



*(Mesa Minerals Limited is alternatively referred to in this document as "Mesa" or "the Company". ASX Code: MAS)*

## ASX RELEASE - 21 MAY 2010

### TAKEOVERS PANEL DECISION AND EGM UPDATE

The Takeovers Panel has now declared that unacceptable circumstances exist in relation to the affairs of Mesa due to the actions of Mighty River, Auvex and their associates.

The Takeovers Panel has ordered that Mighty River and Auvex will be not be able to vote in aggregate any more than 17% of the total share capital of Mesa.

Your Directors urge you to lodge your proxy form, with a vote **AGAINST** all the resolutions, with Computershare no later than the cut-off time of 10am (Perth time) on 26 May 2010.

#### TAKEOVERS PANEL DECISION

Mesa is pleased to confirm that the Takeovers Panel has today declared that unacceptable circumstances exist in relation to the affairs of Mesa. Specifically, the Takeovers Panel is satisfied that Mighty River International Limited (**Mighty River**) and Auvex Resources Limited (**Auvex**) are associates and as a result of their association, they hold (together with other associated parties), approximately 27% of the voting power in Mesa, well in excess of the 20% threshold in the Corporations Act.

Mesa made its application to the Takeovers Panel because it was concerned that Mighty River, Mr Yuzheng Xie and Auvex and their associates were attempting to gain control of Mesa with the intention of resolving the on-going joint venture disputes between Mesa and Auvex in favour of Auvex, defeating the Mineral Resources Limited (**MRL**) takeover bid and effecting a potential merger between Auvex and Mesa on terms favourable to Auvex shareholders.

The declaration bears out the concerns of the Mesa Board that Mighty River and Auvex are, and have been, acting as associates in relation to Mesa's affairs: concerns which the Board has made clear to shareholders in communications regarding the two general meetings which have been requisitioned by Mighty River.

Mesa Chairman, Mr Norman Coldham-Fussell, said that the Board was very pleased that the Panel made its declaration after considering the Company's application.

"In the Board's opinion, the declaration of the Panel validates the actions taken by the Board to protect the interests of Mesa shareholders" said Mr Coldham-Fussell.

The Takeovers Panel has ordered that Mighty River and Auvex must sell a specified number of their Mesa shares so that their combined holding in Mesa is reduced to 20%.

The Takeovers Panel order permits Mighty River and Auvex to dispose of their shares by accepting the MRL offer, however Mesa notes that under the terms of the MRL offer means that Mighty River and Auvex can only accept the offer in respect of all of their shares.

If Mighty River and Auvex do not accept the bid within 7 days, then the shares that Takeovers Panel has ordered to be sold, will be sold by an ASIC appointed broker.

#### **EXTRAORDINARY GENERAL MEETING UPDATE**

The extraordinary general meeting of Mesa to be held at 10am (Perth time) on 28 May 2010 at City West Function Centre, City West Centre, 45 Plaistow Mews, West Perth, Western Australia will not be postponed or delayed as a result of the Takeovers Panel decision. **Therefore, to be valid, proxies must be received by Computershare no later than 10am (Perth time) on 26 May 2010.**

To vote by proxy, shareholders should return their completed and signed proxy form either using the provided reply paid envelope, by facsimile or in person to:

Computershare Investor Services  
452 Johnston Street  
Abbotsford  
VIC 3067

Facsimile number:  
(within Australia) 1800 723 447  
(outside of Australia) +61 3 9473 2555.

Shareholders who require a replacement proxy form, or who wish to change their vote, may call Computershare on 1300 850 505 to request a new form.

Mesa notes that according to MRL's announcement of 20 May 2010, that if the offer is declared free of conditions, MRL intends to vote shares for which it has received acceptances against each of the resolutions. However, Mesa notes that the takeover offer currently remains conditional.

Therefore, shareholders who have accepted MRL's recommended takeover offer, are reminded that they are still eligible to vote and that their votes will be valid at the EGM if the takeover offer remains conditional.

In light of the Takeover Panel's declaration, the Mesa directors reiterate their recommendation that shareholders **VOTE AGAINST** the resolutions proposed by Mighty River at the EGM. The Board believes that Mighty River is seeking to gain control of Mesa, without paying shareholders an appropriate premium for that control.

The Mesa directors believe that if the resolutions are successful and the Mesa board is replaced by Mighty River's nominees, the new directors will not be independent and will act in the interests of Mighty River and its associates, including Auvex, rather than in the best interests of other Mesa shareholders. This may involve:

- the resolution of the joint venture disputes in favour of Auvex;
- withdrawal of the board recommendation of the Mineral Resources offer (which could lead to the offer closing unsuccessfully and would result in a break fee of \$610,000 being payable by Mesa); and
- a merger between Auvex and Mesa which does not place a fair value on Mesa and which is favourable to Auvex's shareholders.

Until Mighty River and Auvex have sold their Mesa shares, the Takeovers Panel has ordered that the total number of votes that can be cast by Mighty River and Auvex at the EGM is capped at 105,241,019 or approximately 17% of the total share capital of Mesa.



.....  
Alan Scott  
Managing Director