid for all Mesa Shares.

This Bidder's Statement is dated 6 April 2010. A copy of this Bidder's Statement was lodged with the ASIC on 6 April 2010. The ASIC takes no responsibility for the content of this Bidder's Statement.

Foreign jurisdictions

The distribution of this document and the making of the Offer may be restricted by the laws of foreign jurisdictions. The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction. The entitlements of Mesa Shareholders who are located in jurisdictions outside Australia and its external territories and New Zealand are set out in clause 1.8 of Annexure A of the Offer.

Disclosure Regarding Forward Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on MRL's current expectations about future events. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, those risks identified in Section 9.

Value of MRL Shares

The implied value of MRL's Offer will vary with the market price of MRL's Shares. Further information on the implied value of MRL's Offer is contained in this document. Before accepting the Offer, Mesa Shareholders should obtain current quotes for MRL and Mesa Shares from their stockbroker or other financial adviser.

Investment Decision

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Mesa Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Privacy

MRL has collected your information from the registers of Mesa for the purposes of making the Offer and, if accepted, administering your shareholding in Mesa. MRL and the share registry may disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by MRL, please contact MRL at the address set out in the Corporate Directory.



Mineral Resources Limited

6 April 2010

Dear Mesa Shareholder,

Recommended Off-Market Takeover Bid for Mesa Minerals Limited

On behalf of the Directors of Mineral Resources Limited (**MRL**), I am pleased to offer you the opportunity to become a shareholder in a combined MRL and Mesa.

On 22 March 2010 (**Announcement Date**), MRL announced its intention to offer to acquire all of your Mesa Shares. Under the Offer you will receive one MRL Share for every 70.6 of your Mesa Shares (the **Offer**). The Offer is conditional upon MRL becoming entitled to at least 50.1% of Mesa Shares and certain other conditions included in this bidder's statement.

The directors of MRL believe the Offer is a compelling proposition for Mesa Shareholders.

1. The **Offer values each Mesa Share at \$0.1084**, based on the closing price for MRL Shares on 1 April 2010 of \$7.65, the last trading day for MRL Shares on the ASX prior to the date of this Bidder's Statement. This represents a **75% premium** to the 30 day volume weighted average price of Mesa Shares on the ASX to 17 March 2010 of \$0.062, being the last day Mesa Shares were traded before the Announcement Date.
2. Mesa Shareholders have the opportunity to **hold an investment in Mineral Resources Limited**, a premier, Australian mineral processing and contracting business included in the S&P/ASX 200 index. MRL has a demonstrable history of generating shareholder value through share price appreciation and a generous dividend policy. MRL has also announced significant growth plans for future development of its existing business.
3. By accepting the MRL Offer, Mesa Shareholders will **continue to have an interest in the development of Mesa's Ant Hill and Sunday Hill manganese assets and also development of Mesa's patented processing technology**.
4. Mesa Shareholders who become MRL shareholders will diversify their exposure over a large portfolio of producing and pre-production assets including the Ant Hill and Sunday Hill operations.
5. Mesa Shareholders should benefit from MRL's strong development and operational capabilities and existing infrastructure in the Pilbara. If the Offer is successful and MRL obtains control of Mesa, MRL will seek the operatorship of the Mesa Mining Joint Venture to maximise any benefits from incorporating the operation into MRL's logistical structure in the region.

The Mesa Directors have agreed, in the absence of a superior proposal or some other reason in law requiring them to do otherwise, to accept the Offer in respect of their own holdings within 7 days of the Offer opening and to unanimously recommend that Mesa Shareholders accept the Offer.

I encourage you to read this important document carefully to understand the extent of the Offer. The Offer is open for your acceptance until 5.00 pm Perth time on 14 May 2010, unless extended. If you wish to accept the Offer, you should follow the instructions on the relevant Acceptance Form enclosed.

If you have any questions about the Offer, please contact the Mesa Minerals takeover hotline on **1800 107 330** (callers within Australia) or **+61 3 9415 4212** (callers outside Australia) or your professional financial advisor.

MRL directors look forward to having Mesa Shareholders join MRL from the successful completion of this transaction.

Yours sincerely,

Peter Wade
Chairman

HOW TO ACCEPT THE OFFERCHESSE Holdings

Instruct your stockbroker or CHESSE Controlling Participant to initiate acceptance of the Offer in accordance with the ASTC Settlement Rules so as to be effective before the end of the Offer Period

OR

complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the form and return it in the reply paid envelope so that it is received before the end of the Offer Period.

Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the form and return it in the reply paid envelope so that it is received before the end of the Offer Period.

Ineligible Foreign Mesa Shareholder

If you are an Ineligible Foreign Mesa Shareholder, (as defined in Section 11 of this Bidder's Statement) please refer to Section 10.13 of this Bidder's Statement.

Unmarketable Parcels

Where, following acceptance of the Offer, you would be entitled to be issued an Unmarketable Parcel of MRL Shares, please refer to Section 10.14 of this Bidder's Statement.

OFFER AND ACCEPTANCE ENQUIRIES

Computershare
in Australia: 1800 107 330
outside Australia: +61 3 9415 4212

KEY DATES:

Date of Bidder's Statement	6 April 2010
Date Bidder's Statement lodged with ASIC	6 April 2010
Date of Offer	12 April 2010
Scheduled Closing Date of Offer (unless extended)	14 May 2010

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CORPORATE DIRECTORY

Directors

Peter Wade *Chairman / Managing Director*
Chris Ellison *Executive Director*
Mark Dutton *Non Executive Director*
Joe Ricciardo *Non Executive Director*
Kelvin Flynn *Non Executive Director*

Share Registry*

Computershare Investor Services Pty
Limited
Level 2
45 St Georges Terrace
Perth WA 6000

Company Secretary

Bruce Goulds

Solicitors to the Company

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Registered Office

25 Wellard Street
Bibra Lake WA 6163

Website: www.mineralresources.com.au

Auditor*

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

Stock Exchange*

ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000
ASX Code: MIN

* These entities have been included for information purposes only. They have not been involved in the preparation of this Bidder's Statement.

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1. **REASONS WHY YOU SHOULD ACCEPT THE OFFER**
 1. **YOU WILL RECEIVE AN ATTRACTIVE PREMIUM FOR YOUR MESA SHARES**
 2. **MESA DIRECTORS UNANIMOUSLY SUPPORT THE OFFER**
 3. **YOU WILL CONTINUE TO SHARE IN THE BENEFITS FROM DEVELOPMENT OF MESA'S MANGANESE ASSETS AND PROCESSING TECHNOLOGIES**
 4. **MRL SHARE PRICE GROWTH**
 5. **MRL HAS AN ATTRACTIVE DIVIDEND POLICY**
 6. **YOU WILL PARTICIPATE IN A LARGER COMPANY WITH GREATER LIQUIDITY**
 7. **ACCESS TO MRL'S OPERATIONAL EXPERTISE AND TRACK RECORD**
 8. **MRL'S STRONG MANAGEMENT**
 9. **MRL'S FINANCIAL STRENGTH**
 10. **REDUCED EXPOSURE TO ANY POTENTIAL PRODUCTION DELAY AT MESA SITES**

1. YOU WILL RECEIVE AN ATTRACTIVE PREMIUM FOR YOUR MESA SHARES

The underlying value of the Offer provides Mesa Shareholders with a substantial premium on the historical Mesa Share Price. Based on the closing price of MRL Shares of \$7.65 on 1 April 2010, being the last trading day of MRL Shares on the ASX prior to the lodgement of this Bidder's Statement, the Offer represents:

- (a) a **35% premium** to the closing price of Mesa Shares of \$0.08 on 17 March 2010, being the last day of trading of Mesa Shares prior to the Announcement Date;
- (b) a **52% premium** over the 10 day volume weighted average price for Mesa Shares to 17 March 2010 of \$0.071;
- (c) a **75% premium** over the 30 day volume weighted average price for Mesa Shares to 17 March 2010 of \$0.062;
- (d) a **89% premium** over the 60 day volume weighted average price for Mesa Shares to 17 March 2010 of \$0.057.

In the month preceding the Announcement Date, the Mesa Share price increased 60% from \$0.05 on 22 February 2010 to \$0.08 on 17 March 2010. During this period nearly 55% of buying in Mesa Shares was undertaken by the shareholders who attempted to replace certain Mesa Directors.

2. MESA DIRECTORS UNANIMOUSLY SUPPORT THE OFFER

Mesa Directors have welcomed the Offer and will accept the Offer in respect of their own holdings and unanimously recommend Mesa Shareholders accept the Offer in the absence of a Superior Offer or some other reason in law requiring them to do otherwise.

3. YOU WILL CONTINUE TO SHARE IN THE BENEFITS FROM DEVELOPMENT OF MESA'S MANGANESE ASSETS AND PROCESSING TECHNOLOGIES

Mesa Shareholders who accept the Offer will maintain exposure to the benefits that may be derived from exploiting Mesa's manganese exploration and processing assets in a cost effective manner utilising MRL's existing equipment, infrastructure and proven development methods. If MRL's Offer is successful, MRL intends to seek the operator role with Mesa for the Mesa Mining Joint Venture to maximise any benefits flowing from utilising MRL's existing systems.

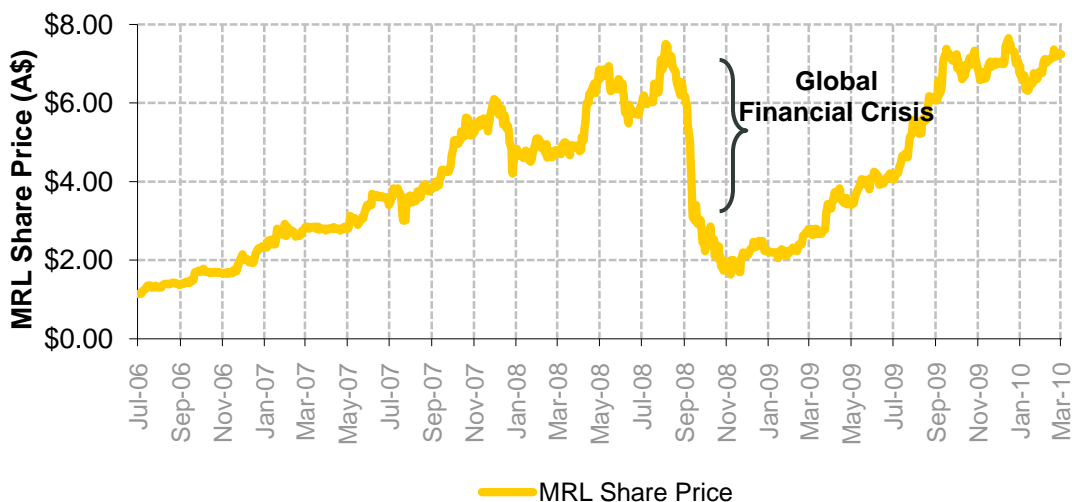
In addition, the development of Mesa's hydrometallurgical technology may have a wider application as part of the MRL Group. MRL has access to substantial ore feed, and the capability to build cost effectively, the downstream processing project should this technology prove to have sound commercial application.

4. MRL SHARE PRICE GROWTH

MRL has been listed on ASX since 2006. Development of the business over this time has resulted in the creation of substantial shareholder value. Profit performance has continued to grow year on year and MRL's share price growth has substantially exceeded the general market.

The chart below of MRL's share price since listing on the ASX illustrates the substantial returns that MRL management has created for MRL Shareholders, in addition to the dividend stream that has been returned to MRL Shareholders already. Although historical performance is not a guarantee of future performance, Mesa shareholders who become MRL Shareholders will receive any benefits associated with any future growth of MRL's share price.

Figure 1 – MRL Share price since listing on the ASX



5. MRL HAS AN ATTRACTIVE DIVIDEND POLICY

Currently, MRL's policy is to distribute at least 50% of after tax earnings as dividends to shareholders annually. MRL has declared a fully franked interim dividend for the 2009/2010 year of 6.4 cents per Share. While the record date for receipt of this interim dividend was 17 March 2010 and so will not be available to Mesa shareholders who accept the Offer, if the Offer is successful, new MRL Shares issued will be entitled to dividends commencing from the final distribution of 2009/10 profits. Dividends paid by MRL since listing in July 2006 have been fully franked and represent a high ranking yield on investment.

Year	Dividend Paid (fully franked cents per share)	Dividend Yield% (of average closing price per share for financial year)
2006/07	9.5*	4.4%
2007/08	19.35	4.0%
2008/09	19.35	5.2%

*Includes special dividend

6. YOU WILL PARTICIPATE IN A LARGER COMPANY WITH GREATER LIQUIDITY

MRL is an Australian company included in the S&P/ASX 200 index and has a market capitalisation in excess of \$1.1 billion compared with Mesa's \$48.0 million as at 17 March 2010, the last trading day of Mesa Shares before the Announcement Date. As well as gaining exposure to MRL's substantial and profitable portfolio of diverse mining services, iron ore and manganese operations, Mesa Shareholders will benefit from improved liquidity as a result of the transaction.

7. ACCESS TO MRL'S OPERATIONAL EXPERTISE AND TRACK RECORD

MRL operates in the mining services / mineral processing sector and has a history of successful and profitable operations in iron ore, gold, manganese, tantalum, nickel and other steelmaking materials. Mining services contracts are generally with the world's major mining houses and have been introduced to improve site efficiency and productivity. MRL plants have a record for increasing throughput and providing customers with reliable processing capability. MRL also has a world class safety record.

MRL has developed a diverse, long term, income stream through Build Own and Operate crushing and screening, processing and infrastructure contracts together with a growing annual production output for its own iron ore and manganese exports to China. This diverse income stream provides shareholders with greater surety of future earnings.

MRL's track record is supported by:

- (a) in house crushing, screening, materials handling and process plant design and construction achieved at exceptionally low cost to industry standards;

- (b) fast track construction and site mobilisation of mining, crushing and processing operations; and
- (c) operation and maintenance of long term processing operations at high availability and consistent production output.

8. MRL'S STRONG MANAGEMENT

MRL senior management has significant experience in creation and operation of mining and associated businesses in major listed companies and as owners / operators of private companies. The principal management team has operated together for more than 10 years and have complementary expertise in business development, operational management, commercial and financial disciplines.

Details of directors are included in Section 4.4 of this Bidder's Statement.

9. MRL'S FINANCIAL STRENGTH

Financially, MRL has a strong record of profit and cash generation and has produced a history of attractive returns for shareholders. This is supported by a strong, stable balance sheet with low gearing. MRL also has available lines of credit and free cash flow from its underlying, long term contracting and commodity sales businesses to fund operations and expansion projects. MRL's historical earnings per share and tangible asset backing per share is shown below:

Year	Earnings per Share (basic cents per share based on Normalised NPAT)	Net Tangible Asset Backing per Share (cents per share)
2006/07	16.9	54.9
2007/08	39.5	86.8
2008/09	40.0	108.3
2009/10*	21.4 ¹	239.0

¹6 months to 31 December 2009.

10. REDUCED EXPOSURE TO ANY POTENTIAL PRODUCTION DELAYS AT MESA SITES

Mesa Shareholders who become MRL Shareholders will diversify their exposure over a large portfolio of producing and pre-production assets and dilute their exposure to any risk of delays at Ant Hill and Sunday Hill.

2. SUMMARY OF THE OFFER

The Bidder:

Mineral Resources Limited (**MRL**) is the company making the Offer to Mesa Shareholders. Refer to Section 4 for further details about MRL.

The Offer:

MRL offers to acquire **ALL** of your Mesa Shares.

You may only accept the Offer in respect of 100% (and not a lesser proportion) of the Mesa Shares you hold.

Offer Consideration:

One MRL Share for every 70.6 Mesa Shares held¹.

Offer Opens:

12 April 2010

Offer Close:

Unless withdrawn or extended in accordance with the Corporations Act, the Offer is open until 5pm WST on 14 May 2010.

Conditions:

The Offer is subject to the defeating conditions set out in Clause 1.10 of Annexure A.

MRL may choose to waive any of the defeating conditions in accordance with the Offer set out in Annexure A.

Rounding

If you become entitled to a fraction of an MRL Share under the Offer, the number of MRL Shares, as the case may be, will be rounded up to the nearest whole number (if equal to a fraction of 0.5 or greater) or rounded down (if equal to a fraction of less than 0.5).

Further information:

The information in this Section 2 is a summary of the Offer only.

You should read the entire Bidder's Statement and the separate target's statement which will be sent to you directly by Mesa in relation to the Offer before deciding whether to accept the Offer.

The full terms of the Offer is set out in Annexure A to this Bidder's Statement.

Please call Computershare on **1800 107 330** (callers within Australia) and **+61 3 9415 4212** (callers outside Australia) if you have any questions or require any assistance with your acceptance.

¹ Unless you are an Ineligible Foreign Mesa Shareholder who accepts the Offer, or entitled to an Unmarketable Parcel of MRL Shares under the Offer, in which case you will receive consideration in the form of cash, being the net proceeds from the on market sale of the MRL Shares you were entitled to. Refer to Sections 1.8 and 1.9 of Annexure A of this Bidder's Statement.

3. FREQUENTLY ASKED QUESTIONS

What is MRL's Offer for Mesa Shares?	MRL is offering one (1) MRL Share for every 70.6 Mesa Shares held by you.
What choices do I have as a Mesa shareholder?	<p>As a Mesa shareholder, you have the following choices in respect of your Mesa Shares:</p> <ul style="list-style-type: none">(a) accept the Offer;(b) sell your Mesa Shares on the ASX (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or(c) do nothing.
How do I Accept the Offer?	<p>How you accept will depend on whether your Mesa Shares are held in an Issuer Sponsored Holding or a CHESSE Holding. The Acceptance Form enclosed has been personalised to reflect this for you.</p> <p>If your Mesa Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that person for assistance in accepting the Offer.</p>
What are the consequences of accepting the Offer now?	If you accept the Offer, unless withdrawal rights are available (see below), you will give up your right to sell your Mesa Shares on the ASX or otherwise deal with your Mesa Shares while the Offer remains open.
Can I withdraw my acceptance?	<p>Under the terms of the Offer, once you have accepted the Offer you cannot withdraw your acceptance except where a withdrawal right arises under the Corporations Act.</p> <p>A withdrawal right will arise under the Corporations Act if the Offer remains subject to one or more defeating conditions (set out in Section 1.10 of Annexure A) and, after you have accepted the Offer, MRL varies the Offer in a way that postpones, for more than 1 month, the time by which MRL needs to meet its obligations under the Offer.</p>
When do I get my MRL Shares (or, if applicable, net sale proceeds)	<p>If you accept the Offer, you will receive the consideration under the Offer within 1 month of the later of the date you accept, and the date the Offer becomes unconditional. In any event, assuming the conditions of the Offer you accept are satisfied or waived, you will be issued the consideration within 21 days of the end of the Offer Period.</p> <p>If you accept the Offer and you are an Ineligible Foreign Mesa Shareholder or entitled to an Unmarketable Parcel of MRL Shares under the Offer, you will receive your consideration in the form of cash being the net sale proceeds following the sale of the MRL Shares you would have been entitled to by the Sale Nominee. See Sections 10.13 and 10.14 of this Bidder's Statement for details.</p>
Will I need to pay any brokerage or stamp duty if I	If your Mesa Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to MRL, you will not incur any brokerage fees or be obliged to pay stamp duty in

<p>accept the Offer?</p>	<p>connection with your acceptance of the Offer.</p> <p>If your Mesa Shares are registered in a CHESS Holding, or if you are the beneficial owner whose Mesa Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offer but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p> <p>If you are an Ineligible Foreign Mesa Shareholder who accepts the Offer, the MRL Shares issued as consideration will be sold by an ASIC approved nominee (Sale Nominee), who will return the cash proceeds from the sale, less the expenses of the sale, to the Ineligible Foreign Mesa Shareholders.</p>
<p>Can the Offer Period be extended?</p>	<p>Yes, the Offer Period can be extended at MRL's election, up to a maximum Offer Period of 12 months. Mesa Shareholders will be sent written notice of any extension, and the extension will be announced to the ASX.</p>
<p>What if the Conditions are not satisfied or waived?</p>	<p>If the Offer closes and the conditions are not satisfied or waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Mesa Shares (unless you otherwise sell them). MRL will inform you of whether the conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>
<p>Can I sell my Mesa Shares on market?</p>	<p>Yes, but you may incur brokerage costs if you do.</p> <p>If you have already accepted the Offer in respect of your Mesa Shares, you will be unable to settle any subsequent sale of your Mesa Shares, subject to you being entitled to withdraw your acceptance – see “Can I withdraw my acceptance?” above.</p>
<p>What if I am an Ineligible Foreign Mesa Shareholder?</p>	<p>If you are an Ineligible Foreign Mesa Shareholder (as defined in Section 11), you will not be entitled to receive the MRL Shares on acceptance of the Offer. The MRL Shares that Ineligible Foreign Mesa Shareholders would otherwise be entitled to receive if they accepted the Offer will be issued to and sold by the Sale Nominee and you will receive the net cash proceeds from that sale. See Section 10.13 of this Bidder's Statement for further details.</p>
<p>What if I am entitled to an Unmarketable Parcel of MRL Shares?</p>	<p>If you are entitled under the Offer to be issued MRL Shares that comprise an Unmarketable Parcel (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) you will not be entitled to receive the MRL Shares on acceptance of the Offer. Instead, the MRL Shares to which you would otherwise be entitled under the Offer will be sold by the Sale Nominee and you will receive the net cash proceeds from that sale. See Section 10.14 of this Bidder's Statement for further details.</p>
<p>What are the tax implications of accepting the Offer?</p>	<p>You should consult your financial, tax or other professional advisor on the tax implications of acceptance, in light of your own particular circumstances. However, Section 8 contains a general summary of the major likely Australian tax consequences for Mesa</p>

	Shareholders who accept the Offer.
Can I participate in the Offer in respect of my Mesa Options?	The Offer does not extend to Mesa Options, however if you exercise your Mesa Options during the Offer Period you can accept the Offer in respect of the Mesa Shares you are issued on exercise of the Mesa Options.

4. PROFILE OF MRL

4.1 Overview of MRL

MRL is a diversified Australian mining services and contracting company.

MRL is listed on the ASX (ASX: MIN), is included in the S&P/ASX 200 index and has a market capitalisation in excess of \$1.1 billion (as at the date of the Bidders Statement).

4.2 Overview of MRL's activities

This Section contains a summary of MRL's activities. Further information on MRL can be obtained from MRL's website (www.mineralresources.com.au).

Mineral processing

MRL specialises in mineral processing, base metal recovery systems, logistics and the export of bulk commodities. As an established producer, MRL possesses the requisite expertise and infrastructure to successfully exploit mineral deposits, including the following:

- Operation and maintenance of long term processing operations with extremely high availability levels and consistent production output.
- Holding the necessary environmental licences for the storage and export of manganese and iron ore.
- Holding an existing tonnage allocation through Port Hedland Port Authority including the Utah Point development due for commencement of operations in 2010.
- Operating a fully licensed bulk commodities storage yard at Port Hedland.
- Having access to a group of dedicated road train subcontractors for haulage from sites around Australia.
- Operating an in-house analytical laboratory for testing of ore samples.
- Employing an experienced team of geologists, metallurgists and operators to perform extraction operations.
- Owning the necessary mining equipment and processing plants to process various types of ore.
- Enjoying a strong relationship with the regulatory authorities, and expertise in developing and submitting mining proposals for statutory approval.

The technical expertise and innovative design of the MRL team enables MRL to consistently produce reliable and quality assured products from world standard, state of the art process plants which are specifically designed and built to accommodate the site and the mineral to be processed.

Polaris Metals

On 3 March 2010, MRL completed the acquisition of Polaris Metals NL (**Polaris**) via an off-market takeover.

Prior to the takeover, Polaris was an aspiring Australian iron ore producer, listed on ASX and dedicated to developing its quality portfolio of iron ore assets. It holds iron ore tenements spanning over 6,000 km² across Western Australia's premier iron regions of the Pilbara and the Yilgarn. In addition, Polaris has an experienced management team with the expertise to develop these assets.

Polaris has the following projects within its portfolio of iron ore assets:

Yilgarn Iron Ore Project (YIOP)

YIOP is located approximately 100km northeast of the town of Southern Cross and 60km northeast of Koolyanobbing in the central Yilgarn Province. The YIOP is in close proximity to existing rail infrastructure and has access to existing port facilities and hence does not suffer the potentially high capital cost and access issues affecting many other iron ore development projects. Its direct shipping ores have low impurities that benchmark favourably against other iron ore sources, making them attractive to overseas customers.

MRL is currently in the process of developing the Carina deposit.

Other key projects

- (a) the Weelumurra Project in the central Pilbara is a highly prospective project which has potential to host channel iron deposit, detrital iron deposits and canga eluvial mineralisation. Field evaluation of this project has confirmed the potential of the area with surface sampling results up to 64.7% Fe, averaging 57.4% Fe;
- (b) the Bullfinch North Project, featuring Mayfield, has an exploration target of between approximately 80 and 100 million tonnes including approximately several million tonnes of hematite direct shipping ore based on wide spaced RC drilling; and
- (c) the Poondano iron ore project is located 30km south east of Port Hedland in the Pilbara Province and MRL is in the process of developing the project.

The potential quantity and grade of iron deposits reported as exploration targets above is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

The information in this bidder's statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Jonathan Lea, who is a member of The Australasian Institute of Mining and Metallurgy and a full time employee of MRL. Jonathan Lea has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lea consents to the inclusion in this Bidder's Statement of the matters based on his information in the form and context in which it appears.

Specialised service provider

MRL has developed a diverse and long term income stream through specialising in the provision of build, own, operate (BOO) crushing and screening contract services through its wholly owned subsidiary, Crushing Services International Pty Ltd. MRL's extensive experience and proven fast-track site mobilisation and construction capabilities facilitate the provision of immediate crushing solutions at exceptionally low cost to industry standards. Also on offer is high quality, reliable and cost effective haulage solutions to optimise the costs of delivery to the export terminals for subsequent sale into overseas markets.

MRL also specialises in the provision of polyethylene pipeline services including pipeline installation, lining and fitting manufacture. The PIHA brand is recognised for its technology and contracting capability in pipeline and cable installations, pipelining systems for carbon steel pipelines, development and maintenance of borefield and tailings operations, the manufacture, installation and commissioning of custom designed pipelines and the fabrication of HDPE pipe fittings to satisfy specific project requirements for remote and specialist engineering solutions.

Proven performance

MRL's in-house mineral processing, crushing and screening capabilities coupled with its specialised pipeline manufacture and installation abilities and cost effective haulage and exporting solutions are utilised to provide cost effective mineral processing and base metal recovery systems. As a service provider that is 100% committed to ensuring that its clients' operations exceed the production requirements for tonnage and sizing of mineral ores produced, MRL employs and maintains equipment, personnel and management of the highest quality.

MRL has continually demonstrated a proven ability to construct and operate plants that improve the site efficiency, throughput and overall productivity of its client's operations. MRL's outstanding reputation for plant, equipment, personnel and operational excellence has resulted in an impressive history of repeat business with the world's major mining houses and resource companies. MRL has a proven history of operations in iron ore, gold, manganese, tantalum, nickel and other steelmaking materials and has also successfully delivered major projects across Australia, West Africa, South East Asia and the Pacific region.

MRL's site based operations are supported by two major, Perth based, workshop facilities utilised to provide manufacturing, repair and refurbishment services to the operating sites as well as to provide labour and plant to the sites for planned and programmed maintenance and construction works. At the workshops and adjacent storage sites, MRL also maintains an extensive plant and equipment inventory of complete crushing, screening and material handling components that are also available to support its operations. These strategic spares and workshop capacity provide a vital role in differentiating MRL from competitors which do not have available such critical support tools that are essential to achieve world class production and availability of service.

Over its extensive period of operation, MRL has carved out a reputation as an industry leader and innovator in some of the most technically challenging and highly specialised fields of pipeline construction and engineering, as well as in mineral and base metal crushing, processing and materials handling. MRL utilises its combined skills, strengths, design capabilities and plant and equipment to achieve outstanding results in the contracting and processing arenas. MRL is recognised as a 'can do' operator which is able to bring new operations on-

stream in an expedient and cost effective manner for the overall benefit of MRL's shareholders as well as for its clients and partners.

4.3 Financial Performance

Financially, MRL's balance sheet is structured to provide a platform for long term growth. MRL continues to carry a low geared balance sheet with a net cash positive position of \$26.5 million as at 31 December 2009. This is supported by available lines of credit to finance expansion programmes.

This balance sheet conservatively values the assets of the business with plant and equipment having an inherent earning capacity in excess of its book value.

Net asset backing at 31 December 2009 was approximately \$2.39 per Share.

For the first half of 2009/10 financial year, MRL produced a net profit after tax of AUD \$27.4 million.

For the 2009/10 financial year, MRL has announced a fully franked interim dividend of 6.4 cents per Share. In 2008/09 a total, fully franked, dividend of 19.35 cents per Share was paid, representing a fully franked yield of approximately 5.2% on the average share price for 2008/09.

The following fully franked dividends have been paid by MRL since listing on ASX on 28 July 2006.

Year	Period	Dividend per share (cents)
2006/07	Interim	1.20
2006/07	Interim	2.00
2006/07	Final	6.30
2007/08	Interim	6.00
2007/08	Final	13.35
2008/09	Interim	7.00
2008/09	Final	12.35
2009/10	Interim ¹	6.40

Notes

¹to be paid on 6 April 2010 with a record date for receipt of 17 March 2010.

No assurance can be given as to the timing or amount of future dividends. There are many factors which will influence any dividends declared by MRL, including the amount of profit available for distribution (which itself is dependent on a number of variables) and the need for MRL to retain earnings to meet the costs of capital expenditure or other expenses.

Further information is available on MRL's financial performance from its financial reports. Copies of these reports are available from Mineral Resources website www.mineralresources.com.au.

4.4 Directors of MRL

Details of the responsibilities and experience of the MRL directors (as at the date of this Bidder's Statement) are set out in MRL's 2009 Annual Financial Report, a copy of which is available on request or from the ASX website.

A brief summary of the MRL Board is set out below.

Mr Peter Wade **Executive Chairman and Managing Director**

Appointed 27 February 2006

Peter Wade has over 36 years experience in engineering, construction, project management and mining and infrastructure services.

Peter started his career in the NSW Public Service and managed the construction of the Port Kembla coal loader, grain terminals at Newcastle and Wollongong and was the Deputy Director for the Darling Harbour Redevelopment construction project.

As an executive of the Transfield Group in the 1980s and 1990s he was general manager of Sabemo Pty Ltd, Transfield Construction Pty Ltd, Transfield Power Technologies and then Transfield Chief Operations Officer (Southern) responsible for major build, own, operate projects including Melbourne City Link, Airport Link, Northside Storage Tunnel and Collinsville and Smithfield Power Plants.

Mr Chris Ellison **Executive Director**

Appointed 27 February 2006

Chris Ellison is the founding shareholder of each of the MRL companies and has over 38 years experience in the mining contracting, engineering and resource processing industries.

Chris has been the general manager of Walter Wright (WA) Pty Ltd and managing director of Monadelphous Group Ltd and the CSI Group and was instrumental in developing the build, own, operate concept of contract crushing in the resource and mining sector.

Mr Mark Dutton **Non-Executive Director**

Appointed 8 November 2007

Mark has over 13 years experience acting as a non-executive director of a range of growth businesses across Europe, Asia and Australia. He started his career at Price Waterhouse in England in 1991 where he qualified as a chartered accountant, subsequently working in Moscow in their Corporate Finance division.

Mark has worked in the private equity industry since the mid 1990s. He started with BancBoston Capital in the UK before being appointed Managing Director Asia-Pacific.

In 2003, he joined Foundation Capital in Perth to manage their later-stage investment fund. He is presently a director of Banksia Capital a WA-focused private equity manager.

Mr Joe Ricciardo
Non-Executive Director

Appointed 26 June 2006

Joe Ricciardo has 28 years experience in feasibility studies, design, construction, maintenance and operation of mineral processing facilities and associated infrastructure.

In January 1986, he became the founding member and managing director of J R Engineering Services Pty Ltd until its acquisition by the Downer EDI/Roche Group in 2001. Joe continued to lead the company, Roche Mining (JR) Pty Ltd in the capacity of general manager and director up to April 2006.

During his 20 year stewardship of JR, the company consistently grew to become a successful and major engineering services provider to the resources and mineral processing industry. Joe's experience covers the commodities of gold, nickel, copper, lead, zinc, iron ore, coal, mineral sands, tantalum and talc for both major and junior mining companies.

Joe is currently the Managing Director of GR Engineering Services.

Mr Kelvin Flynn
Non-Executive Director

Appointed 22 March 2010

Kelvin has 20 years of corporate experience in leadership positions in Australian and Asia having held the position of Executive Director/Vice President with Goldman Sachs and Managing Director of Alvarex & Marsal in Asia. Kelvin is a qualified Chartered Accountant with experience in merchant banking and corporate advisory including private equity and special situations investments into the mining and resources sector. He has also worked in complex financial workouts, turnaround advisory and interim management.

Kelvin is the founder and Managing Director of merchant bank and advisory firm Sirona Capital, and is a director of privately held Talison Tantalum Pty Ltd, owner of the Wodgina mine and the world's largest primary deposit of tantalum.

4.5 Information about MRL Securities

(a) MRL Shares

At the date of this Bidder's Statement, MRL had 156,010,648 MRL Shares on issue. Further information about MRL Shares is provided in Section 10.5 of this Bidder's Statement.

(b) MRL Options

As at the date of this Bidder's Statement, MRL had 18,839,000 unlisted MRL Options on issue. The details of the MRL Options are as follows:

Number	Exercise Price	Expiry Date
5,000,000	\$6.05	6 August 2010
483,000	\$1.80	15 January 2011
10,000,000	\$6.05	6 August 2011
765,000	\$1.90	15 January 2012
30,000	\$3.93	15 January 2013
1,281,000	\$2.00	15 January 2013
15,000	\$1.81	31 December 2010
392,500	\$4.31	31 December 2011
382,500	\$6.31	31 December 2011
65,000	\$3.00	31 December 2011
300,000	\$6.50	31 December 2011
125,000	\$4.50	31 December 2011

4.6 Shareholders of MRL

As at 26 March 2010, there were approximately 3,979 MRL Shareholders.

As at 26 March 2010, the top ten direct shareholders of MRL were:

MRL Shareholder	Number of MRL Shares	% of MRL Shares
Sandini Pty Ltd	35,804,065	22.95
National Nominees Ltd	14,191,070	9.10
Henderson Park Pty Ltd	11,757,344	7.54
Keneric Nominees Pty Ltd	10,382,768	6.66
RBC Dexia Nominees Pty Ltd	7,990,597	5.12
JP Morgan Nominees Australia Ltd	7,815,600	5.01
HSBC Custody Nominees Pty Ltd	7,346,641	4.71
ANZ Nominees Ltd	5,506,003	3.53
Cogent Nominees Ltd	5,048,060	3.24
P D Wade	4,416,162	2.83
Total	110,258,310	70.69%

4.7 Trading in MRL Shares

MRL Shares are quoted on ASX.

Set out below is a table showing relevant trading prices of MRL Shares on ASX:

Comparative trading period	Price of MRL Shares
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with the ASIC	\$7.65
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with the ASIC	\$6.31
Closing trading price on the last trading day before the date MRL announced the Takeover Bid	\$7.24
Last available closing sale price of MRL Shares on ASX prior to the date this Bidder's Statement was lodged with the ASIC	\$7.65

4.8 Changes to Capital

Outlined below is the capital structure of MRL assuming completion of the Offer.

The actual number of MRL Shares on issue will depend upon the number of acceptances of the Offer and the effect of rounding of fractional entitlements (which will be rounded up to the nearest whole number if equal to a fraction of 0.5 or greater, and rounded down if equal to a fraction of less than 0.5).

The tables assume that, between the date of this Bidder's Statement and the end of the Offer Period, no MRL Options or Mesa Options are exercised and no Offer is rounded up or down.

MRL Shares	Number Assuming 50.1% Acceptance	Number Assuming 100% Acceptance
MRL Shares on issue	156,010,648	156,010,648
Takeover Consideration	4,250,664	8,484,360
TOTAL	160,261,312	164,495,008

If 100% of Mesa Shareholders as at the date of this Bidder's Statement accept the Offer, Mesa Shareholders will become entitled to 5.2% of the issued Share capital of MRL, on an undiluted basis.

MRL Options	Number Assuming 50.1% Acceptance	Number Assuming 100% Acceptance
MRL Options on issue	18,839,000	18,839,000
Takeover Consideration	Nil	Nil
TOTAL	18,839,000	18,839,000

4.9 Effect on substantial shareholders of MRL post completion of the Takeover Bid

The acquisition of Mesa will impact the substantial shareholders of MRL. Based on current shareholdings known to MRL, the table below summarises the expected substantial shareholders of MRL on completion of the Offer.¹

Name	Number of MRL Shares held post completion of the Takeover Bid	Current relevant interest (%)	Relevant Interest following completion of the Takeover Bid (%)
Sandini Pty Ltd	35,804,065	22.95	21.77
National Nominees Ltd	14,191,070	9.10	8.62
Henderson Park Pty Ltd	11,757,344	7.54	7.15
Keneric Nominees Pty Ltd	10,382,768	6.66	6.31

Notes:

1. Assumes no MRL Options or Mesa Options are exercised, 100% acceptance of the Offer and no Offer is rounded up or down.

4.10 Further Information

As a company whose shares are quoted on ASX, MRL is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of all documents lodged with the ASIC in relation to MRL may be obtained for a fee from, or inspected at, an office of the ASIC.

As permitted by ASIC Class Order 01/1543, this Bidder's Statement contains statements which are made, or based on statements made, in documents lodged with the ASIC or ASX. The Class Order permits certain statements to be included in this Bidder's Statements without the consent of the person to whom the statement was attributed where the statement was made in a document lodged with the ASIC or ASX.

Pursuant to the Class Order, MRL will provide a copy of the documents referred to below, free of charge, to any person who asks for them during the Offer Period:

- (a) MRL's Half Yearly Financial Report (as at 31 December 2009) containing financial statements for the period ended 31 December 2009 (being the latest financial statements recently lodged with the ASIC in relation to MRL before the date of this Bidder's Statement).
- (b) MRL's 2009 Annual Financial Report containing the financial statements for the period ended 30 June 2009 (being the latest annual financial report containing the financial statements for a financial year most recently lodged with the ASIC in relation to MRL before the date of this Bidder's Statement); and
- (c) all documents and announcements used to notify ASX of information relating to MRL under the provisions of the Listing Rules since lodgement of its Half Yearly Financial Report (as at 31 December 2009), being the documents set out in Annexure B to this Bidder's Statement.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules or in the Bidder's Statement that Mesa Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of MRL; or
- (b) the rights and liabilities attaching to the MRL Shares to be issued pursuant to the Offer.

In the ordinary course of business, the Company is continually evaluating opportunities to grow its existing business, including undertaking discussions with relevant parties. Where required by the ASX Listing Rules and the Corporations Act, these discussions will be announced to the market, which may occur during the Offer Period.

5. PROFILE OF MESA

5.1 Disclaimer

This overview of Mesa and all financial information concerning Mesa contained in this Bidder's Statement has been prepared by MRL using publicly available information, and information provided by Mesa during negotiations for the execution of the Bid Implementation Agreement, adjusted where considered appropriate by MRL based on MRL's industry knowledge and expertise.

MRL conducted a review of certain information and documents made available by Mesa and met with certain Mesa executives before it announced its intention to make a takeover bid on 22 March 2010.

The information in this Bidder's Statement concerning Mesa has not been independently verified. MRL does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The primary sources of information about Mesa used by MRL were as follows:

- (a) information provided by Mesa's directors and management during negotiations of the Bid Implementation Agreement including limited due diligence investigations;
- (b) other publicly released information in relation to Mesa; and
- (c) MRL's own knowledge and industry expertise.

Further information relating to Mesa is included in sections 4.2 and 4.3 of Mesa's target's statement.

5.2 Overview of Mesa's activities

This Section 5.2 contains a summary of Mesa's activities. Further information on Mesa can be obtained from Mesa's website www.mesaminerals.com.au.

Mesa is a Western Australian based company listed on the Australian Securities Exchange under the code 'MAS'. Mesa owns 50% of the Mesa Mining Joint Venture, based upon the Ant Hill and Sunday Hill mining leases in the East Pilbara.

Mesa has previously announced to the ASX that:

- (a) trial mining and shipments of high and medium grade direct shipping manganese ore have been successfully undertaken and approvals for commencement of regular mining at Ant Hill are at hand;
- (b) it has invested in manganese processing technologies that allow the production of high value manganese products (including fertiliser, fungicide and electrolytic manganese dioxide) from low grade manganese ores; and
- (c) Mesa's intention has been to use this technology to construct a manganese sulphate plant processing low grade otherwise unsaleable Ant Hill and Sunday Hill ore-fines; and
- (d) it intends to license its patented processes for use by third parties in non competitive applications.

5.3 Mesa Board of Directors

As at the date of this Bidder's Statement, the directors of Mesa are:

- (a) Norman Coldham-Fussell – Non-executive Chairman;
- (b) David Teplitzky – Non-executive Director;
- (c) Alan Scott – Managing Director;
- (d) Warren Brown – Non-executive Director; and
- (e) Marcel van de Velde - Non-executive Director.

5.4 Information about Mesa securities

(a) Mesa Shares

At the date of this Bidder's Statement, Mesa had 599,570,831 Mesa Shares on issue and there were approximately 3600 Mesa Shareholders. Details of the substantial shareholders of Mesa are set out in section 9.6 of Mesa's target's statement.

(b) Mesa Options

At the date of this Bidder's Statement, Mesa had 27,175,000 unlisted options on issue. Details of the Mesa Options are as follows:

Number	Exercise Price	Expiry Date
7,625,000	\$0.034	31 October 2010
2,800,000	\$0.069	31 October 2010
2,250,000	\$0.109	31 October 2010
4,500,000	\$0.169	31 October 2010
10,000,000	\$0.03	31 December 2011

5.5 Change in Mesa's financial position

Other than as disclosed in this Bidder's Statement, Mesa's target statement or to the ASX, MRL is not aware of there being any material change in the financial position of Mesa since the lodgement with ASX on 16 March 2010 of Mesa's Half Yearly financial report for the 6 months ended 31 December 2009.

5.6 Mesa Mining Joint Venture

Mesa has advised MRL that Mesa is currently in dispute with its co-venturer in the Mesa Mining Joint Venture, Auvex Resources Limited (**Auvex**), based upon the Ant Hill and Sunday Hill mining leases in the East Pilbara. Under the Joint Venture Agreement, Auvex was to act as manager of exploration, evaluation and development of mining activities at the Ant Hill and Sunday Hill manganese ore tenements. Auvex was to also manage the eventual joint venture production activities.

Mesa has issued a default notice to Auvex under the Joint Venture Agreement. Further information in relation to this dispute will be provided in Mesa's Target Statement.

5.7 Utah Point Port Access Rights

In order to secure access to port capacity, Mesa has become a founding customer of the Port Hedland Port Authority's (**PHPA**) Utah Point development. Under the agreement between Mesa and PHPA, Mesa has, in effect, prepaid facility charges. The agreement enables Mesa to ship 1,180,000 tonnes of manganese ore from stockpiling and berthing facilities over 5 years from the commencement date of Utah Point, with 860,000 tonnes free of any facility charge. Mesa believes that its status as a founding customer of the Utah Point facility enables the commencement of mining at Ant Hill with the knowledge that saleable manganese ore produced can be exported through Port Hedland.

Mesa has advised MRL that it is in dispute with Auvex regarding the port rights that Mesa has obtained at the Utah Point Port in Port Hedland in respect of whether those rights were obtained exclusively for Mesa or whether they were obtained by Mesa for and on behalf of the Mesa Mining Joint Venture. Further information in relation to this dispute is provided in Mesa's Target Statement.

5.8 Extraordinary General Meeting

On 26 March 2010, an Extraordinary General Meeting (**EGM**) of Mesa's shareholders was held to vote on resolutions proposed by certain Shareholders to remove four of Mesa's five directors and replace them with new directors nominated by the requisitioning Shareholders. A majority of Mesa's shareholders voted against each of the resolutions.

Since the date of the EGM, one of the requisitioning Shareholders, Mighty River International Limited (**Mighty River**), has increased its interest in Mesa to 19.03%. On 1 April 2010, Mesa received a request from Mighty River to call a general meeting of shareholders to consider resolutions to remove Norman Coldham-Fussell, Alan Scott, Warren Brown and Marcel Van De Velde as directors of Mesa and appoint Shane Hartwig, Guy Touzeau Le Page and Justin Brown as directors of Mesa. Section 9.2 of Mesa's target's statement provides additional details.

5.9 Website

Mesa maintains a website, www.mesaminerals.com.au, which contains further information about Mesa and its operations.

5.10 Further Information on Mesa

As a company whose shares are quoted on ASX, Mesa is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. A substantial amount of information concerning Mesa has previously been notified to ASX and is therefore publicly available.

Mesa Shareholders may obtain or inspect a copy of documents lodged with the ASIC at an office of the ASIC or of documents lodged with ASX at an office of ASX. In addition, on request to MRL and free of charge, Mesa Shareholders may obtain a copy of, or inspect, any documents referred to in this Bidder's Statement which have been lodged with the ASIC or given to ASX or which have already been published in a book, journal or comparable publication.

The ASX announcements made by Mesa to ASX since the announcement of the off-market takeover bid by MRL are set out in Annexure C to this Bidder's Statement.

6. RATIONALE FOR THE OFFER AND INTENTIONS OF MRL

6.1 Rationale for the Offer

MRL believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Mesa by MRL. These include:

- (a) the Mesa manganese exploration assets enhance MRL's mineral resources inventory and facilitates the further development of its volume based commodity exporting capacity;
- (b) development of the Mesa assets will be significantly enhanced by using the MRL operational model and capability including MRL's mining, processing, logistics and marketing capabilities;
- (c) group synergies present significant business development opportunities for other MRL business areas;
- (d) Mesa's technical expertise will supplement and enhance MRL's technical and operational capabilities;
- (e) development of Mesa's manganese processing technology may provide benefits for the combined business; and
- (f) the combined business provides a significant opportunity to enhance shareholder value.

6.2 Approach and Intentions of MRL

This Section sets out the intentions of MRL on the basis of facts and information concerning Mesa which are known to MRL at the date of this Bidder's Statement. However, MRL will only reach final decisions in light of material facts and circumstances at the relevant time.

Accordingly, the statements set out in this Section are statements of current intentions only which may vary as new information becomes available or circumstances change.

6.3 Intentions upon acquiring more than 50.1% but less than 90% of the Mesa Shares

On completion of the Offer, MRL may hold a sufficient number of Mesa Shares to exercise control over the management and operations of Mesa, but may not be entitled to compulsorily acquire all outstanding Mesa Shares.

If MRL acquires less than 90% of the Mesa Shares on issue, then Mesa Shareholders should be aware that, if they do not accept the Offer, they may become a "locked-in" minority after the end of the Offer Period.

MRL's specific intentions under this situation are as follows:

- (a) ASX Listing

MRL intends, through its nominee directors, to maintain Mesa's listing on ASX while Mesa meets ASX's requirements for maintaining a listing but only if the benefits of that listing outweigh the corporate and compliance costs of doing so.

(b) Directors

MRL will seek the appointment of its nominees as Directors of Mesa. No decision has been made as to the identity of these directors. MRL has not made any decision about whether current directors of Mesa will be retained on the board.

If MRL's nominees are appointed as Directors, MRL will be seeking that its nominees implement the intentions set out in this Section 6.3 (based on the information currently available to it). It should be noted that MRL expects that each of its nominees to the board of directors of Mesa will exercise their own independent judgement and skill when it comes to the operational, financial and business decisions relating to Mesa. MRL's only influence will be through its position as a shareholder in Mesa.

(c) Review of Mesa operations and assets

MRL intends, through its nominee directors on the Mesa Board, to conduct an immediate review of Mesa's operations on both a strategic and financial level to determine mechanisms for improving the performance and return to shareholders and realise any potential operational and financial synergies.

The detailed outcome of the review is not able to be determined at this stage, although it is likely to involve some, or all, of the following:

- (i) identifying and assessing the prospectivity or exploration potential of Mesa's assets and how best to assign resources to undertake further detailed exploration;
- (ii) understanding any existing material third party contractual arrangements; and
- (iii) eliminating duplication of functions where it is economical to do so.

MRL intends to investigate avenues to resolve the current dispute with Auvex in relation to the Mesa Joint Venture. MRL, via Mesa, intends to seek the role of operator for the Mesa Mining Joint Venture.

(d) Employees

The status of Mesa's existing employees will be considered as part of the review outlined in Section 6.3(c) above. MRL intends, through its nominee directors, to seek to retain operational experience inherent in Mesa's existing staff and co-operate with the Mesa's existing employees to develop Mesa's assets.

However, it is possible that MRL will consider that certain operational functions will be redundant and, if so determined by the board of Mesa, some redundancies may occur as a result. The incidence, extent and timing of such job losses cannot be predicted in advance.

6.4 Intentions upon acquisition of 90% or more of the Mesa Shares

This Section describes MRL's intentions if MRL acquires a relevant interest in 90% or more of the Mesa Shares at the end of the Offer Period and so becomes entitled to proceed to compulsory acquisition of the outstanding Mesa Shares

and any other Mesa securities on issue which it is entitled to compulsorily acquire in accordance with Part 6A.1 of the Corporations Act.

MRL intends (based on the information currently available to it) to implement its intentions as set out in Section 6.3 above except as noted below.

(a) Compulsory Acquisition

MRL intends to proceed with the compulsory acquisition of any Mesa Shares not acquired under the Offer and any other Mesa securities on issue which it is entitled to compulsorily acquire in accordance with the Corporations Act.

(b) ASX Listing

After the conclusion of the compulsory acquisition process, MRL intends to arrange for Mesa to be removed from the official list of ASX (subject to obtaining any required approval from ASX).

6.5 Intentions upon acquiring less than 50.1% of the Mesa Shares

If, at the end of the Offer Period, MRL holds less than 50.1% of the Mesa Shares, the Offer will not proceed unless the defeating condition of the Offer that MRL hold at least 50.1% of the issued Shares of Mesa is waived.

If the condition is waived, MRL intends (based on the information currently available to it) to seek to pursue its intentions as set out in Section 6.3 above.

6.6 Other Intentions

Except for the changes and intentions set out in this Section 6 and subject to the outcome of the review, it is the present intention of MRL (based on the information presently available to it) to:

- (a) continue to hold the key assets of Mesa and maintain its business in substantially the same manner as it is presently being conducted;
- (b) not make any major changes to the business or assets of Mesa and not redeploy any of the fixed assets of Mesa; and
- (c) continue the employment of the majority of Mesa's employees.

6.7 Limitations in giving effect to intentions

The ability of MRL to implement the intentions set out in this Section 6 will be subject to the legal obligations of MRL directors to have regard to the interests of Mesa and all Mesa Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties conflicts of interests. MRL will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

7. FINANCIAL INFORMATION

7.1 Overview

This Section contains an audit reviewed balance sheet for MRL and an audit reviewed balance sheet for Mesa, which have been prepared on the assumptions specified and extracted from published financial information in MRL's half-yearly financial report as at 31 December 2009 and Mesa's half-yearly financial report as at 31 December 2009.

The pro forma balance sheet of the Merged Entity presents MRL's financial position as at 31 December 2009 as if MRL had acquired 100% of Mesa on that date. Acquisition accounting entries have been based on the terms of the Offer and the assumptions set out in at the end of the balance sheet in order to arrive at an unaudited pro-forma consolidated balance sheet for the Merged Entity as at 31 December 2009.

MRL will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offer.

The pro-forma balance sheet is indicative only. MRL has drawn its own conclusions based on the known facts and other publicly available information. If the facts, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

This Section should be read in conjunction with Section 6 of this Bidder's Statement, which provides details of MRL's current intentions regarding Mesa.

7.2 Audit Reviewed Balance Sheets for MRL and Mesa and Pro-Forma Balance Sheet for the Merged Entity if MRL acquires 100% of Mesa at 31 December 2009

	MRL Audit Reviewed Balance sheet** 31 Dec-09	MAS Audit Reviewed Balance sheet 31 Dec-09	Consolidated Proforma Merged Entity
Current assets			
Cash	86,013	3,421	85,934
Trade and other receivables	37,676	238	37,914
Inventories	16,647	386	17,033
Financial assets	855	-	855
Other assets	3,634	21	3,655
Total Current Assets	144,825	4,066	145,391
Non current Assets			
Intangible asset	10,235	-	10,235
Mining properties	219,826	-	281,231
Investments (equity method)	189	-	189
Financial assets	5,521	-	5,521
Plant & equipment	169,956	1,387	171,343
Related party loans	9	-	9
Deferred tax assets	10,871	-	10,871
Total non current assets	416,606	1,387	479,399
Total Assets	561,431	5,453	624,790
Current Liabilities			
Trade and other payables	35,659	1,772	37,431
Finance lease liabilities	10,243	-	10,243
Income tax payable	3,673	-	3,673
Provisions	4,692	93	4,785
Total current liabilities	54,267	1,865	56,132
Non Current Liabilities			
Trade and other payables - non current	13	-	13
Loans	45,000	-	45,000
Finance lease liabilities	10,646	-	10,646
Deferred tax liabilities	80,119	-	80,119
Provisions	10,986	-	10,986
Total non current liabilities	146,764	-	146,764
Total Liabilities	201,031	1,865	202,896
Net Assets	360,400	3,588	421,894
Equity			
Issued capital	276,074	34,673	341,068
Reserves	4,924	129	4,924
Retained earnings - current	79,402	(31,214)	78,902
Total Equity	360,400	3,588	421,894

** Adjusted for 100% ownership of Polaris Metals NL which occurred post 31 December 2009.

7.3 Assumptions

MRL acquires 100% acceptance of the Mesa Shares.

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

Purchase consideration of \$64.993 million consists of:

	\$'000
New MRL Shares for MAS Shares at MRL market value on 1 April 2010 of \$7.65	\$64,993
Total Purchase Consideration	\$64,993

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

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

The after tax impact of expenses of the acquisition of \$3,500,000 (including stamp duty) have been expensed in accordance with Australian Accounting Standard AASB3 Business Combinations.

7.4 Outlook for the Merged Entity

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to MRL, Mesa or the Merged Entity.

MRL considers that the inclusion of financial forecasts would be speculative and potentially misleading for Mesa Shareholders given:

- (a) there is limited public information about the prospectivity of Mesa's manganese ore assets and technology;
- (b) Mesa's assets are presently undeveloped;
- (c) the rate of development is subject to inherent risks associated with material grades and quantities, mining and process equipment availability, port and rail access, the granting of production licences, extraction and logistics costs, and
- (d) the future market prices for manganese is inherently uncertain.

8. AUSTRALIAN TAX CONSIDERATIONS

8.1 Taxation consequences for Mesa Shareholders

Shareholders holding Shares on Revenue Account

The Australian tax consequences for Mesa Shareholders who hold their Mesa Shares **on revenue account** and who accept the Offer will be to include the amount received (the market value of the MRL shares) over the cost of acquisition of the Mesa shares as ordinary assessable income. Where the market value of MRL shares is less than the cost of Mesa Shares the loss can be claimed as a tax deduction.

Shareholders holding Shares on Capital Account

In broad terms the Australian tax consequences for Mesa Shareholders who hold their Mesa Shares **on capital account** and who accept the Offer will depend on whether or not 'scrip for scrip' capital gains tax rollover relief is available and, if available, is elected. The following discussion considers the general Australian tax consequences for Mesa Shareholders where:

- (a) rollover relief is not available or is not elected; and
- (b) rollover relief is available and is elected.

Given the complexity of the taxation legislation, Mesa Shareholders should seek independent taxation advice regarding the tax consequences of disposing of Mesa Shares given the particular circumstances which apply to them.

- (c) Acceptance of the Offer where rollover relief is not available or is not elected
 - (i) Acceptance of the Offer is likely to involve a disposal by a Mesa Shareholder of his Mesa Shares for capital gains tax (CGT) purposes.
 - (ii) An Australian-resident Mesa Shareholder may make a capital gain or capital loss, depending on whether his capital proceeds from the exchange are more than the cost base of his Mesa Shares, or whether those capital proceeds are less than the cost base of those shares.
 - (iii) Mesa Shareholders who are not resident in Australia for tax purposes will generally be subject to Australian CGT on the disposal of Mesa Shares if:
 - (A) together with their associates, they directly or indirectly own at least 10% or more (by value) of the shares in Mesa:
 - (I) at the time of the sale; or
 - (II) throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and
 - (B) if more than 50% of the value of Mesa's assets is attributable to Australian real property,

subject to the terms of any applicable double tax agreement. It is imperative that non-residents independently confirm their Australian tax position.

- (iv) The capital proceeds that a Mesa Shareholder will be taken to have received in respect of the disposal of his Mesa Shares will generally be the market value of MRL Shares on the date of implementation of the Offer.
- (v) The cost base of Mesa Shares will generally be the cost at which they were acquired including any incidental costs of acquisition.
- (vi) If a Mesa Shareholder does not elect for rollover relief, or that relief is not available, then partial tax relief may be available in the form of the CGT discount.

Specifically, where Mesa Shares have been held for at least 12 months before their disposal, a shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Mesa Shares by the CGT discount (see below).

The CGT discount will be available if the relevant Mesa Shares have been held for at least 12 months.

Subject to the Mesa Shareholder having any capital losses or net capital losses from previous income years, where the CGT discount is available, eligible Mesa Shareholders which are individuals or trustees of trusts will reduce the capital gain arising on the disposal of Mesa Shares by one-half. For individuals, this reduced gain should be assessed at the shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Subject to the Mesa Shareholder having any capital losses or net capital losses from previous income years, where Mesa Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any capital losses or net capital losses from previous income years. Mesa Shareholders having any capital losses or net capital losses from previous income years should seek independent advice in relation to the potential availability of the CGT discount.

Mesa Shareholders who are companies will not be entitled to the CGT discount.

- (vii) Where the amount of capital proceeds received by a Mesa Shareholder in respect of the disposal of his Mesa Shares (that is, the market value of the MRL Shares received pursuant to the Offer for his Mesa Shares) is less than the reduced cost base of those Mesa Shares, then the shareholder should realise a capital loss for Australian CGT purposes.

- (d) Acceptance of the Offer where rollover relief is available and is elected
- (i) Australia-resident Mesa Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration referable to MRL Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.
 - (ii) In broad terms, these qualifying conditions include the requirement that MRL must make an offer to all shareholders in Mesa to acquire their voting shares on substantially the same terms and MRL must become the owner of at least 80% of the voting shares in Mesa as a consequence of the Takeover Bid.
 - (iii) If the qualifying conditions are satisfied and a Mesa Shareholder elects for rollover relief to apply, the rollover relief is available.
 - (iv) The effect of the rollover relief is that the Mesa Shareholder's total capital gain will be deferred until the MRL shares are disposed of.
 - (v) Mesa Shareholders who elect for rollover relief will retain the cost base of their Mesa Shares as the cost base of their replacement MRL Shares. The cost base of a Mesa Shareholder's replacement MRL Shares is equal to the cost base of his Mesa Shares.
 - (vi) As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and Mesa Shareholders elect to apply for it. Further, rollover relief is not available if Mesa Shareholders realise a capital loss on the disposal of their Mesa Shares.
 - (vii) Given the complexity of the provisions governing rollover relief and the various qualifying conditions that need to be satisfied, Mesa Shareholders should seek independent taxation advice regarding their particular circumstances.
- (e) Non-resident Mesa Shareholders could only obtain rollover relief in very limited circumstances. It is imperative that non-residents seek independent tax advice to confirm their Australian tax position.

8.2 GST

- (a) GST should not apply to the disposal of Mesa Shares under the Offer, the issue of MRL Shares under the Offer, or any subsequent disposal of MRL Shares.
- (b) Mesa Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in MRL or Mesa. Mesa Shareholders should seek their own tax advice in this respect.

9. RISK FACTORS

9.1 Overview

If the Offer become unconditional, Mesa Shareholders who accept the Offer will become MRL Shareholders. In those circumstances, Mesa Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Mesa as a result of their indirect interest in Mesa through MRL;
- (b) be exposed to the risks which are specific to an investment in MRL; and
- (c) be exposed to additional risks relating to the Offer and the Merged Entity.

These risks are explained in detail below. Mesa Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. By accepting the Offer, Mesa Shareholders will be investing in MRL.

The business activities of MRL are subject to various risks that may impact on the future performance of MRL. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of MRL and cannot be mitigated.

Accordingly, an investment in MRL carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following.

9.2 Risks Relating to the Takeover Offer

Issue of MRL securities as consideration

Mesa Shareholders are being offered specific quantities of MRL Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of MRL Shares. Accordingly, the market value of the MRL Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.

Roll over Relief

A condition of the Offer is that the level of acceptance must result in MRL obtaining a relevant interest in at least 50.1% of all Mesa Shares. MRL reserves the right to waive this condition.

Consequently, MRL may not acquire the number of Mesa Shares sufficient to bring its total interest in Mesa to at least 80% of the voting shares, in which case scrip-for-scrip CGT rollover relief will not be available to holders of Mesa Shares.

Sale of MRL Shares

Under the Offer, MRL will issue a significant number of new MRL Shares. Some holders of Mesa may not intend to continue to hold their MRL Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for MRL Shares.

Change in control risk

If the Offer results in a change in control of Mesa, there may be adverse consequences for the Merged Entity. For example, the terms of the contracts to which Mesa is a party may entitle the other party to the contract to terminate the contract or revise its term in the event of a change of control of Mesa.

Acquisition of less than 90% of Mesa Shares

It is possible that MRL could acquire less than 90% of the Mesa Shares under the Offer, which would prevent MRL compulsorily acquiring all remaining Mesa securities. The existence of a minority interest in Mesa may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of Mesa ownership acquired by MRL.

Merger Integration

Integrating MRL and Mesa may produce some risks, including the integration of management, information systems and work practices. Furthermore, there is no guarantee that any synergy benefits or costs savings will be achieved on time or at all.

Due diligence

In preparing the information relating to Mesa contained in this Bidder's Statement, MRL has relied on publicly available information relating to Mesa and information provided to MRL as part of its due diligence. Risks may exist in relation to Mesa (which will affect the Merged Entity) of which MRL is unaware. If any material risks are known to the directors of Mesa, they must be disclosed in the Target's Statement to be issued by Mesa.

9.3 Business Risks of the Merged Entity

General economic climate

The Merged Entity's future can be affected by factors beyond its control such as supply and demand for its goods and services, and general economic conditions.

Counterparty risk

As part of the Merged Entity's commercial activities, the Merged Entity will be a party to, and enter into, various contracts with third parties for the supply of products and services, sales contracts and financial instruments, amongst other things. An inability of counterparties to meet their commitments under such contracts may have an impact on the Merged Entity's financial position.

Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Merged Entity depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Merged Entity if one or more of these employees cease their employment. MRL has had a stable senior management group for many years and actively manage its human resources to attract and retain key personnel.

Commodity Price and Demand Volatility and Exchange Rate Risks

The Merged Entity's performance will rely in part on prevailing market prices for, particularly, iron ore and manganese. A prolonged decline in the price of and demand for iron ore and manganese may have a material adverse effect on the Merged Entity.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Merged Entity are and will be taken into account in Australian currency, exposing the Merged Entity to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Additional Requirements for Capital

The continued operations of the Merged Entity are dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Merged Entity may not be able to access capital from debt or equity markets for future projects or developments, which could have a material adverse impact on the Merged Entity's business and financial condition.

Dividends

The Merged Entity's future dividend levels will be determined by the board of the Merged Entity having regard to financial results and the financial position of the Merged Entity. Currently, the board of MRL have adopted a policy of distributing at least 50% of post tax profits to shareholders as dividends. There is no guarantee that any dividend will be paid in future or, if paid, that they will be paid at previous levels.

Insurance Risks

MRL maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Merged Entity.

Market risk and interest rate volatility

From time to time, the Merged Entity may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest cost to the Merged Entity and, hence, may affect its profit. MRL has a policy of entering into fixed interest arrangements to finance plant and equipment in order to mitigate the risks of interest rates.

Competition

There is a risk that the Merged Entity will not be able to continue to compete profitably in the competitive industry in which it operates. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Merged Entity.

Health Safety and the Environment

The business of providing goods and services to the resources sector involves a variety of risks to the health and safety of personnel and to the environment. It is conceivable that an incident may occur which might negatively impact on the Merged Entity's business. MRL has an exemplary safety and environment record and management of these areas is of paramount importance for managers of the group.

Exploration, Development and Production Risks

The exploration costs of the Merged Entity are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that any cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Merged Entity's viability.

The operations of the Merged Entity may be affected by various factors, including inability to develop the Merged Entity's assets into an economical business; failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in exploration and mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and failure to obtain necessary consents and approvals.

There can be no assurance that any exploration tenement, or any other mining tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Technical development of manganese processing technology

Mesa's manganese processing technology is in its early stages of development and there is no assurance that the technologies will have commercial application once fully developed. The inherent risks of developing and commercialising new technology apply to Mesa's operations and there is no assurance that this technology can be commercially exploited.

Compliance Risk

Title to a mining tenement may be subject to the holder complying with the terms and conditions of the tenement, including any minimum annual expenditure commitments. There is a risk that if the holder does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant interest.

Landowner Risk

The Merged Entity may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. The Merged Entity's ability to resolve compensation issues and compensation costs involved will have an impact on

the future success and financial performance of the Merged Entity's mining operations. If the Merged Entity is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Merged Entity.

Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Merged Entity's operations.

Environmental Risks

The mining tenement operations and proposed activities of the Merged Entity are subject to Australian laws and regulation concerning the environment. As with most exploration projects and mining operations, the Merged Entity's activities are expected to have an impact on the environment, particularly if advanced exploration or commencement of mining proceeds. It is the Merged Entity's intention to conduct its activities to the highest standard of environment obligation, including compliance with all environmental laws.

Changes in government policy and laws

Changes in government policy (such as in relation to taxation) or statutory changes may affect the Merged Entity's business and its operations.

Forward looking information

Certain information in this Bidder's Statement constitutes forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure of the Merged Entity to be different from the expectations expressed or implied in this Bidder's Statement.

Litigation

MRL is a party to the disclosed legal proceedings as set out in Section 10.12 of this Bidder's Statement and also is involved in legal proceedings and disputes from time to time due to the nature of its business.

Mesa is also a party to disclosed legal proceedings as set out in Sections 5.6 and 5.7 of this Bidder's Statement.

It is not possible to predict the likely outcome of the disclosed legal proceedings or the timing of those outcomes, nor any other proceedings and disputes MRL or Mesa may be involved in from time to time. Any adverse finding made against MRL or Mesa which cannot be successfully recovered from cross claims made against other parties may result in MRL or Mesa being liable to pay up to the amount claimed by the parties to the disclosed legal proceedings or other proceedings generally, and to adverse impacts on the financial position and operations of MRL or Mesa. MRL or Mesa may also be liable for costs of other parties to the disclosed proceedings if costs are awarded against it, or to other

proceedings, as well as its own legal costs.

9.4 General Securities Risk Factors

Share Market

There are general risks associated with any investment and the share market. The price of MRL Shares on the ASX may rise and fall depending on a range of factors beyond MRL's control and which are unrelated to MRL's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for MRL Shares. Accordingly, there is a risk that, should the market for MRL Shares become illiquid, MRL Shareholders and MRL optionholders will be unable to realise their investment in MRL.

Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in MRL are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, MRL, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Bidder's Statement.

10. OTHER INFORMATION

10.1 MRL's Interest in Mesa

Immediately before this Bidder's Statement was lodged with the ASIC and as at the date immediately before the Offer is sent, MRL and its associates had no relevant interest in, and voting power in relation to, Mesa's securities.

10.2 Acquisitions of Mesa Securities by MRL and its Associates during the last 4 Months

MRL and its associates have not made any acquisitions or disposals of Mesa Shares in the 4 months prior to the date of this Bidder's Statement.

10.3 Collateral Benefits

During the period of 4 months before the date of this Bidder's Statement, neither MRL nor any associate of MRL gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their Mesa Shares,

and which is not offered to all holders of Mesa Shares under the Offer.

10.4 MRL is a Disclosing Entity

Due to the fact that MRL is offering MRL Shares as consideration for the acquisition of Mesa Shares under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of MRL Shares under Sections 710 to 713 of the Corporations Act.

MRL is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all companies, MRL is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of MRL's securities.

MRL Shares have been quoted on the official list of ASX during the 3 months prior to the date of this Bidder's Statement. For this reason, MRL is only required to disclose information in this Bidder's Statement that would usually be required in a "transaction specific prospectus".

In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on MRL and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has not previously been disclosed to ASX.

Having taken such precautions and having made such enquiries as are reasonable, MRL believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Bidder's Statement which required MRL to notify ASX of

information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete.

MRL, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to MRL (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the Closing Date:
 - (i) the annual financial report most recently lodged by MRL with the ASIC;
 - (ii) any half year financial report lodged with the ASIC by MRL after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Bidder's Statement with the ASIC; and
 - (iii) any documents used to notify ASX of information relating to MRL during that period in accordance with ASX Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to MRL can be inspected at the registered office of MRL during normal office hours.

For details of documents lodged with ASX since the date of lodgement of MRL's latest financial report refer to Annexure B of this Bidder's Statement.

10.5 Information about MRL Shares

The MRL Shares to be issued pursuant to the Offer will, from their date of issue, rank equally in all respects with existing MRL Shares on issue. The rights attaching to the Shares arise from a combination of MRL's Constitution, statute and general law. A summary of the rights attaching to the MRL Shares is set out below:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of MRL.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of MRL.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. No dividend shall carry interest as against MRL.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by MRL by subscribing for Shares in MRL on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of MRL, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of MRL such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of MRL may be properly applied.

(d) Winding-Up

If MRL is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of MRL, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Transfer of Shares

Generally, Shares in MRL are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(f) Future Increase in Capital

The allotment and issue of any new Shares is under the control of the Directors of MRL. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) Variation of Rights

Under Section 246B of the Corporations Act, MRL may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not MRL is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

10.6 Risk Factors

Mesa Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer.

The principal risk factors associated with MRL's existing business and acceptance of the Offer is set out in Section 9.

10.7 Disclosure of Interests / Fees and benefits payable to Directors and Advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of MRL;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of MRL; or
- (d) broker or underwriter in relation to the issue of MRL Shares pursuant to the Offer,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (i) the formation or promotion of MRL;

- (ii) any property acquired or proposed to be acquired by MRL in connection with its formation or promotion or in connection with the offer of MRL Shares under the Offer; or
- (iii) the issue of MRL Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a director or expert of MRL or otherwise for services rendered by him in connection with the formation or promotion of MRL or the issue of MRL Shares under this Bidder's Statement.

10.8 Disclosure of Interests

The directors of MRL have the following interests in MRL securities and Mesa securities (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

Director	MRL Shares	MRL Options	Mesa Shares
P Wade	4,416,162	Nil	Nil
J Ricciardo	2,055,750	Nil	Nil
M Dutton	500,000	Nil	Nil
C Ellison	36,062,814	Nil	Nil
Kelvin Flynn	Nil	Nil	Nil

Notes:

1. This table includes interests held by related parties of the Directors.

10.9 Fees and Benefits

The Constitution of MRL provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by MRL in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

In the last two financial years, \$1,175,028 in 2008 and \$1,204,182 in 2009 has been paid by MRL by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, as set out below.

Director Remuneration	2008	2009	2010 (YTD)
P Wade	\$476,819	\$502,456	\$328,845
J Ricciardo	\$235,967	\$196,554	\$71,688
M Dutton	\$64,881	\$98,100	\$1,181,512**
C Ellison	\$397,361	\$407,072	\$278,788

K Flynn	Nil	Nil	\$Nil
TOTAL	\$1,175,028	\$1,204,182	\$1,860,833

** includes a share based payment expense of \$1,009,824.

MRL estimates it will incur fees for services provided in connection with the Offer, including for legal, taxation and financial advisers, in the amount of approximately \$0.25 million.

10.10 Consents

In accordance with Section 636(3) of the Corporations Act:

- (a) Steinepreis Paganin has consented to being named as legal advisers to MRL in this Bidder's Statement and has not withdrawn its consent prior to lodgement of this Bidder's Statement with the ASIC;
- (b) Computershare Investor Services Pty Limited has consented to being named as the share registry to MRL in this Bidder's Statement and has not withdrawn its consent prior to lodgement of this Bidder's Statement with the ASIC;
- (c) RSM Bird Cameron Partners has consented to being named as the auditor to MRL in this Bidder's Statement and to the inclusion of the audit reviewed balance sheet for MRL in Section 7 of this Bidder's Statement in the form and context in which it appears and has not withdrawn its consent prior to lodgement of this Bidder's Statement with the ASIC;
- (d) Jonathan Lea has consented to being named as the competent person and to the inclusion in section 4.2 of this bidder's statement of the matters based on his information in the form and context in which it appears, and has not withdrawn that consent prior to lodgement of this Bidder's Statement with the ASIC.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the Bid Period, please contact MRL on +61 8 9437 7099. Please note any calls to this line may be recorded.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from the ASX without its consent.

10.11 Funding of Offer

The total amount of cash that MRL may become obliged to pay to satisfy all expenses incurred by MRL and relating to the Offer will be provided from MRL's existing cash balances and financing facilities.

10.12 Material Litigation

MRL or its subsidiaries are currently in the pre-trial stages for the following material disputes:

- (a) a claim by MRL and Crushing Services International Pty Ltd for equitable damages against a former director and Chairman of MRL. Pleadings have been lodged with the Supreme Court and a defence and counterclaim from the defendant was lodged on 3 September 2009. The matter is expected to be concluded in 2010. It is not possible to quantify the costs of this matter or the quantum of any settlement at this time; and
- (b) a site access dispute between Process Minerals International Pty Ltd (**PMI**) and Consolidated Minerals Ltd and Pilbara Manganese Pty Ltd. Pleadings are essentially complete as is discovery. If not settled, the matter is expected to proceed to trial in 2010. It is not possible to quantify the costs of this matter or the quantum of any settlement at this time.

10.13 Ineligible Foreign Mesa Shareholders

MRL will appoint an ASIC approved nominee (**Sale Nominee**) for Ineligible Foreign Mesa Shareholders who accept the Offer in accordance with Section 619(3) of the Corporations Act. If you are an Ineligible Foreign Mesa Shareholder who accepts the Offer then, despite any other provision of this Offer, you will receive for your MRL Shares a cash amount calculated under clause 1.8 of Annexure A.

For the purposes of this Bidder's Statement, you are **not** an Ineligible Foreign Mesa Shareholder if:

- (a) your address as recorded in the Mesa register is within Australia or its external Territories or New Zealand; or
- (b) you have appointed an agent in Australia to receive and accept the Offer on your behalf.

Also, a person will not be an Ineligible Foreign Mesa Shareholder if MRL is satisfied, acting reasonably, that the laws of the country of residence of that Mesa Shareholder (as shown in the Mesa register) permit the issue and allotment of MRL Shares either unconditionally or after compliance with conditions which MRL in its sole discretion regards as acceptable. Notwithstanding anything else in this Bidder's Statement, MRL is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

10.14 Unmarketable Parcels

Where an accepting Mesa Shareholder becomes entitled under the Offer to be issued MRL Shares that comprise an Unmarketable Parcel (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), the MRL Shares to which the Mesa Shareholder would otherwise be

entitled under the Offer will be sold by the Sale Nominee established in relation to Ineligible Foreign Mesa Shareholders, with the net proceeds of the sale remitted to the Mesa Shareholder in accordance with the process described in clause 1.9 of Annexure A.

10.15 Bid Implementation Agreement

The Bid Implementation Agreement contains the following key terms (amongst others summarised elsewhere in this Bidder's Statement).

- (a) **Recommended Bid:** The Mesa Directors have agreed to recommend the Offer subject to their duties as Mesa directors and there being no Superior Proposal or some other reason in law requiring them to do otherwise.
- (b) **Minimum Acceptance Condition:** that during, or at the end of, the Offer Period, MRL acquires a relevant interest of more than 50.1% of all Mesa Shares.
- (c) **Exclusivity Arrangements:** Until the earlier of the end of 4 months after execution of the Bid Implementation Agreement and the termination of the Bid Implementation Agreement, Mesa has agreed to comply with certain restrictions commonly referred to as no shop, no talk and no due diligence provisions, subject to carve outs in relation to director's duties.
- (d) **Mesa Break Fee:** Mesa has agreed to pay MRL a break fee of \$610,000 in the event:
 - (i) a Competing Proposal has been publicly announced, proposed, offered or made to the Mesa Shareholders or to Mesa, and such Competing Proposal results in a third party acquiring more than 50.1% of all Mesa Shares; or
 - (ii) the Mesa Board withdraws, qualifies or changes any of its recommendations or determinations in a manner adverse to MRL or causes Mesa to execute any agreement in relation to a Superior Proposal or resolves to do either of the foregoing prior to the expiry of the Offer Period in relation to the Offer.

10.16 Other Material Information

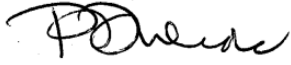
There is no other information material to the making of a decision by a holder of Mesa Shares whether or not to accept the Offer being information that is known to MRL and which has not previously been disclosed to holders of Mesa securities other than as is contained elsewhere in this Bidder's Statement.

10.17 Date for Determining Holders

For the purposes of Section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under Items 6 and 12 of Section 633(1) of the Corporations Act is 5pm (WST) 6 April 2010.

This Bidder's Statement is dated 6 April 2010 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

A handwritten signature in black ink, appearing to read 'Peter Wade', written in a cursive style.

Peter Wade
Chairman

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

Acceptance Form means the Share Acceptance Form, as the context requires.

Announcement Date means 22 March 2010.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.

ASTC means the ASX Settlement & Transfer Corporation.

ASTC Settlement Rules means the operating rules of the settlement facility provided by ASTC.

Bid Implementation Agreement means the bid implementation agreement between MRL and Mesa dated 21 March 2010.

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means this document including the Annexures.

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

CHESS means the Clearing House Electronic Subregister System.

CHESS Holding means a holding that is sponsored by CHESS.

Competing Proposal means a transaction or arrangement under which a third party will, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in, all or a significant part of the business of the Mesa Group;
- (b) acquire a relevant interest in 20% or more of Mesa's Shares;
- (c) otherwise acquire control of Mesa or the Mesa Group within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Mesa or its businesses, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding company for the Mesa Group or other synthetic merger or any other transaction or arrangement.

Controlling Participant has the meaning given in the ASTC Settlement Rules. Usually your Controlling Participant is a person, such as a broker, with whom you

have a sponsorship agreement (within the meaning of the ASTC Settlement Rules).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of MRL.

Disclosure Material means, in respect of a party, material released by that party to ASX on the Company Announcements Platform.

Foreign Law means a law of a jurisdiction other than Australia.

Group in respect of a party, means that party and each of its Subsidiaries.

Ineligible Foreign Mesa Shareholder means any Mesa Shareholder whose address, as entered in the register of members of Mesa, is outside of Australia (and its external Territories) and New Zealand but **does not include** any Mesa Shareholder that has appointed an agent in Australia or New Zealand to receive and accept the Offer on their behalf. Also, a person will not be an Ineligible Foreign Mesa Shareholder if MRL is satisfied, acting reasonably, that the laws of the country of residence of that Mesa Shareholder (as shown in the Mesa register) permit the issue and allotment of MRL Shares either unconditionally or after compliance with conditions which MRL in its sole discretion regards as acceptable.

Issuer Sponsored Holding means a holding of Mesa Shares on Mesa's issuer sponsored subregister.

Listing Rules means the Official Listing Rules of ASX, as amended from time to time.

Material Adverse Change means any one or more events, occurrences or matters which individually or when aggregated with all such events, occurrences or matters of a like kind or category, has a material adverse effect on the business, properties, financial condition, results, operations or prospects of Mesa, taken as a whole, other than to the extent that they result from an event, occurrence or matter which was announced to ASX or otherwise fairly disclosed to MRL in writing prior to the Announcement Date provided that any disclosure was full and fair (including, without limitation, in relation to the extent and magnitude of the event, change, condition, matter or thing, as the case may be) and was not, and is not likely to be, incomplete, incorrect, untrue, misleading or deceptive.

Merged Entity means MRL and its subsidiaries following the acquisition by MRL of all, or a majority of the Mesa Shares.

MRL means Mineral Resources Limited (ABN 33 118 549 910).

MRL Group means MRL and its Subsidiaries.

MRL Option means an option to acquire an MRL Share.

MRL Share means a fully paid ordinary share in MRL.

MRL Shareholder means a holder of a MRL Share.

Offer means the off market takeover offer by MRL of one MRL Share for every 70.6 Mesa Shares on the terms set out in this Bidder's Statement.

Offer Period means the period during which the Offer is open for acceptance.

Official List means the official list of entities that ASX has admitted and not removed.

Official Quotation means official quotation on ASX.

Mesa means Mesa Minerals Limited (ACN 009 113 160).

Mesa Board means the board of directors of Mesa.

Mesa Group means Mesa and its Subsidiaries.

Mesa Share means a fully paid ordinary share in Mesa, and all Rights attaching to that share.

Mesa Shareholder means a holder of Mesa Shares.

Prescribed Occurrence means the following occurrences (being the occurrences listed in section 652C of the Corporations Act):

- (1) Mesa converting all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Mesa or a subsidiary of Mesa resolving to reduce its share capital in any way;
- (3) Mesa or a subsidiary of Mesa entering into a buyback agreement or resolving to approve the terms of a buyback agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (4) Mesa or a subsidiary of Mesa making an issue of shares (other than shares issued as a result of the exercise of existing options) or granting an option over its shares or agreeing to make such an issue or grant such an option;
- (5) Mesa or a subsidiary of Mesa issuing, or agreeing to issue, convertible notes;
- (6) Mesa or a subsidiary of Mesa disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Mesa or a subsidiary of Mesa charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (8) Mesa or a subsidiary of Mesa resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Mesa or of a subsidiary of Mesa;
- (10) the making of an order by a court for the winding up of Mesa or of a subsidiary of Mesa;
- (11) an administrator of Mesa or of a subsidiary of Mesa being appointed under sections 436A, 436B or 436C of the Corporations Act;
- (12) Mesa or a subsidiary of Mesa executing an agreement of company arrangement; or
- (13) the appointment of a receiver, or a receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Mesa or of a subsidiary of Mesa.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court in respect of proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer). It also includes any self-regulatory organisation established under statute or any stock exchange.

Record Date means the date set by MRL under section 633(2) of the Corporations Act, being 5pm (WST) on 6 April 2010.

Relevant Interest has the meaning given in section 9 of the Corporations Act.

Rights means all accretions to and rights attaching to the relevant Mesa Share at or after the date of this Bidder's Statement (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Mesa).

Sale Nominee has the meaning given in Section 1.8 of Annexure A to this Bidder's Statement.

Share Acceptance Form means the form of acceptance for the Offer enclosed with this Bidder's Statement or alternatively any acceptance form sent to a Mesa Shareholder by MRL's share registry in relation to the Offer.

Offer means the offer, to be made by MRL to acquire Mesa Shares on the terms set out in Annexure A.

Offer Period means the period referred to in Section 1.3 of Annexure A, during which the Offer remains open for acceptance.

Subsidiary means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

Superior Proposal means a Competing Proposal which in the determination of the Mesa Board acting in good faith is a Competing Proposal in relation to Mesa that the directors, acting in good faith and in order to satisfy what the board of directors of Mesa considers to be their fiduciary or statutory duties, consider would, if completed substantially in accordance with its terms, result in a transaction more favourable to the shareholders of Mesa than the Takeover Offer contemplated by this Agreement.

Takeover means the proposed takeover of Mesa by MRL by way of an off market conditional takeover offer.

Takeover Bid means MRL's takeover bid for Mesa by making the Offer.

Unmarketable Parcel has the meaning given to that term 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.

WST means Perth (Western Australian) Standard Time.

\$ means Australian dollars.

11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASTC Rules, as the case may be;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

ANNEXURE A – TERMS OF OFFER

1.1 General Terms

- (a) MRL offers to acquire all of your Mesa Shares, together with all Rights attached to them, on the following terms and conditions.
- (b) The consideration being offered by MRL for the acquisition of all of your Mesa Shares is **one MRL Share** for each 70.6 Mesa Shares you own, subject to the terms and conditions set out in this Offer.
- (c) If you become entitled to a fraction of a MRL Share under the Offer, the number of MRL Shares will be rounded up to the nearest whole number (if equal to a fraction of 0.5 or greater) or rounded down (if equal to a fraction of less than 0.5). For the avoidance of doubt, a Mesa Shareholder (other than an Ineligible Foreign Mesa Shareholder) with less than 70.6 Mesa Shares will receive one MRL Share.
- (d) If you are an Ineligible Foreign Mesa Shareholder then, despite any other provision of this Offer, you are offered and will receive for your Mesa Shares a cash amount calculated under clause 1.8 of this Annexure A.
- (e) If you accept the Share Offer and are eligible to under the Offer to be issued an Unmarketable Parcel of MRL Shares, the MRL Shares to which you would otherwise be entitled under the Offer will be sold by the Sale Nominee as if you were an Ineligible Foreign Mesa Shareholder, with the net proceeds of the sale remitted to you in accordance with clause 1.8 of Annexure A.
- (f) The MRL Shares to be issued pursuant to this Offer will be fully paid and, from their date of issue, rank equally in all respects with existing MRL Shares currently on issue.
- (g) The rights and obligations of the MRL Shares are set out in Section 10.5 of the Bidder's Statement.

1.2 Official Quotation

MRL will apply for official quotation of the MRL Shares on ASX. Quotation will not be automatic but will depend on ASX exercising its discretion. MRL has already been admitted to the official list of ASX and the MRL Shares to be issued under the Offer is of the same class as MRL Shares already quoted on ASX. MRL cannot guarantee, and does not represent or imply, that the MRL Shares will be listed on the ASX following issue.

1.3 Offer Period

Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5:00pm (WST) on 14 May 2010, subject to any extension in accordance with the Corporations Act.

1.4 Who May Accept

- (a) An Offer in this form and bearing the same date is being made to each person registered as a holder of Mesa Shares on Mesa's register of members as at the Record Date.
- (b) The Offer also extends to each person who, during the period from the Record Date until the expiry of the Offer Period, becomes registered or entitled to be registered as a holder of Mesa Shares due to the conversion of, or exercise of rights attached to options that are on issue at the Record Date.
- (c) A person who:
 - (i) is able during the Offer Period to give good title to a parcel of Mesa Shares; and
 - (ii) has not already accepted this Offer which relates to those Mesa Shares,may accept as if an Offer from MRL on terms identical with this Offer had been made to that person in relation to those Mesa Shares.
- (d) If, at any time during the Offer Period and before this Offer is accepted, any person holds one or more distinct parcels of Mesa Shares (for example, as trustee, nominee or otherwise on account of another person) within the meaning of Section 653B of the Corporations Act, then:
 - (i) this Offer is deemed to consist of a separate corresponding Offer to that person in relation to each distinct parcel of Mesa Shares; and
 - (ii) acceptance by that person of the Offer for any distinct parcel of Mesa Shares is ineffective unless the person gives written notice to MRL stating that the Mesa Shares consist of distinct portions and the acceptance specifies the number of the Mesa Shares in each separate parcel to which the acceptance relates.
- (e) This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

1.5 How to Accept this Offer

- (a) You may only accept this Offer in respect of 100% (and not a lesser number) of your Mesa Shares. For example, if you have 10,000 Mesa Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 Mesa Shares.
- (b) You may only accept this Offer during the Offer Period.
- (c) The method by which you can accept this Offer will depend on whether your Mesa Shares are in an Issuer Sponsored Holding or a CHESS Holding.

Your Mesa Shares are in an Issuer Sponsored Holding if they are sponsored directly by Mesa as issuer. Your Mesa Shares are in a CHES Holding if they are sponsored by a Broker or other CHES participant or if you are a Broker or Non-Broker Participant.

(d) **Issuer Sponsored Holdings:** If your Mesa Shares are held on Mesa's issuer sponsored subregister when you accept (in which case your Securityholder Reference Number is prefixed with an 'I'), you must:

- (i) complete and sign the Share Acceptance Form in accordance with the instructions on the Share Acceptance Form; and
- (ii) ensure that the Share Acceptance Form together with all other documents required by the instructions on it are received at the following address before the end of the Offer Period:

Mailing Address:

Mineral Resources Limited
C/- Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840

(e) **CHES Holdings:** If your Mesa Shares are in a CHES Holding when you accept this Offer (in which case your Holder Identification Number is prefixed with 'X'), you must comply with the ASTC Settlement Rules. Accordingly, to accept this Offer in respect of your Mesa Shares:

- (i) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
- (ii) if you are not the Controlling Participant, you may either:
 - (A) instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules so as to be effective before the end of the Offer Period. For non institutional shareholders, your "Controlling Participant" will normally be the stockbroker through whom you either bought your Mesa Shares or through whom you ordinarily trade shares on ASX; or
 - (B) alternatively, you may sign and complete the accompanying Share Acceptance Form in accordance with the terms of this Offer and the instructions on the Share Acceptance Form and ensure that it is received (together with all documents required by the terms of this Offer) before the expiry of the Offer Period at the address specified in Section 1.5(d)(ii) of this Annexure A. In that case, you will be deemed to have authorised Computershare Investor Services Pty Limited to forward your instructions to your Controlling Participant, who will then accept this Offer on your behalf during the Offer Period in accordance with the ASTC Settlement Rules and the Corporations Act. You

must ensure that the Acceptance Form(s) (and the other required documents) are received in sufficient time for MRL to request your Controlling Participant to accept, and for your Controlling Participant to carry out your instructions.

CHESS holders should note that acceptance of the Offer will not be effected until it is received by their Controlling Participant and processed by them electronically through CHESS.

- (f) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to Sections 650E and 650G of the Corporations Act.
- (g) MRL may, in its sole discretion, at any time deem any Share Acceptance Form it receives to be a valid acceptance in respect of your Mesa Shares even if a requirement for acceptance has not been complied with.

1.6 The Effect of Acceptance

- (a) By following the procedures described in Section 1.5 of this Annexure A, you will be deemed to have:
 - (i) accepted this Offer (and any variation to it) in respect of the Mesa Shares registered in your name to which this Offer relates, regardless of the number of Mesa Shares specified in the Share Acceptance Form;
 - (ii) agreed to the terms of the Offer and, subject to the conditions contained in Section 1.10 of this Annexure A being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASTC Settlement Rules) to MRL all of your Mesa Shares;
 - (iii) agreed to accept the consideration being offered by MRL and agreed to be bound by the Constitution of MRL;
 - (iv) authorised MRL to complete the Share Acceptance Form by correcting any errors in or omissions from the Share Acceptance Form as may be necessary:
 - (A) to make the Share Acceptance Form an effective acceptance of this Offer; and/or
 - (B) to enable registration of the transfer to MRL of your Mesa Shares;
 - (v) irrevocably authorised and directed Mesa to pay to MRL or to account to MRL for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Offer in respect of your Mesa Shares (subject to MRL accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);

- (vi) represented and warranted to MRL that:
 - (A) MRL will acquire good title to and beneficial ownership of all of your Mesa Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
 - (B) you have paid Mesa all amounts which are due in respect of your Mesa Shares;
 - (C) all of your Mesa Shares are fully paid; and
 - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Mesa Shares (together with all Rights attached to them) to MRL;
- (vii) unless you are an Ineligible Foreign Mesa Shareholder (as that expression is defined in Section 11 of this Bidder's Statement), or entitled to an Unmarketable Parcel of MRL Shares under the Offer, agreed to accept the MRL Shares to which you become entitled by accepting this Offer subject to MRL's Constitution and the terms of issue of the MRL Shares and to have authorised MRL to place your name on its register of shareholders as the holder of the MRL Shares issued to you under the Offer;
- (viii) acknowledged and agreed that if you are an Ineligible Foreign Mesa Shareholder, MRL will arrange for any MRL Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in Section 1.8 of this Annexure A;
- (ix) represented and warranted to MRL that the making by MRL to you, and your acceptance, of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer, and to your acceptance of this Offer;
- (x) agreed to indemnify MRL fully in respect of any claim, demand, action, suit or proceeding made or brought against MRL and any loss, cost, expense, damage or liability whatsoever suffered or incurred by MRL as a result of you not producing your HIN or SRN or in consequence of the transfer of your Mesa Shares to MRL being registered by MRL without production of your HIN or SRN;
- (xi) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) MRL and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Mesa Shares or in exercise of any right or power derived from the holding of your Mesa Shares including, without limitation:
 - (A) attend and vote in respect of your Mesa Shares at any and all meetings of Mesa;

- (B) requisition or join with other holders of Mesa Shares in requisitioning and/or convening a meeting of the members of Mesa;
- (C) demand a poll for any vote to be taken at any meeting of Mesa Shareholders;
- (D) propose or second any resolutions to be considered at any, and all meetings of Mesa Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of MRL as a proxy in respect of all or any of your Mesa Shares and a transfer form for your Mesa Shares), proxies, consents, agreements and resolutions relating to your Mesa Shares;
- (F) request Mesa to register in the name of MRL or its nominee your Mesa Shares which you hold on any register of Mesa; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of MRL as the beneficial owner and intended registered holder of your Mesa Shares in respect of which you have accepted this Offer and to have further agreed to do all such acts, matters and things that MRL may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the Constitution of Mesa) if requested by MRL. This appointment is irrevocable and terminates upon registration of a transfer to MRL or your Mesa Shares; and

- (xii) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, agreed not to vote in person at any general meeting of Mesa or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on MRL and the directors, secretaries and other officers of MRL by Section 1.6(a)(xi) of this Annexure A.

- (b) The representations, warranties, undertakings and authorities referred to in this Section 1.6 of Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Mesa Shares and after MRL becomes the register as the holder of them.
- (c) MRL may at any time in its absolute discretion:
 - (i) treat the receipt by it of an Share Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with; and

- (ii) where you have satisfied the requirements for acceptance in respect of only some of your Mesa Shares, treat the acceptance as a valid acceptance in respect of all of your Mesa Shares.

In respect of any part of an acceptance treated by it as valid, MRL will provide you with the relevant consideration in accordance with Section 1.7(a) of this Annexure A, and the exercise of MRL's rights under this Section 1.6 of this Annexure A will be conclusively and only evidenced by its so doing. This Section is not a condition of this Offer.

1.7 Provision of Consideration

- (a) Subject to the terms of this Offer and the Corporations Act, MRL will provide the consideration for your Mesa Shares not later than one month after this Offer is accepted or this Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (c) Subject to Sections 1.8 and 1.9 of this Annexure A, the obligation of MRL to allot and issue any MRL Shares to which you are entitled under the Offer will be satisfied:
 - (i) by entering your name on the register of members of MRL; and
 - (ii) if your name is entered into the issuer sponsored subregister of MRL, by MRL dispatching to you an issuer sponsored holding statement for the MRL Shares to which you become entitled by accepting this Offer (by pre-paid mail to your address as shown on the register of members of Mesa).
- (d) Where the Share Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with your acceptance, MRL will provide the consideration in accordance with Section 1.7(a) of this Annexure A;
 - (ii) if that document is given after acceptance and before the end of the Offer Period while this Offer is subject to a defeating condition, MRL will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) within one month after this Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after acceptance and before the end of the Offer Period while this Offer is not subject to a defeating condition, MRL will provide the consideration by the end of whichever of the following periods ends earlier:

- (A) one month after that document is given; or
- (B) 21 days after the end of the Offer Period; and
- (iv) if that document is given after the end of the Offer Period, MRL will provide the consideration within 21 days after that document is given.
- (e) If, at the time you accept the Offer, any of the following:
 - (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth); or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for your Mesa Shares, or would make it unlawful for MRL to provide any consideration to you for your Mesa Shares, you will not be entitled to receive any consideration for your Mesa Shares until all requisite authorities, clearances or approvals have been received by MRL.

1.8 Ineligible Foreign Mesa Shareholders

- (a) If you are an Ineligible Foreign Mesa Shareholder (as that expression is defined in Section 11 of this Bidder's Statement), and you accept this Offer, MRL will:
 - (i) arrange for the issue to a nominee approved by the ASIC (**Sale Nominee**) of the number of MRL Shares to which you and all other Ineligible Foreign Mesa Shareholders would have been entitled but for this Section;
 - (ii) cause those MRL Shares to be offered for sale on the ASX as soon as practicable and in any event not more than 15 Business Days after the expiry of the Offer Period for the Offer, in such manner, at such price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and
 - (iii) promptly pay, or procure that the Sale Nominee pays, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Ineligible Foreign Mesa Shareholders who accept the Offer receive the same value per Mesa Share, subject to rounding):

$$\text{Net Proceeds of Sale} \times \frac{YS}{TS}$$

Where:

- (A) **Net Proceeds of Sale** is the amount remaining after deducting the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges) from the proceeds of sale;
 - (B) **YS** is the number of MRL Shares which would, but for Section 1.8(a) of this Annexure A, have been allotted and issued to you; and
 - (C) **TS** is the total number of MRL Shares allotted and issued to the Sale Nominee under this Section in respect of the Mesa Shares held by all Ineligible Foreign Mesa Shareholders.
- (b) You will be paid your share of the proceeds of the sale of the MRL Shares by the Sale Nominee in Australian currency.
 - (c) Payment will be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Mesa register provided to MRL before your consideration cheque is produced.
 - (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of MRL Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

1.9 Unmarketable Parcels

If you accept the Share Offer and are eligible to under the Offer to be issued an Unmarketable Parcel of MRL Shares, the MRL Shares to which you would otherwise be entitled under the Offer will be sold by the Sale Nominee as if you were an Ineligible Foreign Mesa Shareholder, with the net proceeds of the sale remitted to you in accordance with clause 1.8 of Annexure A with references to "Ineligible Foreign Mesa Shareholders" read accordingly.

1.10 Defeating Conditions of this Offer

- (a) Subject to Sections 1.10(b) and 1.10(c) of this Annexure A, the Offer and any contract that results from acceptance of the Offer is subject to the fulfilment of the following conditions:
 - (i) **(Minimum Acceptance Condition)** that during, or at the end of, the Offer Period, MRL has acquired a relevant interest (as defined in the Corporations Act) in at least 50.1% of Mesa's fully paid, ordinary shares.
 - (ii) **(Minority Shareholder Action Defeated)** the withdrawal of all of the resolutions to be considered at the extraordinary general meeting of Mesa to be held on 26 March 2010 (**EGM**) or all of those resolutions being defeated at the EGM. This condition has been satisfied.
 - (iii) **(Material Adverse Change)** between the Announcement Date and the end of the Offer Period, no Material Adverse Change

occurs, is discovered, announced, disclosed or otherwise becomes known to MRL (whether or not becoming public).

- (iv) **(Prescribed Occurrences)** between the Announcement Date and the date that is three (3) business days after the end of the Offer Period, no Prescribed Occurrence occurs.
- (v) **(No Distributions)** between the Announcement Date and the end of the Offer Period (inclusive), Mesa does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
- (vi) **(Approvals)** before the end of the Offer Period, all approvals that are required by law, any regulatory body, shareholders or any third party, as are necessary to permit the Takeover Offer to be lawfully made to and accepted by Mesa shareholders are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
- (vii) **(Regulatory action)** between the Announcement Date and the end of the Offer Period, inclusive:
 - (A) there is not in effect any preliminary or final decision, order or decree issued by any regulatory authority;
 - (B) no action or investigation is announced, commenced or threatened by any regulatory authority; and
 - (C) no application is made to any regulatory authority (other than by MRL or any associate of MRL),

in consequence of or in connection with the Takeover Offer (including, without limitation, an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act except where such inclusion is contrary to the Corporations Act or any other law or government policy) which restrains, prohibits or impedes, or materially impacts upon, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Takeover Offer or which requires the divestiture by MRL of any Mesa Shares or any material assets of Mesa or any subsidiary of Mesa.

- (viii) **(Conduct of Mesa's business)** between the Announcement Date and the end of the Offer Period, none of Mesa, or any subsidiary of Mesa, without the written consent of MRL:
 - (A) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of

remuneration of any director, manager or other employee, except:

- (I) as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date; or
 - (II) any action undertaken in accordance with contractual obligations that exist at the Announcement Date; or
 - (B) has threatened or commenced against it any material claims or proceedings in any court or tribunal.
- (b) Each condition in Section 1.10(a) of this Annexure A is a separate, several and distinct condition, operates as a condition subsequent and is for the benefit of MRL alone and may only be relied upon by MRL.
- (c) MRL may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.10(a) of this Annexure A by giving notice to Mesa declaring the Offer to be free from the conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given:
- (i) in relation to the conditions in Section 1.10(a)(iv) of this Annexure A that comprise an event or circumstance referred to in Sections 652C(1) or (2) of the Act in relation to Mesa – not later than 3 business days after the end of the Offer Period; and
 - (ii) in relation to all other conditions – not later than 7 days before the end of the Offer Period.
- (d) Subject to the provisions of the Corporations Act, MRL alone will be entitled to the benefit of the conditions in Section 1.10(a) of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by MRL.
- (e) The date for giving the notice required by Section 630(3) of the Corporations Act is 7 May 2010, subject to extension in accordance with 630(2) if the Offer Period is extended.
- (f) The Offer is subject to the condition that permission for admission to official quotation by ASX of the MRL Shares to be issued pursuant to the Offer is sought no later than 7 days after the start of the Offer Period and is granted no later than 7 days after the end of the Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in Section 1.10 of this Annexure A. The Offer cannot be freed of this condition and consequently no statements made by MRL can be taken to waive that condition.

1.10 Withdrawal of Offer

MRL may withdraw this Offer at any time before you accept it, but only with the consent in writing of the ASIC (which consent may be given subject to such conditions, if any, as are imposed by the ASIC).

1.11 Variation

MRL may vary this Offer in accordance with Section 650D of the Corporations Act.

1.12 Stamp duty or other costs

All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp duty payable in respect of the transfers will be paid by MRL. No brokerage is payable by you if you accept this Offer.

1.13 Governing Law

This Offer and any contract that results from your acceptance of this Offer is governed by the laws in force in Western Australia.

1.14 Date of Offer

This Offer is dated 12 April 2010.

ANNEXURE B - MRL'S ASX ANNOUNCEMENTS

MRL has lodged the following announcements with ASX since the lodgement of MRL's half yearly financial report as at 31 December 2009:

Date Lodged	Description of Document
06/04/2010	MAS: Shareholder request for General Meeting
26/03/2010	Appendix 3B
23/03/2010	Change in substantial holding - PPT
22/03/2010	Appendix 3X Initial Directors' Interest Notice
22/03/2010	Appointment of Non-Executive Director
22/03/2010	MIN announces takeover bid for Mesa Minerals
22/03/2010	Intention to Make Takeover Bid
16/03/2010	Appendix 3B
12/03/2010	AUQ: Canning Well Manganese Farm Out Agreement with MIN
11/03/2010	Change in substantial holding from PPT
09/03/2010	Change in substantial holding for POL
08/03/2010	Appendix 3B
05/03/2010	SandP Announces March SP/ASX Index Rebalance
04/03/2010	RDR: Mt Marion Lithium – Drill Results/Development Timetable
23/02/2010	Presentation Material Half Year Result
19/02/2010	CSI named Rio Tinto's Supplier of Excellence Winner

ANNEXURE C – MESA’S ASX ANNOUNCEMENTS

Mesa has lodged the following announcements with ASX since the lodgement of Mesa's half yearly financial report as at 31 December 2009:

Date Lodged	Description of Document
06/04/2010	Shareholder request for General Meeting
01/04/2010	Change in substantial holding
31/03/2010	Appendix 3B
30/03/2010	Cease to be a substantial holder
29/03/2010	Change in substantial holding
26/03/2010	Chairman's Address to Extraordinary General Meeting
26/03/2010	Results of Extraordinary Meeting
26/03/2010	Change in substantial holding
25/03/2010	Change in substantial holding
23/03/2010	Change in substantial holding
22/03/2010	MIN announces takeover bid for Mesa Minerals
22/03/2010	Intention to Make Takeover Bid
19/03/2010	MZM: Auvex Resources Limited Letter to Shareholders
19/03/2010	Change in substantial holding
18/03/2010	Mesa Minerals Broadcast Transcript
18/03/2010	Trading Halt
16/03/2010	Mesa Minerals Limited Broadcast